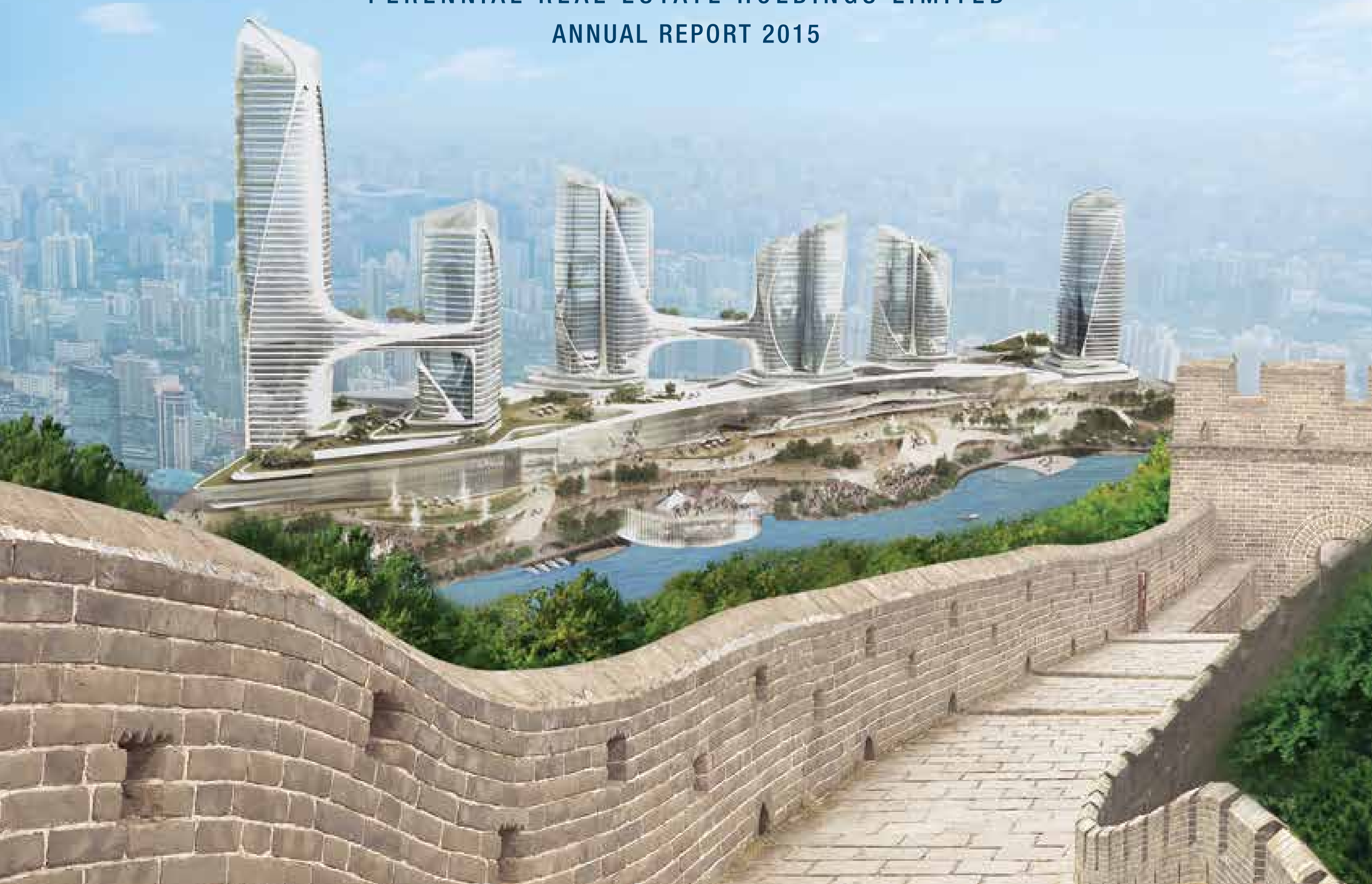
PERENNIAL 鹏瑞利

鹏程万里

Building Landmarks, CHARTING GROWTH

PERENNIAL REAL ESTATE HOLDINGS LIMITED

ANNUAL REPORT 2015



VISION

To be a leading global integrated real estate and healthcare company committed to enriching the lives of those we serve and delivering value to all of our stakeholders.

MISSION

To build a sustainable business, establish strong lasting relationships, and create long-term growth for our shareholders.

CORE VALUES

| Teamwork |
We value and empower our people, embrace diversity and work in unity to achieve our corporate goals.

| Integrity |
We believe in fair business practices and uphold a high standard of integrity, moral conduct and governance in our dealings with internal and external parties.

| Excellence |
We are passionate about our work, innovative and entrepreneurial in spirit, and push the boundaries in pursuit of outstanding performance.

| Sustainability |
We are socially, environmentally and economically responsible and treat our stakeholders with respect and compassion.

CONTENTS

鹏程万里

Building Landmarks, CHARTING GROWTH

The majestic bird, Peng (鹏), is a symbol of strength, courage, determination and longevity. It is admired for the clarity of its vision, the greatness of its character, the expanse of its reach, and the protectiveness of its kind.

With innate qualities similar to the Peng's, Perennial Real Estate Holdings Limited aspires to be an integrated real estate and healthcare company through harnessing on its quality portfolio of well-located and well-connected landmark developments, established and reputable sponsors, professional and experienced management team, and sustainable business practices to chart a strong growth path towards a bright future.

CORPORATE PROFILE

Perennial Real Estate Holdings Limited ("**Perennial**") 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.

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.

Beijing Tongzhou Integrated Development

Artist's Impression. Picture may differ from the actual view of the completed property.

FINANCIAL HIGHLIGHTS[1]

S$132.6M REVENUE	**S$197.1M** EARNINGS BEFORE INTEREST AND TAX	**S$6.5B** TOTAL ASSETS
S$79.4M PROFIT AFTER TAX LESS MINORITY INTEREST ("**PATMI**")	**S$90.8M** PATMI BEFORE TRANSACTION COSTS[2]	**0.45x** GEARING RATIO
0.4Cents[3] DIVIDEND PER SHARE	**6.88Cents[3]** EARNINGS PER SHARE	**S$1.688** NET ASSET VALUE PER SHARE

1 This Annual Report is for the period from 1 July 2014 to 31 December 2015 ("**Annual Report 2015**"). Perennial's real estate business commenced from 28 October 2014 as the reverse takeover ("**RTO**") of St. James Holdings Limited was completed on 27 October 2014. The financial highlights thus reflect Perennial's real estate business from 28 October 2014 to 31 December 2015.

2 One-off transaction costs for RTO and Voluntary Offer ("**VO**") were S$11.4m.

3 Denoted in Singapore Dollars.

The Peng (鹏) *soars to great heights to get a commanding view of an expansive terrain. From a good vantage point, it uses its sharp vision to scan the horizon, so as to spot and seize opportunities with precision.*

远见卓识

CLEAR VISION, DEFINED STRATEGY

Guided by a steadfast vision and keen foresight, Perennial proactively seeks, identifies and seizes opportunities in the integrated real estate and healthcare business space. To realise this endeavour, Perennial employs a well-defined and disciplined strategy to create value for our stakeholders.

The Peng's (鹏) *sturdy build, formidable stance and remarkable endurance enable it to ascend with agility and finesse. These physical strengths are complemented by an astute knowledge of the environment, allowing the Peng to thrive in its quest.*

本固枝荣

DEEP INSIGHTS, STRONG FUNDAMENTALS

Perennial's strong fundamentals are underpinned by its reputable sponsors, professional management team, quality portfolio and robust financial position, all forming a sound platform for charting long-term growth.

The Peng (鹏) stands out by virtue of its large and powerful wings that allow for longer flights and broader coverage. Its ability to synergise its unique flying capabilities with the wind enables it to scale new heights and venture further.

广袤无垠

DISTINCTIVE SCALE,

STRATEGIC SYNERGY

Perennial's portfolio of sizeable and well-connected landmark integrated developments is distinguished by the inherent synergy of its components. The optimisation of this synergy is integral in Perennial's strategy to expand its presence and advance into the next frontier of growth.

In classical literature, once the Peng（鹏）attains adulthood, it becomes ready to spread its wings and embarks on a noble journey of self-transcendence and reaching out to others.

泽被万物

BALANCED GROWTH, SUSTAINABLE PRACTICES

Beyond attractive returns, Perennial adopts strong principles of governance and sustainable practices in pursuit of balanced, inclusive and meaningful growth. By being a responsible corporate entity, Perennial aims to enrich the lives of all of its stakeholders.

PERIOD IN BRIEF

1 JULY TO 9 OCTOBER 2014

A Reverse Takeover ("**RTO**") of St. James Holdings Limited ("**St. James**"), an entertainment business listed on Catalist of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), was undertaken by Perennial Real Estate Holdings Pte. Ltd. and other vendors through the injection of real estate assets and businesses.

10 OCTOBER 2014

Successfully convened an Extraordinary General Meeting ("**EGM**") with all of the resolutions pertaining to the RTO approved.

27 OCTOBER 2014

Completed the Initial Acquisition[1] under the RTO.

St. James was renamed as Perennial Real Estate Holdings Limited ("**Perennial**").

28 OCTOBER 2014

Commenced business as an integrated real estate owner, developer and manager with a new Board of Directors and management team.

10 NOVEMBER 2014

Launched Voluntary Offer ("**VO**") to acquire the remaining Units in Perennial China Retail Trust ("**PCRT**") listed on the Mainboard of the SGX-ST.

26 DECEMBER 2014

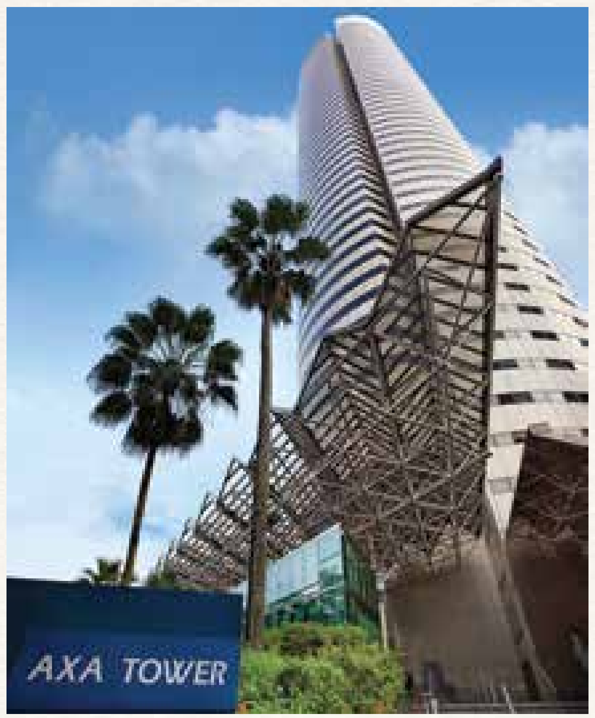
Listing transferred from Catalist to the Mainboard of SGX-ST.

22 JANUARY 2015

Established a S$2 billion Multicurrency Debt Issuance Programme.

30 JANUARY 2015

Syndicated a consortium of investors to acquire AXA Tower, a 50-storey landmark Grade 'A' office development with a retail podium in Singapore at an agreed property price of S$1.17 billion with Perennial acquiring an equity interest of 31.2%.



5 FEBRUARY 2015

PCRT was delisted from the Mainboard following the completion of the VO and Compulsory Acquisition[2].

16 MARCH 2015

Issued S$100 million 4.25% Notes due 2018 under its S$2 billion Multicurrency Debt Issuance Programme.

1 "Initial Acquisition" refers to the Proposed Initial Acquisition as defined in the Circular to Shareholders dated 18 September 2014.

2 "Compulsory Acquisition" refers to the acquisition of all of the units in PCRT held by the dissenting unitholders pursuant to the Business Trusts Act, Chapter 31A of Singapore.

3 "Deferred Beijing Acquisition" refers to the proposed acquisition in relation to Beijing Tongzhou Integrated Development Phase 1 and Phase 2.

10 APRIL 2015

Completed the acquisition of a 30% interest and a 23.3% interest in Beijing Tongzhou Integrated Development Phase 1 and Phase 2 respectively (Deferred Beijing Acquisition[3] under the RTO).

21 APRIL 2015

Entered into a 50-50 joint venture ("**JV**") with IJM Land Berhad to acquire and develop an over MYR3 billion (approximately S$1 billion) waterfront integrated development in Penang, marking Perennial's maiden foray into Malaysia.

3 JULY 2015

Entered into a 40-60 JV with Guangdong Boai Medical Group Co., Ltd to expand into the hospital and medical services business in China.

Repositioned Perennial Dongzhan Mall, Chengdu as Perennial International Health and Medical Hub, Chengdu.

20 AUGUST 2015

Entered into a 55-45 JV with Shangri-La Asia Limited to develop an over US$250 million (approximately S$352 million) integrated development in Accra, Ghana, marking Perennial's maiden foray into Africa.

15 OCTOBER 2015

Secured Chengdu ParkwayHealth Hospital as an anchor tenant at Perennial International Health and Medical Hub, Chengdu.

23 OCTOBER 2015

First retail bond offering, with an initial size of S$150 million three-year bonds paying 4.65% per annum successfully closed with an oversubscription of approximately 9.8 times for the Public Offer tranche. The total offering size was increased to S$300 million to meet the strong demand from public and placement tranches.

14 JANUARY 2016

Entered into a Memorandum of Understanding to establish a 40-40-20 JV with Shanghai Summit Property Development Limited and Shanghai RST Chinese Medicine Co., Ltd to operate an eldercare and retirement home in Chengdu East High Speed Railway Integrated Development Plot D2.

15 JANUARY 2016

Divested the entire 1.46% interest in 112 Katong and 23.0% interest in Katong AMC Pte. Ltd., the asset manager of 112 Katong.

4 MARCH 2016

Acquired an additional effective interest of about 3.68% in Chinatown Point, comprising the retail mall and four strata office units, thereby increasing Perennial's effective interest in the property from 1.47% to 5.15%.

Note:

All of the above artist's impressions may differ from the actual view of the completed properties.

Unless stated otherwise, all foreign currency amounts in this report are converted into Singapore Dollars based on exchange rates as at 29 February 2016.

GHANA

Real Estate Portfolio

Accra Integrated Development
(55% interest)

MALAYSIA

Real Estate Portfolio

Penang Waterfront Integrated Development
(50% interest)

SINGAPORE

Real Estate Portfolio

CHIJMES
(51.61% interest)[1]

Capitol Singapore
(50% interest)

TripleOne Somerset
(50.2% interest)

AXA Tower
(31.2% interest)

House of Tan Yeok Nee
(50% interest)

Chinatown Point
(5.15% interest)[2]

CHINA

Real Estate Portfolio

BEIJING

Beijing Tongzhou Integrated Development

Phase One
(40% interest)[1]

Phase Two
(23.3% interest)[1]

XI'AN

Xi'an North High Speed Railway Integrated Development

Plot 4
(51% interest)

Plot 5
(51% interest)

SHENYANG

Shenyang Longemont Integrated Development

Shenyang Longemont Shopping Mall
(50% interest)

Shenyang Red Star Macalline Furniture Mall
(50% interest)

Shenyang Longemont Offices
(50% interest)

CHENGDU

Chengdu East High Speed Railway Integrated Development

Perennial International Health and Medical Hub
(80% interest)

Plot C
(50% interest)

Plot D1
(50% interest)

Plot D2
(50% interest)

Perennial Qingyang Mall
(100% interest)

ZHUHAI

Zhuhai Hengqin Integrated Development
(20% interest)

FOSHAN

Perennial Jihua Mall
(100% interest)

Healthcare Portfolio

CHENGDU

St. Stamford Plastic Surgery and Aesthetic Hospital
(40% interest)

Chengdu Xiehe International Eldercare and Retirement Home
(40% interest)

GUANGZHOU

Modern Hospital Guangzhou
(40% interest)

Retail | Office | Hotel/Serviced Apartment | Residential | Healthcare | Event Venue/Convention Centre

1 Approximate percentage.
2 On 4 March 2016, Perennial acquired an additional effective interest of about 3.68% in Chinatown Point, comprising the retail mall and four strata office units. As a result, Perennial's effective interest in the property increased from approximately 1.47% to 5.15%.

Dear Shareholders,

We are pleased to share with you the inaugural Annual Report for Perennial Real Estate Holdings Limited ("**Perennial**").

The 14-month[1] period of our business ("**Period**") has not only been fruitful, but marked a key turning point for Perennial as we set a new vision and took steps to position ourselves to become a leading global integrated real estate and healthcare company.

Within a short time, we have established a strong reputation as a diversified real estate company with a presence in Singapore, China, Malaysia and Ghana, with Singapore and China as our core markets, and have invested in and are managing 10 large-scale integrated developments and five retail and commercial developments spanning over 45 million square feet ("**sq ft**") in total gross floor area ("**GFA**").

In Singapore, our ability to increase the net lettable area ("**NLA**") at CHIJMES, TripleOne Somerset and AXA Tower is a testament to our forte in identifying existing buildings with embedded value, and the creation of significant value through the execution of asset enhancement works and repositioning exercises. The accomplishment of the extensive works at CHIJMES and Capitol Singapore, both encompassing heritage components, has also raised Perennial's profile as a real estate specialist for complex conservation projects. We now have a strong and entrenched foothold in Singapore with six quality properties, all of which are located within the Central Business District ("**CBD**"), Civic District or Orchard Road precinct, and directly connected or in close proximity to mass rapid transit stations.

In China, our standing as a leading commercial developer of sizeable integrated developments which are close to transportation hubs is gaining strength, particularly with the commencement of construction works at our development projects in Chengdu, Xi'an and Beijing, after finalising the respective development plans and securing the necessary regulatory approvals. The completion of these outstanding development projects, which are strategically located in first and second-tier provincial capitals and major cities, will drive Perennial's net asset value ("**NAV**") growth in the next few years.

Whilst focusing on building our real estate business, we saw the immense growth opportunity in the China healthcare market and the potential value which can be harnessed from the synergy of this future growth driver with our real estate portfolio. We nimbly extended our business into the China healthcare industry through the establishment of joint ventures with reputable players and the repositioning of some of our assets to align with, and support our strategic move, marking the start of our exciting integrated real estate and healthcare business journey.

BUSINESS REVIEW

We remained strategically focused on the core markets of China and Singapore, with these markets constituting about 72.6% and 21% of total assets respectively. Completed projects in Singapore and China, which accounted for about 63.2% of Perennial's total property value (effective stake basis), continued to provide income stability.

In Singapore, 100% of the portfolio (based on total attributable GFA in Singapore) is completed and income-generating, with the residential component of Capitol Singapore having received its Temporary Occupation Permit ("**TOP**") in February 2016.

The China development properties on the other hand currently contribute only about 28.7% of total property value (effective stake basis), whilst accounting for about 57% of total attributable GFA. The completion of these China development projects over time will give impetus to Perennial's NAV growth.

SINGAPORE

CHIJMES and Capitol Singapore, which are both heritage landmark developments right in the heart of Singapore's downtown Civic District, have commenced operations and are making good progress.

1 Perennial completed the reverse takeover of St. James Holdings Limited on 27 October 2014 and the real estate business commenced on 28 October 2014. The 14-month period of Perennial's real estate business is for the period from 28 October 2014 to 31 December 2015.

CHIJMES completed its about S$71 million asset enhancement works and had its GFA increased by approximately 18.2% to about 159,200 sq ft, and its NLA increased by approximately 45% to about 115,500 sq ft. Façade restoration works were also completed at CHIJMES Hall and Caldwell House, two gazetted National Monuments. As at 31 December 2015, the European-themed food and beverage ("**F&B**") and entertainment destination registered a committed occupancy of about 88% and all of these tenants have commenced business.

At Capitol Singapore, all components of the property have completed construction. As at 31 December 2015, the retail component achieved a committed occupancy of about 80%, of which about 97% of these tenants by NLA had commenced business. Capitol Theatre, the only multi-functional theatre in Singapore, is increasingly being recognised as the venue of choice for a variety of events, having played host to musicals, plays, conferences, red carpet gala nights, private dining events and movie screenings. Close to half of the 39 residential units have been sold and the hotel component has received its TOP.

We will actively review and rebalance the trade mix, and intensify our leasing efforts at CHIJMES and Capitol Singapore to further strengthen the recurring income streams from these properties.

TripleOne Somerset, a prime mixed-use development comprising two premium grade office towers and a retail podium located in the Orchard Road precinct, has received all the regulatory approvals required to proceed with the planned S$150 million of asset enhancement works, and the strata sale of the office space and medical suites. The asset enhancement works will include enhancing the retail offerings, incorporating medical suites of about 32,000 sq ft, and sprucing up the office lobby and common areas. Strata sale of the office spaces will commence with the tower fronting Somerset Road. The asset enhancement works and strata sale are expected to commence in the second quarter of 2016.

In January 2015, we syndicated a consortium of investors to acquire AXA Tower, a 50-storey landmark Grade 'A' office development with a retail podium located in the CBD, at a total property price of S$1.17 billion. Perennial acquired a 31.2% equity interest in the building. With an unutilised plot ratio that could add an additional GFA of over 212,000 sq ft, AXA Tower presents much value creation opportunity.

Plans are underway to execute a major enhancement programme at AXA Tower which includes increasing the building's retail footprint, erecting a two-storey annex block measuring about 32,000 sq ft to house medical suites, enhancing the main office lobby and drop-off points, and strata sale of the office spaces. The proposed enhancement plan is expected to increase AXA Tower's total NLA by about 84,000 sq ft, from 676,000 sq ft to 760,000 sq ft. The enhancement works and strata sale are expected to commence in the second quarter of 2016.

The House of Tan Yeok Nee, a gazetted National Monument in the Orchard Road precinct, has received an in-principle approval from the authorities for a change

> *"With our distinctive portfolio of **landmark** developments, unique integrated business platform and strong balance sheet, we are well-poised to build on our competitive edge as an **integrated real estate and healthcare company** to deliver sustainable long-term **growth** to Shareholders."*

of use to position it as the premier Traditional Chinese Medicine ("**TCM**") centre in Singapore that provides quality TCM treatment by professional physicians in a conducive and luxurious environment. The property is expected to commence operations in the third quarter of 2016.

Separately, as part of our on-going evaluation of our strategic investments, we divested our entire 1.46% interest in 112 Katong, together with our 23% interest in the asset manager of 112 Katong. We also acquired an additional effective interest of about 3.68% in Chinatown Point[2], thereby increasing our effective interest in the property from 1.47% to 5.15%.

CHINA

In China, we have five prominent large-scale integrated developments which are connected to transportation hubs, of which one is currently operational. Two suburban retail malls are also in operation.

Within our portfolio of integrated developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development took centre stage with a series of significant activities relating to the change of usage at two of its plots to dovetail with our strategic venture into the healthcare business in China.

Firstly, Perennial Dongzhan Mall was repositioned as Perennial International Health and Medical Hub ("**PIHMH**") to meet the strong domestic demand for healthcare services. Positioned as the first healthcare cum retail integrated development in Chengdu and Sichuan Province, PIHMH has secured Chengdu ParkwayHealth Hospital as an anchor tenant which will operate a 350-bed tertiary facility. The multi-disciplinary hospital is expected to commence operations in the second half of 2017. In addition, three specialty anchor tenants, AND Maternal and Child Health Centre, Gulian Rehabilitation and Nursing Centre and St. Stamford Plastic Surgery and Aesthetic Hospital, have signed committed leases at PIHMH.

To-date, the total committed occupancy at PIHMH stands at about 54%. We will now focus our leasing efforts on complementary healthcare and wellness-related services and supporting retail trades. Construction works at PIHMH are expected to complete by 2016.

Secondly, Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**") was earlier designated as a mixed-use apartment and retail development for strata sale. In view of the acute shortage of quality eldercare facilities in Chengdu, Chengdu Plot D2 was repositioned as a holistic eldercare and retirement home development with complementary eldercare trades and services. The eldercare and retirement home will also benefit from the professional care available at PIHMH. To-date, three apartment blocks with some retail spaces have topped-out, of which two blocks have received its pre-sale permits. The remaining three blocks are expected to top-out in 2016.

At least 914,000 sq ft of GFA on Chengdu Plot D2 will be master leased to a joint venture ("**JV**") company, in which Perennial has a 40% stake, to operate the premium Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**"). The Xiehe brand of eldercare and retirement home is renowned as one of the top private senior housings in Shanghai catering to the middle-to-upper income clientele. For a start, three of the six apartment blocks will be converted to house the Chengdu Xiehe Home, with subsequent blocks to be converted and rolled out at a later stage. Chengdu Xiehe Home, which will comprise a Retirement Home, a Nursing Home and a Rehabilitation Home, is expected to commence operations in 2017.

In Tongzhou District, where our Beijing Tongzhou Integrated Development is located, there is an intensification of infrastructure and commercial activities resulting from the Beijing Municipal Government's planned relocation from Beijing's city centre to the Tongzhou District in 2017[3], and the proposed establishment of the US$3.3 billion (approximately S$4.6 billion) Universal Studios Beijing, one of the largest theme parks in China, in the precinct[4].

2 Comprising the retail mall and four strata office units.

3 Source: The Paper China article dated November 2015. (http://www.thepaper.cn/baidu.jsp?contid=1401367)

4 Source: Beijing Youth Daily article dated January 2015. (http://epaper.ynet.com/html/2015-01/14/content_109799.htm?div=-1)

Recent launch prices of new apartments and offices in close proximity to our development have risen to as high as RMB40,000 to RMB50,000 per sqm[5].

Construction works at Beijing Tongzhou Integrated Development have been progressing well, and three of four construction-related regulatory permits have been received. The development, expected to commence operations in 2018, will benefit from the catchment from the new Beijing Tongzhou Administrative Centre, which is about three subway stations from our development, and the surrounding areas.

Construction works at Xi'an North HSR Integrated Development and Zhuhai Hengqin Integrated Development are progressing well. The former has received two of four construction-related regulatory permits and is expected to commence operations in 2018/2019, whilst the latter has received three of four permits and is expected to commence operations in 2020.

Shenyang Longemont Integrated Development, the only operational asset within our portfolio of China integrated developments, has continued to improve operationally despite the tough operating environment in Shenyang. Shenyang Longemont Shopping Mall's committed occupancy was consistently over 90%, and continued to register growing shopper traffic and tenants' sales. With the two master leases, Shenyang Red Star Macalline Furniture Mall maintained its committed occupancy at more than 93%, whilst the two office blocks at Shenyang Longemont Offices registered a committed occupancy of about 52%.

Perennial Qingyang Mall in Chengdu and Perennial Jihua Mall in Foshan continued to perform well. As at 31 December 2015, both malls registered a committed occupancy of close to 100%, rising shopper traffic and growing tenant sales. With the opening of the Zhongba Subway Station, which is connected to Perennial Qingyang Mall, in December 2015, coupled with the trading of the new retail shops along the pedestrian link way between the subway station and the mall, Perennial Qingyang Mall is well-placed to entrench its position as one of the most popular suburban malls in western Chengdu.

Perennial Jihua Mall, which is expected to connect seamlessly to the new Guilan Road Subway Station, will also benefit from the recently announced construction of the new Foshan Subway Line 6.

MALAYSIA AND GHANA

In the first half of 2015, we made our first foray into Malaysia with our 50-50 JV with IJM Land Berhad to acquire and develop a freehold waterfront site into a large-scale integrated mixed-use development in Penang of about 4.1 million sq ft of GFA at an estimated total development cost of over MYR3 billion (approximately S$1 billion).

In the second half of 2015, we made our maiden venture into Africa with our 55-45 JV with Shangri-La Asia Limited to develop a prime integrated mixed-use development of about 1.7 million sq ft of GFA located in the Airport district of Accra, the capital of Ghana. Perennial's 55% stake was acquired for a purchase consideration of US$15.2 million (approximately S$21.4 million). The total development cost for the project is estimated to be over US$250 million (approximately S$352 million).

Our investment in Africa dovetails with our business strategy to leverage on our sponsors' experience and network of relationships to achieve first mover advantage in high growth emerging markets. Wilmar International Limited ("**Wilmar**") is one of Perennial's largest sponsors. For the JV in Ghana, Perennial will benefit from Wilmar's extensive knowledge, network and resources in Africa, where it already has a strong and established presence. The successful execution of this signature Ghana project will also allow us to access other African markets in the future.

For both projects, which will only be completed at least three years down the road, we intend to adopt the strata sale strategy to finance funding requirements so as to minimise capital outlay and optimise cash flow.

5 Source: SINA LEJU (http://data.house.sina.com.cn/bj120893/). Equivalent to RMB3,700 per sq ft to RMB4,600 per sq ft.

NEW HEALTHCARE BUSINESS IN CHINA

The healthcare business is a natural extension of our real estate business with potential synergy that can be achieved between the various components within our portfolio of large-scale integrated developments which are directly connected to major transportation hubs. The strategic move into the healthcare industry in China will allow Perennial to ride on the strong growth trajectory of the country's healthcare industry driven by rapid urbanisation, growing affluence of the Chinese consumers, favourable regulatory changes and its ageing population[6].

We entered into a 40-60 JV with a subsidiary of China Boai Medical Group ("**BOAI**"), one of the largest private hospital and medical services operators in China, to acquire, develop and manage hospital and medical services business in China. Our JV also acquired its first operational medical business, Modern Hospital Guangzhou, one of the top private general and cancer hospitals, from BOAI. Perennial's 40% stake in the JV amounted to RMB286.7 million (approximately S$61.7 million).

The JV has access to BOAI's existing portfolio of hospitals and medical centres and future acquisition pipeline across China, as well as Perennial's portfolio of greenfield and/or completed integrated developments. Leveraging on this pipeline to grow the business, the JV established the St. Stamford Plastic Surgery and Aesthetic Hospital, which will be operating an about 90,400 sq ft facility at PIHMH.

In January 2016, we expanded our healthcare business scope to include eldercare and senior housing by entering into a Memorandum of Understanding with Shanghai Summit Property Development Limited ("**Shanghai Summit**") and Shanghai RST Chinese Medicine Co., Ltd ("**Shanghai Renshoutang**") to establish a 40-40-20 JV management company to operate Chengdu Xiehe Home at Chengdu Plot D2. Perennial and Shanghai Summit jointly-own (50-50) Chengdu Plot D2. Shanghai Renshoutang is one of the largest pioneer quality private eldercare home operators in Shanghai. The JV's total investment sum amounts to approximately RMB150 million (approximately S$32.3 million).

With the healthcare business identified as a new wing of growth for Perennial in the long term, we intend to execute the following two-pronged strategy to grow our healthcare business in China:

(1) Introduce healthcare real estate as an asset class within our large-scale integrated developments to create synergy between the various components with a view to enhancing the value of the entire development; and

(2) Form strategic partnerships with established local and foreign medical or healthcare-related operators with extensive local and international networks, and strong operating track records to scale our business.

FINANCIAL REVIEW

For the Period, Perennial achieved a revenue of S$132.6 million, which comprised mainly rental income from operating properties such as CHIJMES and TripleOne Somerset in Singapore, Perennial Qingyang Mall and Perennial Jihua Mall in China, as well as a one-off acquisition fee of S$11.7 million from the acquisition of AXA Tower.

Earnings Before Interest and Tax ("**EBIT**") for the Period was S$197.1 million. Excluding the one-off transaction cost of S$11.4 million relating to the corporate restructuring exercise, EBIT was S$208.5 million. The main contributors to EBIT were income from operating properties in Singapore and China, and fair value gains from the revaluation of investment properties, such as PIHMH, CHIJMES, Capitol Singapore and AXA Tower, totalling S$115.6 million.

Overall, operating assets within the Singapore portfolio were the major contributors to Revenue and EBIT for the Period, accounting for about 54.1% and 60.2% of Revenue and EBIT respectively. Profit After Tax and Minority Interest for the Period was S$90.8 million (excluding one-off transaction cost) and S$79.4 million (including one-off transaction cost).

As at 31 December 2015, our NAV per share stood at S$1.688. For the financial period ended 31 December 2015, a first and final dividend of 0.4 Singapore cents per share was declared.

6 Source: Deloitte Report 2015.

CAPITAL MANAGEMENT

In January 2015, we established a S$2 billion Multicurrency Debt Issuance Programme, and issued S$100 million 4.25% Notes due 2018 under the programme in March 2015. We also successfully launched our first three-year 4.65% per annum fixed returns retail bonds which closed with an oversubscription of about 9.8 times for the Public Offer tranche, and the total offering size was increased to S$300 million to meet the strong demand from the public and placement tranches.

As at 31 December 2015, Perennial's net debt to equity ratio stood at 0.45 times. We will continue to exercise prudent capital management, optimise our cash flow and maximise capital efficiency by proactively managing its overall liquidity position and debt maturity profile.

LOOKING AHEAD

We will continue to strengthen our unique position as an integrated real estate and healthcare company in Asia and beyond. As an integrated real estate owner, developer and manager of prime large-scale integrated developments which are close to transportation hubs, we are well-placed to capitalise on our complementary real estate and healthcare strategies to build iconic integrated mixed-use developments, comprising international-quality retail malls, offices, apartments, hotels and even, regional medical hubs. Our growth path is further reinforced by the privileged access to real estate opportunities and key contacts through leveraging on our major sponsor Wilmar's established reputation, in-depth knowledge, on-ground resources and relationships, particularly in China and other emerging markets.

This year, Singapore and China will remain as our core markets. Despite the relatively weak sentiment in view of the volatile global economic environment, we remain confident in the long term outlook for these markets.

One of our key priorities for the year is to strengthen the recurring revenue streams from operating assets in Singapore and China. To this end, we will continue to drive the performance of our Singapore assets, whilst executing our strata sale strategy at TripleOne Somerset and AXA Tower to deliver an additional stream of income. In China, we will focus on optimising the performance of the operating assets in Shenyang, Foshan and Chengdu which will continue to deliver a stable income stream. The completion of the construction of PIHMH and Chengdu Xiehe Home on Chengdu Plot D2 are expected to further boost the income stream.

On the healthcare business front in China, we intend to further develop this new wing of growth by partnering reputable local and international medical and healthcare operators to offer a holistic range of services. In addition, the introduction of healthcare real estate as an asset class within our integrated developments will be actively explored. The strata sale real estate strategy for our China integrated developments will continued to be pursued, but may be substituted with the execution of our healthcare strategy if it creates more value for Shareholders.

Separately, we intend to establish a TCM JV which will operate at the House of Tan Yeok Nee.

ACKNOWLEDGEMENTS

We thank our Board of Directors for their wise counsel and commitment. We would also like to thank Mr. Chua Phuay Hee for his leadership during his term as Chairman of the Audit and Risk Committee ("**ARC**") until he stepped down on 4 February 2016, and look forward to his continued guidance as a member of the ARC. Concurrently, we welcome Mr. Ooi Eng Peng to the Board and believe that Perennial will benefit from his extensive business experience and acumen as the Chairman of the ARC with effect from 5 February 2016.

On behalf of the Board of Directors, we extend our sincere appreciation to our Shareholders, tenants, business partners, customers, the analyst and media community, and staff for their continued support.

Mr. Kuok Khoon Hong
Chairman

Mr. Pua Seck Guan
Chief Executive Officer

8 March 2016

尊敬的各位股东，

我们很荣幸地向您呈上鹏瑞利置地集团有限公司（以下简称“**鹏瑞利置地**”）的首发年度报告书。

在过去14个月[1]以来（以下简称“**业绩期**”）的业务开展不仅是取得了卓有成效的业绩，更标志了鹏瑞利置地的另一个关键转折点，并迈向了一个新的愿景，极力打造成为全球领先的集房地产与医疗服务业务为一体的公司。

在短时间内，公司的业务已遍及新加坡、中国、马来西亚和加纳，并成为以新加坡和中国为核心市场的多元化房地产公司。我们已在业界内建立起良好的声誉，投资并管理着十个大型综合项目及五个零售商业项目，且拥有与管理的项目总建筑面积已超过4,500万平方尺。

在新加坡，我们通过资产整改本能提高了赞美广场、111索美塞和安盛保险大厦的净可出租面积，充份体现了我们具备了识别并挖掘资产与物业的内涵价值的能力。我们也通过了资产增值和重新定位，为资产与物业创造巨大价值。目前对赞美广场和新加坡首都综合项目，两个文物遗产的整改工作已顺利完成。这更是提升了鹏瑞利置地在文物遗产项目改造与保护的专业与知名度。目前我们所拥有并管理着的六个优质物业都位于中央商业区、行政文化区和乌节路区且直通临近地铁站。因此，我们在新加坡取得了强大而稳固的立足点。

在中国，凭借我们各个规模可观的综合项目，且毗邻城市交通枢纽的优越地理位置，进而使我们巩固作为商业房地产开发商的领先优势。特别是已经敲定项目发展计划，在取得必要监管部门批准后即动工建设的成都、西安和北京的综合项目。这些战略性布局在一线、二线省会和主要城市的优秀综合项目的竣工，将在未来几年内推动鹏瑞利置地净资产值的增长。

在专注于房地产业务的同时，我们也意识到了中国医疗服务业所蕴含的巨大商机，以及这一未来增长驱动领域结合我们房地产组合的协同效应的潜在价值。通过与声誉良好的业者设立合资公司，部分资产的重新配置与重组战略，我们巧妙地将业务扩展至中国医疗服务领域。这一战略举措也标志着我们激发性的综合房地产与医疗服务业务旅程的起点。

业务概览

我们持续战略性地专注于中国和新加坡这两个核心市场。当前这两个市场在总资产占比分别为72.6%和21%。在新加坡和中国已完工的项目约占公司总物业价值的63.2%（基于有效股权），并持续提供稳定的收益。

在新加坡，随着新加坡首都综合项目的住宅部分于2016年2月取得临时占用许可证，所有项目组合已100%竣工（基于新加坡的应占总建筑面积）并产生收益。

另一方面，在中国的开发中物业目前占总物业价值的28.7%（基于有效股权），同时占总建筑面积的57%。这些开发中项目的相继完工将会对鹏瑞利置地的净资产值增长产生推动作用。

新加坡

位于新加坡市中心行政文化区的地标性文物遗产项目赞美广场和新加坡首都综合项目已经开始运营并进展顺利。

赞美广场完成了约合7,100万新元的资产增值工程，使其总建筑面积增加了18.2%达159,200平方尺，净可出租面积增加了45%达115,500平方尺。在两座国家颁布的历史遗迹 – 赞美礼堂和古德威尔屋的外观修复工程已经完成。截至2015年12月31日，这个以欧式餐饮及娱乐为主题的旅游胜地实现了88%的承诺出租率，且全部租户已实际投入运营。

我们会积极回顾和调整业态，并强化我们在赞美广场和新加坡首都综合项目的租赁工作，使来自于这些物业的循环性利益源流更加稳固。

111索美塞是一个位于乌节路区，包含两栋优质级写字楼和一个商场裙楼的顶级综合项目，并将开展约1.5亿新元的资产增值工程及写字楼和医疗套房单元产权销售工作。所需的全部监管审核批复均已取得。资产增值工程包含改善商业零售配套、增设约32,000平方尺的医疗套房及装潢写字楼大堂和公共区域。写字楼的单元产权销售将从面向索美塞路的大楼开始。该项目的资产增值工程和单元产权销售预计在2016年第二季度启动。

> “我们有高鉴别性的投资组合，包括**地标性**项目、独特的综合性商业平台以及稳健的资产负债表。鉴于此，我们有自信能成为一家**集房地产和医疗服务业务于一体的公司**并建立竞争优势，以实现股东利益持续性的长期**增长**。”

新加坡首都综合项目建设工程已经全部完成。截至2015年12月31日，该项目的零售部分已达到约80%的承诺出租率，且其中净可出租面积的97%租户已实际投入运营。作为新加坡唯一的多功能剧院 – 首都剧院，也收到了越来越多的认可，成为多元活动， 例如音乐剧、话剧、大型会议、红毯秀、私人晚宴活动及电影首映礼的首选举办地点。住宅部分的39套房屋已经售出将近一半，酒店部分已经获得临时占用许可证。

在2015年1月，我们组建了一个投资财团用以收购位于中央商业区的安盛保险大厦。该大厦是一个附带商业裙楼的50层地标性甲级写字楼项目，房地产价格总计达11.7亿新元。鹏瑞利置地收购了该大厦31.2%的股权。鉴于尚未使用的容积率可增加超过21.2万平方尺的总建筑面积，安盛保险大厦具有强劲的升值空间。

1 鹏瑞利置地在2014年10月27日完成了对圣占姆士控股的反向收购并于2014年10月28日开始从事房地产业务。14个月的业绩期指的是鹏瑞利置地从2014年10月28日至2015年12月31日从事房地产业务的期间。

正在筹划中的安盛保险大厦资产增值工程计划，包含扩大大厦裙楼商铺的零售空间、为医疗套房区域安装大约32,000平方尺的双层附属建筑、改善主要写字楼大堂、落客点及单元产权销售办公室。该工程计划将为安盛保险大厦增加84,000平方尺的净可出租面积，从676,000平方尺扩增到760,000平方尺。安盛保险大厦的资产增值工程和单元产权销售预计在2016年第二季度启动。

被列为国家文物并坐落于乌节路区内的陈旭年宅第已经收到了有关当局原则上的批准，同意变更其用途，将其改造为新加坡首屈一指，由专业医师在舒适、豪华的医疗环境中提供优质中医诊疗的中医中心。此物业预计在2016年第三季度开始运营。

此外，作为我们对战略性投资持续评估的一部分，我们出售了所持有的112加东全部1.46%的权益以及112加东资产管理中23%的权益。我们也追加收购了唐城坊[2]约3.68%的有效权益，使得我们持有该物业的有效权益从1.47%提高至5.15%。

中国

在中国，我们拥有五个突出的大型综合项目，均与交通枢纽相连接，其中一个已营业。两个社区型购物中心也已经投入运营。

在我们的综合项目资产组合中，成都东站综合项目为配合我们进军中国医疗服务业务的战略方针，已变更其中两个地块的用途。

首先，鹏瑞利东站广场被重新定位为鹏瑞利国际医疗健康中心以满足国内对医疗服务的强劲需求。作为成都市乃至四川省第一个定位于医疗服务兼商用的综合项目，鹏瑞利国际医疗健康中心已成功签署成都百汇医疗医院为主力租户，并将运营一家拥有350张床位的综合三级医院。这家开设多科室的综合性医院计划于2017年下半年开始营业。此外，三家有所专长的主力租户－爱帝宫月子会所、顾连康复医疗及圣丹福整形美容医院，已经和鹏瑞利国际医疗健康中心完成签署租赁。

迄今为止，鹏瑞利国际医疗健康中心整体的承诺出租率为54%。我们将专注于辅助性医疗和健康服务、配套商业方向进行招商。鹏瑞利国际医疗健康中心的建设工程预计于2016年完工。

其次，成都东站综合项目D2地块（以下简称"**成都D2地块**"）于早些时候被指定为单元产权销售的公寓与商用综合项目。考虑到成都优质养老设施的严重不足，成都D2地块被重新定位为一个拥有养老服务和配套商业的全方位养老服务项目。这个养老服务机构也将受益于鹏瑞利国际医疗健康中心提供的专业护理。截至目前，三栋配套商用区的公寓大楼已经竣工，其中两栋已取得预售许可证；剩余的三栋预计于2016年封顶。

成都D2地块总建筑面积中的914,000平方尺将整租给一家鹏瑞利置地持有40%股权的合资公司，经营优质定位的成都协和国际颐养院。协和品牌颐养院以定位为服务中高收入者的上海市顶级私人养老院闻名。

2 包括购物中心及四个单元产权办公室单位。

初始阶段，六栋楼中的三栋将被规划为成都协和国际颐养院，其他大楼也将在后期陆续规划为此。该颐养院将包括一个老人院、一个老年疗养院及一个老年康复中心，预计于2017年投入运营。

在北京通州综合项目所在的通州区，随着北京市政府计划于2017年由北京市中心搬迁至此[3]，以及斥资33亿美元（合约46亿新元）建立的中国最大主题公园之一，环球影城的落户[4]，通州的基础设施和商业活动相应出现了显著增长。我们的发展项目附近的新建公寓和写字楼的开盘价格已经上涨至每平方米人民币4至5万[5]。

北京通州综合项目的建设工程进展良好，四个建筑工程相关许可证已经取得了其中的三个，预计于2018年开始投入运营。乘坐地铁约三站即可到达新北京通州行政中心，该项目将受益于新北京通州行政中心及周边区域的人潮。

西安北站及珠海横琴综合项目的建设工程同样进展顺利。前者已取得四个建设工程相关许可证中的两个，预期于2018至2019年投入运营；后者已取得四个建设工程相关许可证中的三个，预计于2020年投入运营。

作为我们中国区综合项目组合中唯一正在运营中的资产，尽管沈阳的经营环境比较艰辛，沈阳龙之梦综合项目的业绩还是取得持续的提升。沈阳龙之梦购物中心的承诺出租率过去一直稳定保持在90%以上，并继续实现客流量和租户销售额的增长。整租给两个租户的沈阳红星美凯龙家居中心承诺出租率一直保持在93%以上，而沈阳龙之梦写字楼承诺出租率则约52%。

位于成都的鹏瑞利青羊广场和位于佛山的鹏瑞利季华广场运营持续良好。截至2015年12月31日，两个广场的承诺出租率均已接近100%，购物人流和租户的销售业绩均相应提升。随着连接青羊广场的中坝地铁站已于2015年12月开通，以及地铁站与广场之间的人行道沿线新零售商店的投入运营，鹏瑞利青羊广场在巩固其成为成都西部顶级社区型购物中心之一的地位上拥有天时地利。

将与新桂澜路地铁站无缝相连的鹏瑞利季华广场，也将受益于近期公布的新佛山地铁6号线建设。

马来西亚和加纳

我们在2015年上半年首次进军马来西亚市场。通过与怡保置地有限公司按照50-50投资比例设立的合资公司收购位于槟城的滨海地区永久地契地块，并将其开发成一个总建筑面积410万平方尺的大型多用途综合项目。该项目开发总成本预计超过30亿令吉（合约10亿新元）。

我们在2015年下半年，第一次将业务拓展至非洲。我们通过与香格里拉（亚洲）有限公司，按照55-45投资比例成立合资公司以开发位于加纳首都阿克拉机场区的一个总建筑面积170万平方尺的优质多用途综合项目。鹏瑞利置地出资1,520万美元（合约2,140万新元），持有55%的股权。该项目开发总成本预计超过2.5亿美元（合约3.52亿新元）。

我们在非洲的投资符合我们的发展方针，即仰仗我们的发起人的经验与关系网在高速发展的新兴市场取得先发制优势。丰益国际有限公司（以下简称"**丰益国际**"）是我们最大的发起人之一，鹏瑞利置地在加纳的合资公司即受益于丰益国际在非洲所拥有的广博知识、广泛关系网与资源。成功开展这个极具特色的加纳项目将利于我们在未来进军非洲其他市场。

鉴于这两个项目工期需三年以上，我们计划将以单元产权销售的策略为项目建设提供所需的资金，降低经费支出并优化现金流。

3 来源：澎湃中国2015年11月文章。（http://www.thepaper.cn/baidu.jsp?contid=1401367）

4 来源：北京青年报2015年1月文章。（http://epaper.ynet.com/html/2015-01/14/content_109799.htm?div=-1）

5 来源：新浪乐居。（http://data.house.sina.com.cn/bj120893/）相等于每平方尺人民币 3,700至4,600。

中国的新医疗服务业务

随着我们与主要交通枢纽直接相连的大型综合项目组合中各部分之间所产生的潜在协同效应，我们的房地产业务自然延伸至医疗服务领域。进入中国医疗服务的战略转变也使得鹏瑞利置地将受益于快速的城市化进程、中国消费者收入的提高、利好的监管制度改革和人口的老龄化，进而推动国家医疗服务行业的迅速增长[6]。

我们与中国最大私人医院和医疗服务运营商之一的中国博爱医疗集团属下的一家子公司（以下简称“**博爱**”）按照40-60投资比例设立了合资公司，以收购，开发和管理中国的医院和医疗服务业务。我们的合资公司也已经从博爱方收购了第一家营业中的医疗机构—广州顶级私人肿瘤和癌症医院之一的广州现代医院。鹏瑞利置地出资人民币2.867亿（合约6,170万新元）持有该合资公司40%的股权。

该合资公司可依托于博爱现有的医院、医疗中心组合和未来遍及中国的收购渠道，和鹏瑞利置地尚未开发和/或已完工的综合项目。透过该渠道发展业务，该合资公司设立了将于鹏瑞利国际医疗健康中心运营约合 90,400 平方尺设施的圣丹福整形美容医院。

在2016年1月，我们与上海长峰房地产开发有限公司（以下简称“**上海长峰**”）和上海人寿堂国药有限公司（以下简称“**上海人寿堂**”）签署了谅解备忘录，拟按照40-40-20的出资比例在成都D2地块设立合资公司以运营成都协和国际颐养院，将医疗服务业务的范围扩展至养老服务。鹏瑞利置地与上海长峰按照50-50投资比例共同拥有成都D2地块。上海人寿堂是上海市最大的先锋及优质私人养老服务机构运营商之一。该合资公司的投资总额约为人民币1.5亿（合约3,230万新元）。

随着医疗服务业务被认定为鹏瑞利置地未来长期的新增长点，我们将实施下述双向战略，以在中国发展我们的医疗服务业务：

(1) 引入医疗服务房地产作为我们大型综合项目中的一个资产类别，以实现项目组合中各部分之间的协调效应，从而提高整个项目的价值；

(2) 与拥有广泛当地和国际网络及出色运营经验的当地和外国医疗或保健服务运营商建立战略伙伴关系，以扩大业务的规模。

财务回顾

业绩期内，鹏瑞利置地取得了1.326亿新元收入，其中主要包括运营资产中，新加坡的赞美广场、111索美塞，以及中国的鹏瑞利青羊广场、鹏瑞利季华广场的租金收入，还包括购置安盛保险大厦所产生1,170万新元的一次性购置费。

业绩期内的息税前利润为1.971亿新元。除去公司实施重组相关的一次性交易费用1,140万新元，息税前利润实为2.085亿新元。息税前利润主要来自于新加坡和中国的运营资产，以及通过对鹏瑞利国际医疗健康中心、赞美广场、安盛保险大厦、新加坡首都综合项目等投资性房地产的重新估价而获得总计1.156亿新元的公允价值收益。

整体而言，新加坡投资组合内的运营资产是业绩期内收入和息税前利润的主要贡献者，分别占收入的54.1%以及息税前利润的60.2%。除去一次性交易成本，业绩期内的税及少数股东权益后盈利为9,080万新元。包括一次性交易成本，业绩期内的税及少数股东权益后盈利为7,940万新元。

于2015年12月31日，我集团每股净资产值达到1.688新元。截止2015年12月31日的会计年度，公司向股东派发了第一次股息，系每股0.4新加坡分。

6 来源：德勤报告 2015。

资本管理

在2015年1月，我们设立了一项20亿新元的多币种债券发行计划，并于2015年3月在此计划之下发行了总额为1亿新元的债券，债券满期于2018年，发行利率为4.25%。此外，我们成功推出了我们第一个三年期，每年4.65%固定收益的零售债券，该债券达到公开发行的9.8倍超额认购，为满足公开发行和配售的强烈需求，其总发行规模提高至3亿新元。

于2015年12月31日，鹏瑞利置地的净负债权益比率为0.45倍。我们将继续审慎地实施资本运营，主动管理整体流动资金以及债务到期年限分布，充分利用我们的现金流和资本效益。

展望未来

我们将继续强化我们作为一家房地产和医疗服务综合性公司在亚洲乃至世界的独特地位。作为临近交通枢纽的大型综合项目的持有人、开发商和管理者，我们能够充分善用房地产和医疗服务相辅相成的策略来建设标志性综合项目，包括具备国际品质的购物中心、写字楼、公寓、酒店，甚至区域医疗中心。我们的主要发起人丰益国际拥有既有的声誉、深厚的学识、当地资源以及人际关系，尤其是在中国及其他新兴市场，为我们在获取房地产商机和接触主要联系人方面提供了极大的便利。这也进一步巩固了我们的发展道路。

今年，新加坡和中国将仍然是我们的核心市场。尽管考虑到动荡的全球经济环境会产生相对疲弱的情绪，我们仍确信上述市场的长期前景。

我们今年的主要优先事宜之一，就是要加强在新加坡和中国的运营资产的经常性收入流。为此，我们将继续推进我们在新加坡资产的绩效，同时实施我们在111索美塞、安盛保险大厦的单元产权销售策略以提供额外的收入流。在中国，我们将集中于位于沈阳、佛山、成都的运营资产的绩效优化，这些运营资产将持续提供稳定的收入流。位于成都D2地块的成都协和国际颐养院以及鹏瑞利国际医疗健康中心的竣工有望进一步促进收入增长。

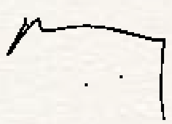
在中国医疗服务业前沿，我们欲通过与地方和国际声誉良好的医药、医疗服务经营者合作来提供全方位服务，进一步发展这一新的增长翼。另外，我们将积极探索并引入医疗服务地产为我们综合项目中的一个资产类别。针对我们在中国的综合项目，我们将继续实行房地产单元产权销售策略。但是，如果我们的医疗服务策略能够给股东带来更多价值，房地产单元产权销售策略将会被医疗服务策略取代。

此外，我们打算在陈旭年宅第运营一家中医合资企业。

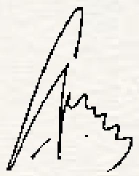
鸣谢

感谢我们的董事会英明的领导和付出。同样感谢蔡培熙先生担任审计与风险管理委员会主席直至2016年2月4日卸任前的领导工作，并期待他作为审计与风险管理委员会成员的继续贡献。同时，我们欢迎黄永平先生加入董事会，他将自2016年2月5日起担任审计与风险管理委员会主席，相信鹏瑞利置地将得益于他的丰富商业经验及敏锐度。

谨代表董事会，我们向全体股东、租户、商业伙伴、客户、分析师、媒体以及职员致以真诚的感谢，感谢大家不间断的支持。



郭孔丰先生
主席



潘锡源先生
首席执行官

2016年3月8日

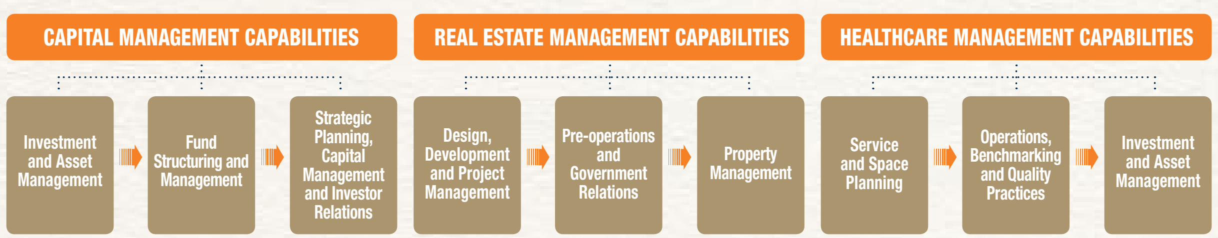
Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate and healthcare company. As a real estate owner, developer and manager, Perennial has a well-diversified portfolio of large-scale integrated developments which are well-positioned for growth, and complemented by operational properties with a steady income stream. Perennial is also a healthcare services owner and operator with a growing portfolio of holistic medical and healthcare-related services, which delivers an additional income stream.

Perennial aims to maximise shareholders' returns by leveraging on its unique integrated real estate and healthcare business platform, strong major sponsors and adopting a defined set of strategies in its three main geographies of operations, which it will actively adapt as each of the markets matures and develops over time.

INTEGRATED REAL ESTATE AND HEALTHCARE BUSINESS PLATFORM

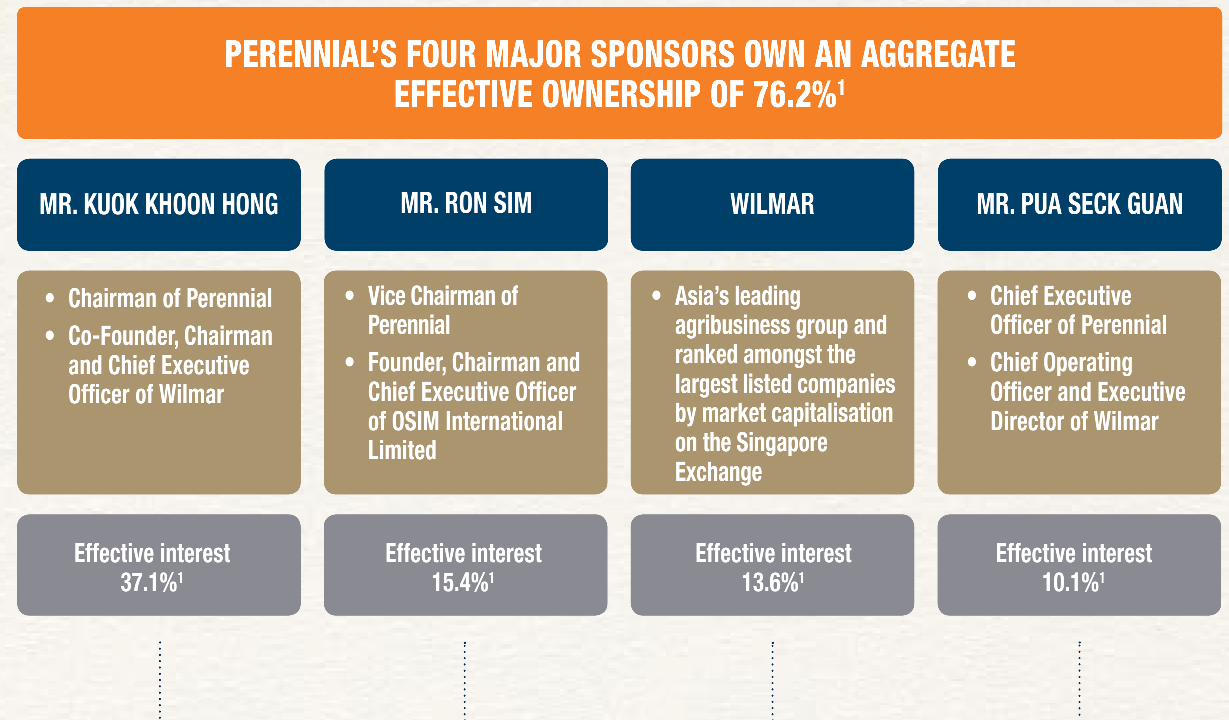
Perennial has an established and fully integrated real estate and healthcare business platform which is well-supported by an internalised management team with real estate management, capital management and healthcare management capabilities.

The integrated platform enhances Perennial's ability to gain access to strategically located prime land plots which are designated for mixed-use developments or healthcare/medical usage. In addition, it facilitates the extraction of value across the entire real estate value chain for different asset classes, ranging from sourcing, designing and developing projects, to managing them upon completion. Further, the integrated platform seamlessly incorporates Perennial's healthcare business' physical and operational requirements, resulting in the maximisation of the value of both the real estate portfolio and the healthcare and medical services business.



OUR SPONSORS

Perennial is backed by strong long-term shareholders, being Mr. Kuok Khoon Hong, Mr. Ron Sim, Wilmar International Limited ("**Wilmar**") and Mr. Pua Seck Guan, who have extensive networks and business experience in China, Singapore and other markets. As at 31 December 2015, the four major sponsors have an aggregate effective ownership of about 76.2% in Perennial.



1 As at 31 December 2015.

REAL ESTATE BUSINESS

CHINA

Acquire and develop large-scale mixed-use development projects in first-tier and second-tier provincial capitals and major cities

Perennial targets large-scale mixed-use greenfield development projects encompassing different asset classes strategically positioned in high growth cities in China, and in close proximity to transportation hubs, including High Speed Railway stations.

These large-scale iconic mixed-use projects allow Perennial to distinguish itself from its competitors, provide complementary advantages between different asset classes and enhance Perennial's resilience against any future policies for specific asset classes.

Adopt strata sale / long term hold strategy to better manage fund flows, while benefiting from operating long term assets

Perennial will adopt an active strata sales strategy in relation to projects located in China, whose proposed designs are such that up to 50% of the gross floor area of such developments comprise asset classes which allow for strata sub-division of the developments for sale (such as residential and strata retail units) for capital recycling purposes, with the remainder to be held for the long-term.

This will allow Perennial to:

- tap on an additional source of funds, recycle capital and reduce its external financing requirements; and
- retain an interest in long-term assets, hence benefiting from any uplift in asset valuations which will enhance its net asset value, as well as enjoy future income from these operational assets.

SINGAPORE

Acquire assets or land which can be repositioned and redeveloped to extract embedded value

Perennial intends to acquire properties or land plots which can be repositioned or redeveloped to create value. In addition, Perennial will selectively acquire completed operational assets which will augment the stream of recurring income and provide further income stability.

OTHER MARKETS

Achieve first-mover advantage in high-growth and untapped emerging markets

Perennial will selectively pursue real estate opportunities in other markets with a focus on emerging markets by:

- leveraging on its Sponsors' extensive network of relationships and experience in the emerging markets;
- focusing on acquiring urban renewal or rejuvenation projects which require international expertise; and
- optimising its capital structure through a combination of onshore and offshore funding.

HEALTHCARE BUSINESS

Introduce healthcare real estate as an asset class in large-scale integrated developments

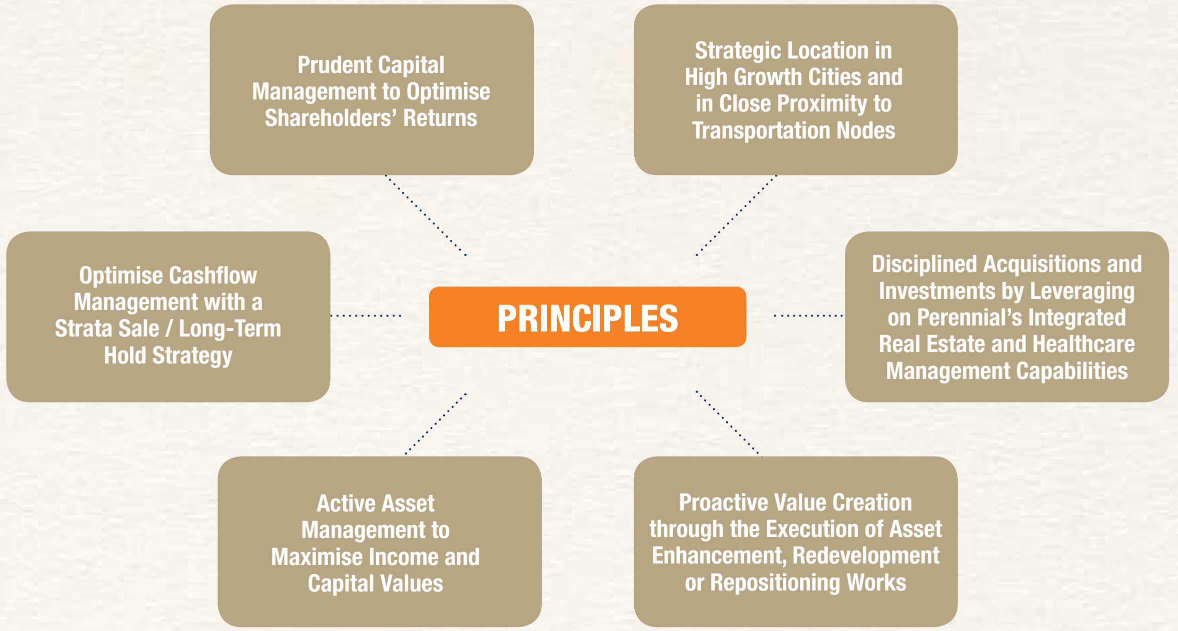
Perennial will introduce healthcare real estate within its large-scale integrated developments to create synergy between the various components so as to enhance the value of the entire integrated development.

Form strategic partnerships with established local and foreign healthcare or medical-related operators to scale the business

Perennial will partner with reputable local and foreign healthcare or medical-related operators with extensive local and international networks and strong operating track records with the aim to provide a holistic range of healthcare and medical services.

PRINCIPLES FOR REALISING PERENNIAL'S STRATEGIES

Perennial continually explores new investment opportunities in China, Singapore and other markets and implements its acquisition strategy for both its real estate and healthcare businesses by adhering to the following principles:



Strategic Location

Acquire, own and develop mixed-use real estate assets and healthcare/medical assets in high growth cities (including first-tier, second-tier provincial capitals and major cities) which are in close proximity to transportation hubs.

Disciplined Acquisitions and Investments

Assess investment opportunities based on a disciplined process to ensure development projects, asset acquisitions and business acquisitions generate attractive returns by leveraging on Perennial's integrated real estate and healthcare business platform.

Proactive Value Creation

Identity embedded value creation opportunities and extract value through the execution of asset enhancement, redevelopment or repositioning works.

Active Asset Management

Actively manage the planning and design phases of development real estate and healthcare/medical projects and proactively manage the completed and operating assets to maximise income and capital values.

Optimise Cashflow Management

Focus on large-scale integrated developments with different asset classes, with the intention to trade the strata components of the developments to generate cash flow and hold the non-strata portions as investment properties for yield, so as to optimise capital efficiency.

Prudent Capital Management

Prudent capital management to optimise shareholders' returns over time.

BOARD OF DIRECTORS

From Left to Right (Seated)
1. Mr. Ron Sim
2. Mr. Kuok Khoon Hong
3. Mr. Pua Seck Guan

From Left to Right (Standing)
4. Mr. Chua Phuay Hee
5. Mr. Ooi Eng Peng
6. Mr. Eugene Paul Lai Chin Look
7. Mr. Lee Suan Hiang

MR. KUOK KHOON HONG, 66
Chairman, Non-Independent Non-Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Remuneration Committee (Member)
- Executive Committee (Chairman)

PRESENT DIRECTORSHIP IN OTHER LISTED COMPANY AND MAJOR APPOINTMENT
- Chairman and Chief Executive Officer of Wilmar International Limited

BACKGROUND AND WORKING EXPERIENCE
- Co-Founder of Wilmar International Limited
- Managing Director of Kuok Oils & Grains Pte Ltd

PAST DIRECTORSHIPS AND MAJOR APPOINTMENTS
- Perennial China Retail Trust Management Pte. Ltd., Trustee-Manager of Perennial China Retail Trust
- Cosumar S.A., a Wilmar associated company
- Lee Kuan Yew Exchange Fellowship

MR. RON SIM, 57
Vice-Chairman, Non-Independent Non-Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Nomination Committee (Member)
- Executive Committee (Member)

PRESENT DIRECTORSHIP IN OTHER LISTED COMPANY AND MAJOR APPOINTMENT
- Chairman and Chief Executive Officer of OSIM International Ltd

BACKGROUND AND WORKING EXPERIENCE
- Founder of OSIM International Ltd

PAST DIRECTORSHIPS AND MAJOR APPOINTMENTS
- Sentosa Development Ltd
- Advisory Board of Lee Kong Chian School of Business, Singapore Management University
- Advisory Board Member of International Enterprise Singapore
- Advisory Board Member of National University of Singapore Business School Advisory Board
- Committee Member of NTUC Enterprise Committee
- Member of the Economic Review Sub-Committee

AWARDS
- Singapore Corporate Awards 2012 'Best Chief Executive Officer Award'
- Business Times 'Businessman of the Year 2004'
- Ernst & Young 'Entrepreneur of the Year 2004'

MR. EUGENE PAUL LAI CHIN LOOK, 52
Lead Independent Non-Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)
- Nomination Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- AIMS AMP Capital Industrial REIT Management Limited
- Managing Director and Co-Managing Partner of Southern Capital Group
- Council Member of DesignSingapore Council
- Council Member of Securities Industry Council

BACKGROUND AND WORKING EXPERIENCE
- Managing Director and Senior Country Officer of JP Morgan, Malaysia
- Managing Director and Chief Executive Officer of The Ascott Group Limited
- Managing Director of The Carlyle Group Asia
- Managing Director of Citigroup, Singapore
- Practising Lawyer

MR. OOI ENG PENG, 60
Independent Non-Executive Director

DATE OF APPOINTMENT
28 July 2015

LENGTH OF SERVICE
(As at 31 December 2015)
5 months

BOARD COMMITTEES SERVED ON
- Audit and Risk Committee
  (Chairman - with effect from 5 February 2016)
  (Member - 28 July 2015 to 4 February 2016)
- Corporate Disclosure Committee
  (Member - with effect from 5 February 2016)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANY AND MAJOR APPOINTMENTS
- Cambridge Industrial Trust Management Limited
- Frasers Australand Pty Ltd

BACKGROUND AND WORKING EXPERIENCE
- Chief Executive Officer of Lend Lease Asia, based in Singapore
- Chief Executive Officer of Investment Management and Retail Asia for Lend Lease, based in Singapore
- Regional Chief Financial Officer of Lend Lease Communities Asia Pacific
- Global Chief Financial Officer of Lend Lease Investment Management
- Chief Financial Officer of Lend Lease Development

PAST DIRECTORSHIP AND MAJOR APPOINTMENT
- Perennial China Retail Trust Management Pte. Ltd., Trustee-Manager of Perennial China Retail Trust

MR. LEE SUAN HIANG, 65
Independent Non-Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Nomination Committee (Chairman)
- Audit and Risk Committee (Member)
- Remuneration Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Viking Offshore and Marine Limited
- United Envirotech Ltd (Citic Envirotech Ltd)
- Memstar Technology Ltd.
- Advance SCT Limited
- Chief Executive of Real Estate Developers' Association of Singapore
- President of Economic Development Board Society
- Chairman of Singapore Note and Coin Advisory Committee

BACKGROUND AND WORKING EXPERIENCE
- Chief Executive of National Arts Council
- Chief Executive of SPRING Singapore
- Chief Executive of National Productivity Board
- Chief Executive of Singapore Institute of Standards and Industrial Research
- Deputy Managing Director of Economic Development Board

AWARDS
- National Day Public Administration Gold Medal in 1998
- World Academy of Productivity Science Fellowship Award in 2000
- World SME Association Award in 2001
- Japan External Trade Organisation Award in 2002
- Asian Productivity Organisation Honorary Fellowship Award in 2004
- Chevalier de l'Ordre des Arts et Lettres from France in 2010
- NTUC Friend of Labour Award in 2012

MR. CHUA PHUAY HEE, 62
Independent Non-Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Audit and Risk Committee
  (Member - with effect from 5 February 2016)
  (Chairman - 27 October 2014 to 4 February 2016)
- Corporate Disclosure Committee
  (Member - 27 October 2014 to 4 February 2016)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Fraser Hospitality Asset Management Pte. Ltd., Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte. Ltd., Trustee-Manager of Frasers Hospitality Business Trust
- Temasek Life Sciences Laboratory Limited

BACKGROUND AND WORKING EXPERIENCE
- Executive Director for Finance, Risk Management, IT and Corporate Services of Wilmar International Limited
- Chief Financial Officer and Chief Risk Officer of Keppel TatLee Bank Limited
- Executive Vice President of Tat Lee Bank Limited
- Director of Monetary Authority of Singapore

PAST DIRECTORSHIPS AND MAJOR APPOINTMENTS
- Industrial Bank Co., Ltd. listed on Shanghai Stock Exchange
- Wilmar International Limited
- Eltech Electronics Limited

MR. PUA SECK GUAN, 52
Chief Executive Officer and Executive Director

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE
(As at 31 December 2015)
1 year 2 months

BOARD COMMITTEES SERVED ON
- Corporate Disclosure Committee (Member)
- Executive Committee (Member)

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANY AND MAJOR APPOINTMENTS
- Executive Director and Chief Operating Officer of Wilmar International Limited
- Member of Consultative Committee of National University of Singapore – Department of Real Estate

BACKGROUND AND WORKING EXPERIENCE
- Vice Chairman and President of Perennial Real Estate Holdings Pte. Ltd.
- Executive Director of Perennial China Retail Trust Management Pte. Ltd., Trustee-Manager of Perennial China Retail Trust
- Chief Executive Officer of DLF International Pte Ltd
- Executive Director and Chief Executive Officer of CapitaMall Trust Management Limited
- Co-Chief Executive Officer of CapitaLand Financial Limited
- Chief Executive Officer of CapitaLand Retail Limited
- Deputy Chief Executive Officer and Managing Director of Retail of CapitaLand Commercial Limited

PAST DIRECTORSHIPS AND MAJOR APPOINTMENTS
- Courts Asia Limited
- Member on Board of Trustees of International Council of Shopping Centers

MANAGEMENT TEAM

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1. **Mr. Goh Soon Yong**
   Group Chief Operating Officer
2. **Ms. Belinda Gan**
   Chief Financial Officer
3. **Mr. Ivan Koh**
   Deputy Chief Executive Officer (China)
4. **Ms. Annie Lee**
   Chief Operating Officer (Singapore)
5. **Dr. Wong Weng Hong**
   Managing Director, Healthcare Asset Management Services
6. **Ms. Tan Shook Yng**
   Executive Vice President, Legal and Special Projects
7. **Mr. Lim Kong Cheng**
   Head, Project Management
8. **Ms. Tan Boon Pheng**
   Head, Design Management
9. **Ms. Tong Ka-Pin**
   Head, Investor Relations, Corporate Communications and Marketing

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10. **Ms. Celeste Tay**
    Head, Human Resources
11. **Ms. Joyce Ong**
    Senior Vice President, Finance
12. **Ms. Joanna Low**
    Senior General Manager (South China)
13. **Mr. Chen Rui Wei**
    General Manager (North China)
14. **Ms. Yeoh Szu Wooi**
    General Manager (Singapore)
15. **Mr. Roy Lim**
    Vice President, Regional Investment and Asset Management
16. **Ms. Juliet Choo**
    Deputy Head, Project Management
17. **Ms. Sim Ai Hua**
    Joint Company Secretary
18. **Ms. Khong Mee Hong**
    Joint Company Secretary

MANAGEMENT TEAM

MR. GOH SOON YONG
Group Chief Operating Officer

Mr. Goh has over 20 years of real estate experience, ranging from integrated development management, public housing estate management, town council property management and business development, to asset management and fund management.

Prior to this appointment, Mr. Goh held positions as Advisor and Deputy Chief Executive Officer (China) of Perennial Real Estate Holdings Limited ("**Perennial**"). Mr. Goh was also previously the Deputy Chief Executive Officer (Development Management, China) of Perennial Real Estate Holdings Pte. Ltd. ("**PREHPL**").

Earlier, Mr. Goh was the Chief Executive Officer (China Retail) of Pramerica Retail (Beijing) Co., Ltd., where he was responsible for setting up the retail operation platform and to integrate with Pramerica Fund Management for all its acquisitions and investments in commercial assets in China. Mr. Goh also previously held various positions in CapitaLand Retail Limited (*now known as CapitaLand Mall Asia Limited*), including Chief Asset Manager (Regional), Chief Executive Officer (China) and Chief Asset Manager (China). He was also a Non-Executive Director of CapitaMalls Malaysia REIT Management Sdn. Bhd.

Mr. Goh holds a Master of Science in Real Estate Management and a Bachelor of Science in Estate Management (Honours) degree from the National University of Singapore.

MS. BELINDA GAN
Chief Financial Officer

Ms. Gan has more than 28 years of experience in finance-related work ranging from accounting, audit, corporate finance, treasury, management and financial reporting.

Ms. Gan was previously the Chief Financial Officer of PREHPL. Prior to that, Ms. Gan was with CapitaLand Limited for 13 years and last held the position of Group Financial Controller. Her earlier positions within CapitaLand Group included Vice President (Finance and Corporate Services), CapitaLand Financial Limited and Vice President (Finance), CapitaLand Commercial Limited.

Prior to CapitaLand, Ms. Gan held various finance positions at PowerSeraya Limited, Singapore Network Services Pte. Ltd. and Port of Singapore Authority. Ms. Gan holds a Bachelor of Accountancy (Honours) from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants and CPA Australia.

MR. IVAN KOH
Deputy Chief Executive Officer (China)

Mr. Koh has more than 17 years of real estate experience, of which a significant part was spent managing development and operational property portfolio in China. Mr. Koh was previously the Chief Executive Officer of Perennial China Retail Trust Management Pte. Ltd. ("**PCRTMPL**"), the trustee-manager of Perennial China Retail Trust ("**PCRT**"). He was concurrently the Deputy Chief Executive Officer (Retail Management, China) of Perennial (Shanghai) Retail Management Co., Ltd.

Earlier, he joined Perennial Real Estate Pte. Ltd. ("**PREPL**") and was seconded to DLF International Holdings Pte. Ltd. as Chief Operating Officer (Retail Business), and was stationed in New Delhi. Mr. Koh previously held various positions at CapitaLand Retail Limited (*now known as CapitaLand Mall Asia Limited*), including Regional General Manager of West China and General Manager of North China. In those capacities, he was actively involved in the retail planning of Raffles City Beijing and played an instrumental role in setting up the Chinese retail management teams, providing them training and guidance to oversee the projects in various China cities. Prior to the posting in China, he was part of the centre management team in a number of Singapore malls.

Mr. Koh holds a Bachelor of Science in Management (Honours) from the University of London.

MS. ANNIE LEE
Chief Operating Officer (Singapore)

Ms. Lee has more than 18 years of real estate experience, with strong expertise in leasing, retail planning, asset management and property management.

Ms. Lee was previously the Chief Operating Officer (Singapore) of PREHPL. Earlier, she was the Senior Vice President, Leasing and Asset Management of PREPL.

Prior to that, Ms. Lee was Vice President, Asset Management of GIC Real Estate Pte. Ltd. Earlier, she was Head of Leasing (Singapore) of CapitaLand Retail Limited (*now known as CapitaLand Mall Asia Limited*), where she was seconded to VivoCity as Senior Development Manager for over two and a half years during her tenure with the company.

Ms. Lee holds a Master of Business Administration (Specialisation in Real Estate) and a Bachelor of Science in Estate Management (Honours) from the National University of Singapore.

DR. WONG WENG HONG
Managing Director, Healthcare Asset Management Services

Dr. Wong has more than 20 years of experience in setting up, acquiring and managing medical assets in Singapore and China.

Prior to joining Perennial, Dr. Wong was the Chief Executive Officer of AsiaMedic Limited ("**AsiaMedic**") from 2012 to 2015. Earlier, he held positions as the Co-Founder and Managing Director (Medical Services) of Healthway Medical Corporation Limited ("**Healthway**") from 1994 to 2011.

During his tenure in Healthway, he was instrumental in setting up and acquiring several medical assets in Singapore and China, and successfully listed the company in 2008 on the Singapore Exchange. While in AsiaMedic, he expanded its scale and scope of its medical operations in both Singapore and China.

Dr. Wong holds a Bachelor of Medicine, Bachelor of Surgery degree from the National University of Singapore, and a Master of Business Administration degree from the Macquarie Graduate School of Management, Australia.

MS. TAN SHOOK YNG
Executive Vice President, Legal and Special Projects

Ms. Tan has over 20 years of experience in areas including corporate planning, corporate finance, mergers and acquisitions, restructuring, joint ventures, legal and regulatory compliance functions, investment advice, corporate governance and stock exchange issues.

Earlier, she was the Executive Vice President, Corporate Development & Legal of Yanlord Land Group Limited and concurrently held the positions of Group General Counsel and Company Secretary.

Prior to that, she was Partner of a leading Singapore law firm, co-heading its Greater China Practice Group, and Senior Assistant Registrar of the Registry of Companies and Businesses of Singapore (*now known as Accounting and Corporate Regulatory Authority of Singapore*).

Ms. Tan holds a Bachelor of Laws (Honours) from the National University of Singapore. She is an advocate and solicitor of the Supreme Court of Singapore and a member of the Singapore Academy of Law.

MR. LIM KONG CHENG
Head, Project Management

Mr. Lim has over 20 years of experience in project development and management, particularly in high-end offices, condominiums, hotels, resorts and retail malls.

Mr. Lim has been seconded to Capitol Investment Holdings Pte. Ltd. as Project Director, to oversee and manage the development of Capitol Singapore. He was previously Senior Vice President, Project Development of PREPL. Earlier, he was Senior Vice President, Project Development of PREHPL. When he was with PREPL, he was seconded to DLF Cybercity Developers Pte. Ltd. in New Delhi as Senior Vice President, to manage the development of a number of retail malls in various parts of India.

Prior to that, Mr. Lim held senior positions at Hotel Properties Limited, where he managed the development of prime projects such as the Canary Riverside mixed-use development in the UK, Four Seasons Resorts in Bali and Maldives, as well as the Parrot Cay Resort in Turks and Caicos. He also participated in the planning of a new township in Incheon, South Korea while he was holding a position with Lippo Incheon Pte. Ltd.

Mr. Lim holds a Master of Science in Management Science from the Imperial College of Science and Technology, UK and a Bachelor of Science in Civil Engineering (First Class Honours) from the University College London, UK.

MS. TAN BOON PHENG
Head, Design Management

Ms. Tan has over 20 years of project design experience with strong expertise in retail, residential, integrated development, and master planning.

Ms. Tan was previously the Head, Project and Design Management of PREHPL. Earlier, she was the Senior Vice President, Project and Design Management of PREPL.

Prior to that, Ms. Tan was the Vice President, Project Design and Development Management of CapitaMalls Asia Limited (*now known as CapitaLand Mall Asia Limited*) where she was responsible for overall design management of Singapore, China, India, Japan, and Malaysia malls. Earlier, she was with Surbana International Consultants Pte Ltd, where she managed the setting up and operations of the company's first international branch office in Chengdu. She was also involved in master planning projects in Asia and Middle East regions, including Vietnam, Bahrain, Qatar, and South Africa.

Ms. Tan holds Dual Master Degrees in City Planning and Architecture from the University of Pennsylvania, USA and a Bachelor of Architecture (Honours) from the University of New South Wales, Australia.

MS. TONG KA-PIN
Head, Investor Relations,
Corporate Communications and Marketing

Ms. Tong has over 14 years of investor relations, corporate communications, corporate marketing, corporate branding and events management experience, of which more than 12 years were in the real estate industry.

Ms. Tong was previously the Senior Vice President, Investor Relations, Corporate Communications and Marketing of PREHPL. Concurrently, she was the Head, Investor Relations, Corporate Communications and Marketing of PCRTMPL, the trustee-manager of PCRT, since PCRT's listing in 2011. Earlier, she was the Senior Vice President, Investor Relations, Corporate Communications and Marketing of PREPL.

Ms. Tong previously held concurrent positions as Head, Investor Relations and Corporate Communications of CapitaMall Trust Management Limited (*now known as CapitaLand Mall Trust Management Limited*) and Head, Investor Relations, Corporate Communications and Marketing of CapitaLand Retail Limited (*now known as CapitaLand Mall Asia Limited*). Earlier, Ms Tong was the Assistant Vice President, Investor Relations of United Overseas Bank Limited.

Ms. Tong holds a Master of Commerce (Advanced Finance) from the University of New South Wales, Australia and a Bachelor of Arts from the National University of Singapore. She has completed the Executive Development Program at Wharton, University of Pennsylvania, USA.

MS. CELESTE TAY
Head, Human Resources

Ms. Tay has over 15 years of human resources and human resources-related experience in supporting operations in China, Korea, Japan and Singapore, of which more than 11 years were in the real estate industry. Her experience includes setting up and managing centralised human resources shared service team, employee engagement, employee and corporate communications, recruitment and talent management.

Ms. Tay was previously the Head of Human Resources of PREHPL. Prior to that, Ms. Tay held various positions within the CapitaLand Group, including Vice President, Human Resource Shared Service, CapitaLand Limited and Head of Human Resources (Singapore) for CapitaMalls Asia Limited (*now known as CapitaLand Mall Asia Limited*). She was previously Vice-President, Administration & Corporate Affairs with the real estate arm of the Government of Singapore Investment Corporation. Earlier, Ms. Tay also held human resources-related positions at OCBC Bank and the Ministry of Manpower.

Ms. Tay holds a Bachelor of Social Sciences (Honours) from the National University of Singapore.

MS. JOYCE ONG
Senior Vice President, Finance

Ms. Ong has more than 20 years of experience covering areas of finance management, corporate planning, tax, audit and risk management gained from various industries.

Ms. Ong was previously the Chief Financial Officer of PCRTMPL, the trustee-manager of PCRT.

Earlier, she held senior positions in finance teams of Fortune 500 companies and Singapore Exchange-listed companies including Fortis Healthcare International Pte Ltd, Hyflux Ltd and United Technologies Corporation. She also spent part of her career stationed overseas, including countries like China, United States of America and Canada.

Ms. Ong graduated from Murdoch University, Australia with a Bachelor of Commerce degree and holds a postgraduate diploma in Business Administration from Manchester University, United Kingdom.

MS. JOANNA LOW
Senior General Manager (South China)

Ms. Low has more than 15 years of investment, asset management and leasing experience in the real estate industry.

Ms. Low was previously Head, Investment and Asset Management of PCRTMPL, the trustee-manager of PCRT. Prior to that, she was the Director of Retail (Head of North China Retail) in Savills Property Services (Beijing) Co., Ltd., where she oversaw strategic and planning development as well as the day to day operations of the firm's retail business in North China.

Earlier, she was Vice President, Fund and Asset Management of PREPL. and was involved in the listing of PCRT. She also previously held positions as General Manager, Raffles City Singapore at CapitaLand Retail Limited (*now known as CapitaLand Mall Asia Limited*) and as Investment and Asset Manager of CapitaMall Trust Management Limited (*now known as CapitaLand Mall Trust Management Limited.*)

Ms. Low holds a Master of Commerce (Advanced Finance) from the University of New South Wales, Australia, and a Bachelor of Business from the Queensland University of Technology, Australia.

MR. CHEN RUI WEI
General Manager (North China)

Mr. Chen has over 11 years of experience in the real estate and financial industry in Singapore and China, of which over nine years were in real estate investment and asset management and close to two years in investment trust management.

Mr. Chen was previously the Vice President, Investment and Development Management (China) of PREHPL. Prior to that, Mr. Chen was the Executive Director, Real Estate Investment Department of Ping An Trust Company Limited in Shanghai, China. Earlier, he held various China and Singapore-based positions within the CapitaLand Group, including Manager, Investment and Asset Management and Deputy General Manager of CapitaLand Mall Asia Limited, Manager, Investment and Asset Management of CapitaRetail China Trust Management Limited. (*now known as CapitaLand Retail China Trust Management Limited*) and Financial Analyst of CapitaMall Trust Management Limited (*now known as CapitaLand Mall Trust Management Limited*).

Mr. Chen holds a Bachelor of Business Management from the Singapore Management University, Singapore.

MS. YEOH SZU WOOI
General Manager (Singapore)

Ms. Yeoh has over 13 years of experience in real estate investment, asset management and corporate finance in Singapore and Malaysia. Her corporate finance experience includes cross-border mergers and acquisitions transactions, initial public offers and corporate advisory-related transactions.

Ms. Yeoh was previously Vice President, Investment and Asset Management (Singapore) of Perennial. Earlier, she held the position of Vice President, Investment and Asset Management of PREHPL, and the same position at PREPL.

Ms. Yeoh was previously Assistant Vice President in the corporate finance department of Mitsubishi UFJ Securities (Singapore), Limited. Prior to that, she was a Manager with the corporate advisory team of The Nikko Merchant Bank (Singapore), Limited. Ms. Yeoh also spent a number of years working in a corporate finance-related field in HwangDBS Investment Bank Berhad and Alliance Investment Bank Berhad in Malaysia.

Ms. Yeoh holds a Bachelor of Science in Finance from The Queen's University of Belfast, United Kingdom.

MR. ROY LIM
Vice President, Regional Investment
and Asset Management

Mr. Lim has more than seven years of experience in investment and asset management.

Mr. Lim was previously Deputy Head, Investment and Asset Management of PCRTMPL, the trustee-manager of PCRT. Prior to that, he was with the investment and asset management team of PREPL.

Earlier, he was Manager, Investment and Asset Management of CapitaMall Trust Management Pte. Ltd. (*now known as CapitaLand Mall Trust Management Limited*), where he had profit-and-loss responsibility for three Singapore malls and was involved in overseeing the malls' leasing, operations and marketing functions. Mr. Lim also previously worked with the Singapore Government's Ministry of Law and the Ministry of Information, Communications and the Arts.

Mr. Lim is a CFA charterholder and holds a Master of Engineering and a Bachelor of Arts from the University of Cambridge, UK.

MS. JULIET CHOO
Deputy Head, Project Management

Ms. Choo has more than 21 years of project and design management experience with strong expertise in retail malls, residential, and integrated developments.

Ms. Choo has been seconded to Capitol Investment Holdings Pte. Ltd. as Vice President, Project Design Management, to oversee and manage the development of Capitol Singapore.

Earlier, Ms. Choo held senior positions at CapitaMalls Asia Limited (*now known as CapitaLand Malls Asia Limited*), where she managed the development of prime projects such as ION Orchard and Star Vista in Singapore. She also participated in the development and construction of Royal Complex, a large-scale integrated development in Abu Dhabi while she was holding a position with Surbana International Consultants.

Ms. Choo is a registered architect in Singapore and holds a Bachelor of Architecture from the National University of Singapore.

MS. SIM AI HUA
Joint Company Secretary

Ms. Sim has over 20 years of corporate secretariat experience.

Ms. Sim is also the Company Secretary of PCRTMPL, the trustee-manager of PCRT. Prior to that, she was Corporate Secretariat Manager with SATS Ltd. and was also Joint Company Secretary of its subsidiaries, where she was responsible for providing corporate secretariat support to the group of companies and ensuring compliance with rules and regulations of the Singapore Exchange Listing Manual and the Companies Act.

Ms. Sim was previously with CapitaLand Commercial Limited and CapitaLand Retail Limited (*now known as CapitaLand Malls Asia Limited*). She had assisted in the corporate secretariat function during the merger between DBS Land Limited and Pidemco Land Limited and was also part of the team that worked towards the listing of CapitaLand Commercial Trust on the Singapore Exchange Securities Trading Limited. Ms. Sim had also provided support to the private residential fund, commercial development fund and Japan fund for commercial and residential properties owned by the CapitaLand Group in China and Japan. Earlier, she was with the Legal and Corporate Secretariat department at United Overseas Bank Limited.

Ms. Sim is an Associate Member of the Singapore Association of the Institute of Chartered Secretaries and Administrators and also holds a Diploma in Banking and Finance from The Institute of Banking & Finance.

MS. KHONG MEE HONG
Joint Company Secretary

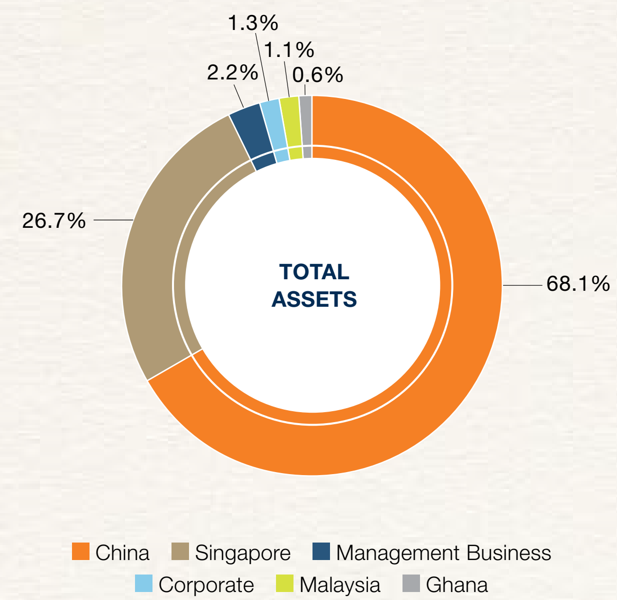
Ms. Khong has over 15 years of corporate secretariat experience and is an Associate Member of the Institute of Chartered Secretaries and Administrators.

Ms. Khong was previously the Senior Manager, Corporate Secretariat of PREHPL and the Company Secretary of PREHPL's group of companies. She was responsible for the corporate secretariat function when PREHPL undertook the reverse takeover exercise and the voluntary general offer for PCRT to establish Perennial.

Prior to that, Ms. Khong was a Corporate Secretariat Executive with DrewCorp Services Pte. Ltd., where she managed a portfolio of clients comprising public listed companies as well as private local and foreign companies. Earlier, she held the position of Corporate Secretariat Senior at Lim Associates (Pte) Ltd, a member of Boardroom Limited, where she similarly managed a portfolio of listed and private companies.

As at 31 December 2015, Perennial Real Estate Holdings Limited ("**Perennial**") has a real estate business presence in four countries, being Singapore, China, Malaysia and Ghana, with a diversified portfolio comprising 10 integrated developments and five retail and commercial developments spanning over 45 million square feet ("**sq ft**") in total gross floor area ("**GFA**").

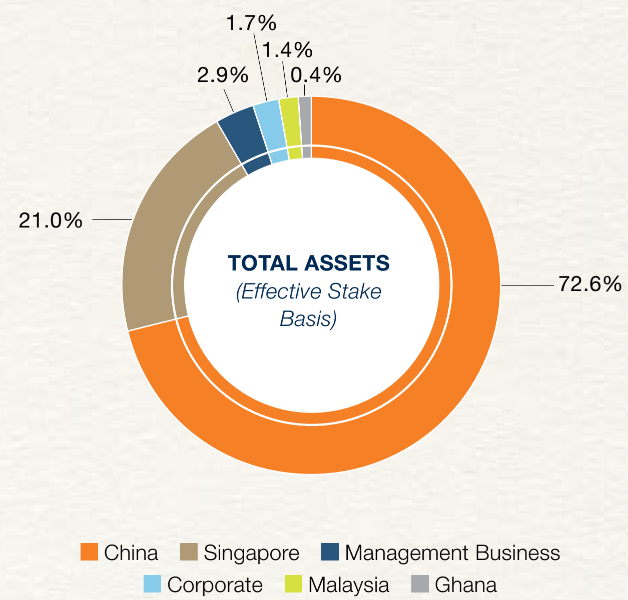
Perennial's business also extends into the healthcare industry in China, with ownership and management in the areas of medical and hospital services, and eldercare and retirement home.



PORTFOLIO ANALYSIS

Total Asset Composition

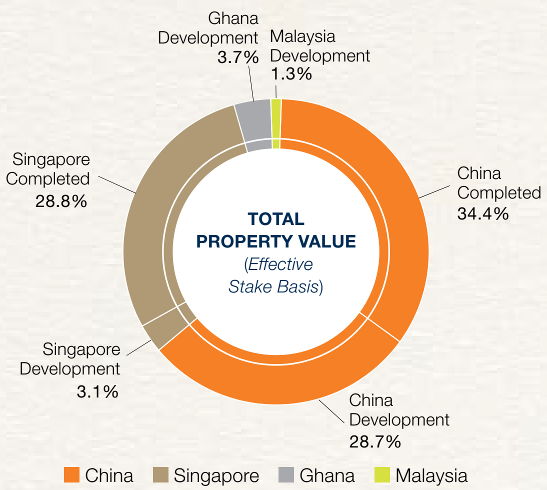
Perennial is strategically focused on the core markets of China and Singapore, with China and Singapore accounting for 68.1% and 26.7% of Perennial's total assets respectively. On an effective stake basis, China and Singapore accounted for 72.6% and 21% of Perennial's total assets respectively. Please refer to page 114 of the Financial Review section for further details on Perennial's total assets.

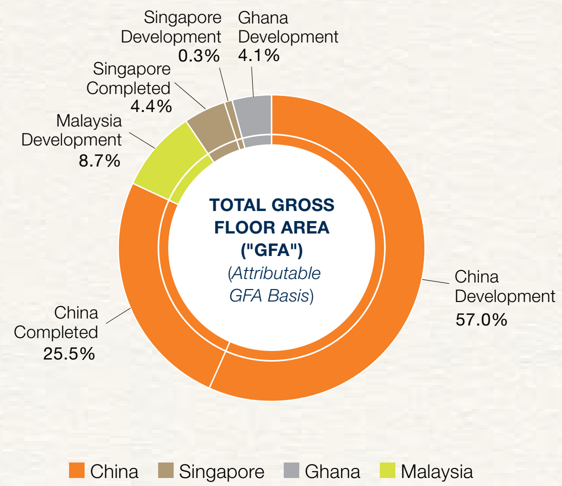


Total Property Value Versus Total Gross Floor Area

As at 31 December 2015, Perennial's completed projects in Singapore and China, which accounted for about 63.2% of total property value (effective stake basis), provided income stability. With the recent receipt of the Temporary Occupation Permit ("**TOP**") for Eden Residences Capitol at Capitol Singapore in February 2016, Perennial's projects in Singapore are 100% completed. As a result, Perennial's completed projects as a proportion of total property value has increased to 66.3% as at 29 February 2016.

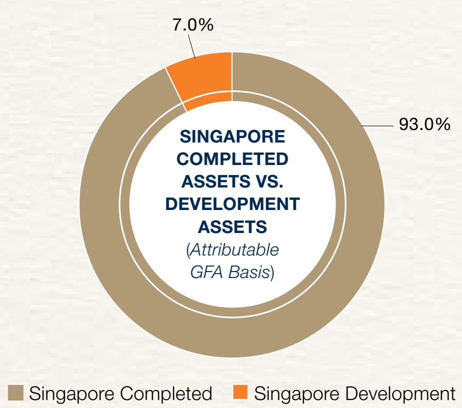
China development properties on the other hand contributed only about 28.7% of total property value (effective stake basis), whilst accounting for about 57% of total attributable[1] GFA. The completion of these China development projects is expected to drive Perennial's net asset value ("**NAV**") growth over time.

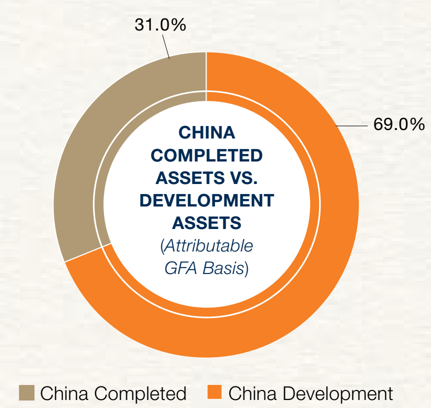




Total GFA (Singapore and China)

As at 31 December 2015, 93% of Perennial's Singapore portfolio (based on attributable[1] GFA) is completed. With the recent receipt of the TOP at Eden Residences Capitol, 100% of Perennial's Singapore portfolio (based on attributable[1] GFA) is completed. As for Perennial's projects in China, 69% of its portfolio (based on attributable[1] GFA) is under development and the progressive completion of these projects will provide significant growth potential.





1 Computed based on the proportionate stake held in the asset.

PERENNIAL 鹏瑞利

SINGAPORE ASSETS

Assets	Ownership
CHIJMES	51.61%[1]
TripleOne Somerset	50.2%
Capitol Singapore	50%
House of Tan Yeok Nee	50%
AXA Tower	31.2%
Chinatown Point	5.15%[3]
112 Katong	1.46%[1,4]

CHINA ASSETS

Assets (including PCRT[2] Assets)		Ownership
Xi'an North High Speed Railway Integrated Development	Plot 4	51%
	Plot 5	51%
Chengdu East High Speed Railway Integrated Development	Perennial International Health and Medical Hub	80%
	Plot C	50%
	Plot D1	50%
	Plot D2	50%
Beijing Tongzhou Integrated Development	Phase 1	40%[1]
	Phase 2	23.3%[1]
Zhuhai Hengqin Integrated Development		20%
Shenyang Longemont Integrated Development	Shenyang Longemont Shopping Mall	50%
	Shenyang Red Star Macalline Furniture Mall	50%
	Shenyang Longemont Offices	50%
Perennial Jihua Mall, Foshan		100%
Perennial Qingyang Mall, Chengdu		100%

OTHER MARKET ASSETS

Asset (Malaysia)	Ownership
Penang Waterfront Integrated Development	50%

Asset (Ghana)	Ownership
Accra Integrated Development	55%

HEALTHCARE BUSINESS

Hospitals	Ownership
Modern Hospital Guangzhou	40%
St. Stamford Plastic Surgery and Aesthetic Hospital	40%

Eldercare and Retirement Home	Ownership
Chengdu Xiehe International Eldercare and Retirement Home	40%

MANAGEMENT BUSINESS

- Asset Manager
- Development / Project Manager
- Property Manager
- Trustee-Manager

1 Approximate percentage.

2 Following the completion of the compulsory acquisition, PCRT has become a subsidiary of Perennial. PCRT has been delisted from the SGX-ST with effect from 9.00a.m. on 5 February 2015.

3 On 4 March 2016, Perennial acquired an additional effective interest of about 3.68% in Chinatown Point, comprising the retail mall and four strata office units. As a result, Perennial's effective interest in the property increased from approximately 1.47% to 5.15%.

4 The entire 1.46% interest in 112 Katong and 23% interest in Katong AMC Pte. Ltd., the asset manager of 112 Katong, were divested on 15 January 2016.

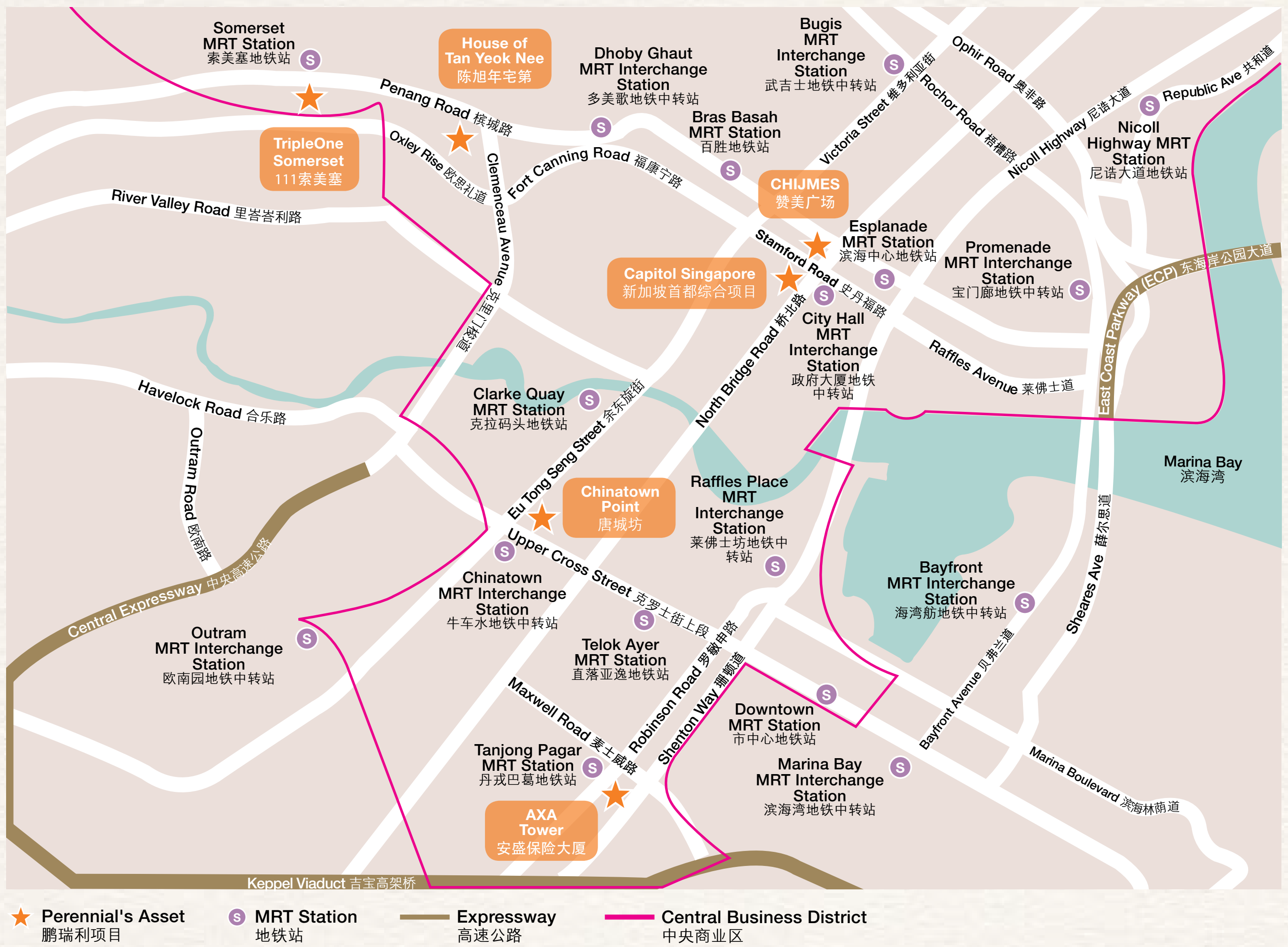
REAL ESTATE BUSINESS

SINGAPORE

Overview of Presence

In Singapore, Perennial has invested in and manages a real estate portfolio comprising three integrated developments, being Capitol Singapore, TripleOne Somerset and AXA Tower, and three retail and commercial developments, being CHIJMES, House of Tan Yeok Nee and Chinatown Point. All of the six projects, with a total asset value in excess of S$4.1 billion, are strategically located in the Central Business District ("**CBD**"), Civic District and the Orchard Road precinct.

Strong Presence in Singapore's CBD, Civic District and the Orchard Road precinct



Key Developments in the Period

For the period from 28 October 2014 to 31 December 2015 ("**Period**"), CHIJMES and Capitol Singapore, both of which are landmark heritage developments located in the downtown Civic District, commenced operations.

CHIJMES underwent a major asset enhancement programme at a cost of about S$71 million and had its GFA increased by approximately 18.2% to about 159,200 sq ft, and net lettable area ("**NLA**") increased by approximately 45% to about 115,500 sq ft. Repositioned as a European-themed food and beverage ("**F&B**") and entertainment destination, the property commenced operations in December 2014 and progressively completed its enhancement works, including the façade restoration works at CHIJMES Hall and Caldwell House, two gazetted National Monuments within the compound, in the third quarter of 2015.

CHIJMES attracted a wide array of new-to-market and interesting F&B concepts, including Privé, El Mero Mero, Ashino and Whitegrass. Its 'LIVE' entertainment zone on the basement level, comprising tenants such as Berlin and Highlander, is increasingly becoming the preferred entertainment spot in the Civic District for the local and the expatriate communities. As at 31 December 2015, CHIJMES registered a committed occupancy of about 88% and all of these tenants have commenced business.

Following three years of development works at Capitol Singapore, its retail component, Capitol Piazza, commenced business in the second quarter of 2015. This was followed shortly by Capitol Theatre which started operating in the same quarter.

Amidst a very challenging local retail environment, Capitol Piazza secured a committed occupancy of about 80% as at 31 December 2015, of which about 97% of these tenants by NLA had commenced business. Capitol Piazza now hosts several new-to-market concepts and international brands who are operating in Singapore for the first time, such as Joseph, 45R, Manifesto, Outdoor and Marimekko, alongside new F&B concepts such as Palette, Kaiserhaus, Dazzling Café and Angelina.

Capitol Theatre, the only multi-functional theatre in Singapore is increasingly being recognised as the venue of choice for a variety of events, having played host to musicals, plays, conferences, red carpet gala nights, private dining events and movie screenings. Separately, Eden Residences Capitol, although not officially launched, already sold close to half of its 39 luxury residences.

In January 2015, Perennial syndicated a consortium of investors to acquire AXA Tower, a predominantly office development with a retail podium located in the CBD, at a total property price of S$1.17 billion. Perennial acquired a 31.2% interest in the building. Based on the property's existing total NLA of about 676,000 sq ft, the acquisition price translated to approximately S$1,730 per sq ft. Together with TripleOne Somerset, a predominantly office development with a retail podium located in the Orchard Road precinct, Perennial is gaining strength as a key commercial landlord in Singapore.

In line with our vision to become an integrated real estate and healthare company, Perennial introduced medical specialists' facilities within its Singapore real estate portfolio to create synergy amongst the tenants of selected assets. These medical suites are expected to be well-received by the growing number of specialists who wish to start new or expand their practices. This strategy will further enhance the destination purpose and value of Perennial's properties.

TripleOne Somerset has received all the regulatory approvals required to proceed with the planned S$150 million of asset enhancement works, and the strata sale of the office space and medical suites. The strata sale of the office space will commence with the tower fronting Somerset Road, and the size of each office unit ranges from about 370 sq ft to 2,050 sq ft.

The medical suites will be located on levels three and four of the building and will be specially served by a medical lift with access from basement one. The size of each medical suite ranges from about 630 sq ft to 2,070 sq ft. The asset enhancement works and strata sale are expected to commence in the second quarter of 2016.

AXA Tower has an unutilised plot ratio that could add an additional GFA of over 212,000 sq ft. The proposed asset enhancement works are expected to increase AXA Tower's total NLA by about 84,000 sq ft, from 676,000 sq ft to 760,000 sq ft. The office space and medical suites will also be sold on a strata basis. The size of each office unit is expected to range from about 790 sq ft to 1,960 sq ft, and each floor plate of about 14,000 sq ft can house about eight reasonably-sized office units. Subject to the receipt of the necessary approvals from the relevant authorities, the enhancement works and strata sale are expected to commence in the second quarter of 2016.

In January 2016, as part of Perennial's on-going evaluation of its strategic investments, it divested its entire 1.46% interest in 112 Katong, together with its 23% interest in the asset manager of 112 Katong. In early March 2016, it acquired an additional effective interest of about 3.68% in Chinatown Point[1], thereby increasing its effective interest in the property from 1.47% to 5.15%.

Strategic Priorities in 2016

This year, Perennial will focus on strengthening the recurrent income streams from operating properties by reviewing the trade mix and intensifying the leasing efforts at CHIJMES and Capitol Singapore. In addition, Perennial will proceed with the planned asset enhancement initiatives, as well as the strata sale of the office spaces and medical suites at TripleOne Somerset and AXA Tower to deliver an additional stream of income.

Singapore remains as a key market for Perennial and if opportunities arise, particularly in new investments that can add an immediate stream of recurring income, it will proactively explore to further strengthen its presence in its home ground.

Market Review and Outlook

After holding firm in 2014, retail rents registered a decline in 2015 due to subdued occupier demand as a result of weaker economic conditions and caution in consumer spending. Island-wide, average rents declined by 4.1%[2] in 2015 as compared to 2014. Despite the poor sentiment among retailers, the number of new international brands entering the Singapore retail market remained healthy in 2015, with landlords continuing to bring in new brands and concepts to retain shoppers' interests, and some well-performing tenants proceeding with their expansion plans.

For 2016, retail rent is expected to slip lower on the back of a further weakening in the general operating environment. However, the significantly lower supply of 2.4 million² sq ft GFA of new retail space coming on stream as compared to 2015 might offer the market a respite. Retail malls with good connectivity to mass rapid transit ("**MRT**") stations and enjoy high shopper traffic will continue to generate interest from retailers. In particular, the downside risk of retail rent within office buildings in the Orchard/Somerset and Shenton Way/Tanjong Pagar areas is expected to be contained as the non-discretionary spending of the affluent working population in the area will continue to support demand for retail space, particularly from F&B operators.

Following a strong rental market in 2014, CBD core office rents corrected across all sub-markets, falling 7.1% to S$10.40[3] per sq ft per month on a year-on-year ("**YOY**") basis, due to lacklustre demand as a result of space consolidation in the financial industry and fewer new business formation on weakening economic conditions.

For 2016, office rent in the CBD and Shenton Way/Tanjong Pagar sub-markets is expected to weaken further as leasing competition intensifies with a relatively large supply of new CBD office space due for completion this year.

In the medium-term, the asset enhancement of older office buildings in the Shenton Way/Tanjong Pagar sub-markets, combined with new office developments, will improve the quality of office space, and expand the pool of potential tenants and owner-occupiers for spaces in this sub-market.

Despite strata office sales activity having slowed down, with 228 strata office transactions caveated for the whole of 2015[4], prices continued to hold steady, having only moderated slightly in the CBD area due to a concentration issue. Investment interest in strata office would further benefit from the limited supply of strata office development in the Orchard/Somerset and Shenton Way/Tanjong Pagar, as well as the relatively lower transaction cost of strata office investment which is not subject to the Additional Buyer's Stamp Duty. There is continued keen interest from local and overseas buyers, particularly from China, for strata office as investment properties, and a strong demand from end-users and office occupiers.

For the full year 2015, Singapore's Gross Domestic Product ("**GDP**") grew 2.1%[5]. The growth outlook for Singapore is expected to be modest in 2016, with GDP growing by 1% to 3%[5].

1 Comprising the retail mall and four strata office units.
2 Source: Urban Redevelopment Authority, January 2016.
3 Source: CBRE 4Q Singapore MarketView 2015 Report.
4 Source: REALIS.
5 Source: Ministry of Trade and Industry Singapore, January 2016.

CHINA

Overview of Presence

In China, Perennial's real estate portfolio comprises five large-scale integrated developments and two retail properties in six major cities with a total GFA (excluding car park) of 35.2 million sq ft. The portfolio includes Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development and Zhuhai Hengqin Integrated Development, as well as Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

All of Perennial's projects enjoy direct connectivity to major transportation hubs or subway stations, and two of its integrated developments are directly connected to two of the largest HSR transportation hubs in China.

Perennial has a presence in these cities.

Source: Urbis Pty Ltd

Key Developments in the Period

Perennial's integrated developments in Chengdu, Xi'an, Beijing and Zhuhai achieved good construction progress after finalising the respective development plans and securing the necessary approvals to commence work.

Comprising a mix of complementary asset classes, such as retail, office, hotel, serviced apartments and residences, our integrated developments are well-positioned to serve a regional market, being strategically located in close proximity to transportation hubs. In view of the synergy that can be achieved with the introduction of healthcare real estate as a new asset class within the integrated developments, Perennial launched this new asset class at the Chengdu East HSR Integrated Development.

Chengdu East HSR Integrated Development is connected to the operational Chengdu East HSR Station, one of the eight largest HSR transportation hubs in China. The station is well-poised to serve a population of over 100 million within a 2-hour train ride, not just within Chengdu and other provincial cities, but also the nearby megacity of Chongqing.

On the first plot at Chengdu East HSR Integrated Development, the 3.1 million sq ft GFA Perennial Dongzhan Mall was repositioned as Perennial International Health and Medical Hub ("**PIHMH**") to meet the strong local demand for healthcare services.

Positioned as the first healthcare cum retail integrated development in Chengdu and Sichuan Province, PIHMH has since secured Chengdu ParkwayHealth Hospital as an anchor tenant, which will take up about 517,000 sq ft of space in one block of the development. The 350-bed tertiary facility will be equipped with advanced medical facilities and equipment, providing specialised care and clinical services, including obstetrics and gynaecology, paediatrics, cardiology, orthopaedics, ophthalmology and internal medicine. The hospital is expected to commence operations in the second half of 2017.

In the other block of PIHMH, three specialty anchor tenants, being AND Maternal and Child Health Centre ("**AND**"), Gulian Rehabilitation and Nursing Centre ("**Gulian**") and St. Stamford Plastic Surgery and Aesthetic Hospital have signed committed leases. AND, a renowned local maternal and child health and wellness group that provides integrated Western and Eastern post-natal care, has taken up about 89,300 sq ft space to operate one of the largest post-natal confinement centres in Chengdu. Gulian, an established Sino-Swedish medical group, has committed to a space of about 140,000 sq ft to set up a 200-bed rehabilitative care facility, which will be their largest hospital in Southwest China. St. Stamford Plastic Surgery and Aesthetic Hospital, to be operated by a Perennial healthcare JV, has leased a space of about 90,400 sq ft to provide plastic surgery, aesthetic medical and dental services.

To-date, the total committed occupancy at PIHMH stands at approximately 54%. Leasing efforts will now focus on complementary healthcare and wellness-related services and supporting retail trades. PIHMH has structurally topped-out and development works are expected to complete by 2016.

On another plot of the integrated development, about 2.5 million sq ft GFA Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**"), which was earlier designated as a mixed-use apartment and retail development for strata sale, was repositioned as a holistic eldercare and retirement home development with complementary eldercare trades and services to meet the demand for quality eldercare facilities in Chengdu. Comprising six 37-storey apartment blocks, three blocks with some retail spaces have topped-out, of which two blocks have received its pre-sale permits. The remaining three blocks are expected to top-out this year.

At least 914,000 sq ft GFA on Chengdu Plot D2 will be master leased to a Perennial healthcare JV to operate the premium Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**"). Chengdu Plot D2, with its strategic location and excellent transport connectivity, is an ideal location for Chengdu Xiehe Home as it is easily accessible by visitors and staff of the home. In addition, PIHMH will be in a good position to support the medical needs of the elderly occupants at Chengdu Xiehe Home with tenants such as Chengdu ParkwayHealth Hospital and Gulian, and other complementary healthcare and wellness-related services.

For a start, three of the six apartment blocks will be converted to house the Chengdu Xiehe Home, with subsequent blocks to be converted and rolled out at a later stage. The retail spaces will be converted into a rehabilitation hospital, ancillary medical facilities, supermarket and complementary retail trade and services to meet the lifestyle needs of the occupants and visitors. Chengdu Xiehe Home, which will comprise a Retirement Home, a Nursing Home and a Rehabilitation Home, is expected to commence operations in 2017.

In Beijing, the Beijing Municipal Government has announced definitive plans to relocate all or part of its municipal departments to Tongzhou District's Luchengzhen by 2017[6]. A US$3.3 billion Universal Studios Beijing, set to be one of the largest theme parks in China, has also been planned to be built in Tongzhou District[7].

Consequently, there has been an intensification of infrastructure and commercial activities in Tongzhou District, where Perennial's Beijing Tongzhou Integrated Development is located. Recent launch prices of new apartments and offices in close proximity to the integrated development have risen to as high as RMB40,000 to RMB50,000 per square metre[8].

Beijing Tongzhou Integrated Development will enjoy direct connectivity via its basement level to Tongyunmen Subway Station, which will be served by subway lines connecting the development to the Beijing City Centre, the existing Beijing Capital International Airport, and the planned new airport to be sited in Daxing District.

Development works at Beijing Tongzhou Integrated Development have been progressing well, and three of four construction-related regulatory permits have been received. The construction of the subway station at the development has also recently been completed.

Beijing Tongzhou Integrated Development, expected to commence operations in 2018, will benefit from the catchment from the new Beijing Tongzhou Administrative Centre, which is about three subway stations from our development, and the surrounding areas.

Over at Xi'an North HSR Integrated Development, construction works are progressing well. The development has received two of four construction-related regulatory permits and is expected to commence operations in 2018/2019. Xi'an North HSR Station, one of the eight largest HSR transportation hubs in China which will be directly connected to the integrated development, continues to register increasing commuter traffic as more HSR lines are completed.

Separately, Zhuhai Hengqin Integrated Development has received three of four permits and is expected to commence operations in 2020.

Despite the tough operating environment in Shenyang, Shenyang Longemont Integrated Development's performance has been improving. Shenyang Longemont Shopping Mall's committed occupancy was consistently over 90%, and continued to record growing shopper traffic and tenants' sales. As at 31 December 2015, the mall recorded a total annual shopper traffic of 22.8 million, which was about 11.3% higher than the previous year. Shenyang Red Star Macalline Furniture Mall maintained its committed occupancy at 93%, whilst the Shenyang Longemont Offices registered an occupancy of 52%, which was 2% higher than the previous year.

Perennial Qingyang Mall in Chengdu and Perennial Jihua Mall in Foshan continued to perform well operationally. As at 31 December 2015, both malls achieved a committed occupancy of close to 100%, rising shopper traffic and higher tenant sales.

6 Source: The Paper China article dated November 2015. (http://www.thepaper.cn/baidu.jsp?contid=1401367)
7 Source: Beijing Youth Daily article dated January 2015. (http://epaper.ynet.com/html/2015-01/14/content_109799.htm?div=-1)
8 Source: SINA LEJU (http://data.house.sina.com.cn/bj120893/). Equivalent to RMB3,700 per sq ft to RMB4,600 per sq ft.

Perennial Qingyang Mall is now connected to the Zhongba Subway Station which commenced operations in December 2015. The new retail shops along the pedestrian link way between the mall and subway station have also started trading. The mall's popularity as one of the top one-stop family shopping and dining destinations in western Chengdu is set to grow.

In Foshan, the government has recently announced that the planned Foshan Subway Line 6 will connect to the Guangzhou Subway Line 5. Perennial Jihua Mall, which is expected to be connected to the new Guilan Road Subway Station to be served by Foshan Subway Line 6, will benefit from the expanded shopper catchment.

Strategic Priorities in 2016

This year, the focus is on optimising and driving the performance of the operating assets in Shenyang, Foshan and Chengdu to strengthen the income stream. Much emphasis will also be placed on completing the construction works at PIHMH and Chengdu Plot D2 so that the spaces can be handed over to tenants for fitting out works.

With Perennial's developments in China strategically located in well-connected gateway cities and provincial capitals, our recognition as a leading integrated real estate developer is growing from strength to strength. Perennial remains committed to growing our presence in China and will continue to develop quality and innovative integrated developments that effectively meet the needs of the people, and in so doing, create value.

Market Review and Outlook

In 2015, China's GDP grew 6.9% YOY[9]. The country's main economic goal in 2016 is to achieve a soft landing and a smooth transition to a "new normal" that will allow for slower but more sustainable growth. This will be fuelled by continual expansion in domestic consumption, and will feature an increasing focus on high-value activities, rapid urbanisation and favourable government policies. Although the threat of excess supply in the property market exists, China's key cities possess the fundamentals to deliver sufficient demand to support the absorption of supply and maintain growth of the real estate sector. The China market thus still presents attractive opportunities for investment, but requires increasingly robust strategic planning and disciplined execution[10].

Chengdu[11]

In 2015, Chengdu's Grade 'A' office market remained stable compared with 2014. Demand was mainly driven by the financial services and information technology sectors, and emerging areas outperformed the primary city market. A flux of new supply in 2015 created increasing competition amongst landlords for office tenants, resulting in an increased overall vacancy rate and a slightly lower average rent. Such competition may continue in 2016, if 12 new Grade 'A' office projects are completed as planned, adding approximately 10 million sq ft to the market.

Despite the intensifying competition, average rent is not expected to fall significantly as the maturing commercial infrastructure and government support for providers of modern services, such as e-commerce, logistics, finance and technology services, will continue to drive demand. Landlords are expected to introduce value-added services to attract new or retain existing tenants, instead of relying primarily on traditional rental incentives. Overall, Chengdu's Grade 'A' office market is expected to remain stable.

In 2015, Chengdu's retail property market remained stable with no significant fluctuations on average vacancy rate compared with 2014. Fast fashion, F&B and entertainment sectors are expected to continue expanding in 2016.

9 Source: National Bureau of Statistics of the People's Republic of China (January 2016).

10 Source: JLL: China 60: From Fast Growth to Smart Growth.

11 Source: Colliers International: Chengdu Property Market 2015 Review and 2016 Outlook.

Beijing

In 2015, Beijing's office sector remained strong, with its average rent for Grade 'A' offices remaining the highest across China[12]. By end-2015, average rent rose by 2.3% and higher occupancy rates were achieved. Demand in Beijing's retail market remained strong with the entrance of new international and domestic retailers, coupled with existing retailers expanding their footprints. With the average vacancy rate edging up in 2015, the overall rent decreased on a YOY basis. However, rent in mature properties continued to grow steadily, especially for professionally-managed assets located in prime locations. The residential market also continued to warm up as several stimulus policies came into effect, causing an increase in purchaser demand.

The property market in the Tongzhou District experienced a significant boom after the announcement of the relocation of Beijing Municipal Government to Tongzhou and the planned opening of Universal Studios in the district in 2019. By November 2015, the average price of newly released residential units in Tongzhou had increased 13% on a YOY basis[13]. The prices for residential units and commercial properties in Tongzhou are expected to increase steadily, given the supportive policies and the improvements in infrastructure and amenities in the district.

Xi'an[14]

In 2015, the vacancy rate for Grade 'A' offices in Xi'an registered a historic low as no new supply was released into the market. The rent for Grade 'A' offices in mature areas increased steadily.

For the retail market, tenant sentiment remained positive with the fast fashion, F&B, maternal, and entertainment sectors continuing their expansion in the prime retail areas of the city, despite increasing competition from online retailers. In prime locations, retail rent is expected to register a slight increase in the coming year.

Xi'an's residential market has been facing challenges due to oversupply in recent years. However, with the Chinese government announcing several supportive policies in 2015, such as a reduction in loan interest rates, the residential market is expected to warm up in 2016.

Shenyang[15]

Shenyang remains the city of choice for companies wishing to establish corporate headquarters in Northeast China, contributing to the continued growth of Shenyang's office market. Shenyang's Grade 'A' office supply is expected to increase over the next two years. Such increase in supply is expected to be taken up by higher demand from companies in the finance and high-tech industries, as well as companies relocating from Dalian in search of lower rentals.

Shenyang's retail market continues to be challenging due to physical over-supply. Decreasing demand for luxury goods and heightened competition from online retailers have also created additional pressures on the retail market. In spite of the difficult market conditions, retail destinations which offer an attractive tenant mix, especially in the F&B and kids' sectors, are still expected to perform well.

Foshan[16]

In 2015, Foshan continued to experience rapid growth in the retail property market with almost 3 million sq ft of new retail space released into the market. As such, overall vacancy rates are expected to increase in the short term.

However, the outlook for the retail property market remains positive in the medium term. Average rent is expected to grow due to improvements in Foshan's transport infrastructure, especially with the construction of new subway lines which will facilitate customer flow and link emerging retail catchment areas with the city centre.

12 Source: Colliers International: North China Property Market 2015 Review and 2016 Outlook.

13 Source: NetEase Finance article dated November 2015. (http://money.163.com/15/1204/10/BA01TMSH00253B0H.html)

14 Source: JLL: Xi'an Property Market Review 2015.

15 Source: JLL: Shenyang City Profile (January 2016).

16 Source: Colliers International: Valuation Report of Perennial Jihua Mall (January 2016).

OTHER MARKETS

In the Period, Perennial made its maiden venture into two new markets, being Malaysia and Ghana. Perennial is now invested in the Penang Waterfront Integrated Development in Malaysia, and the Accra Integrated Development in Ghana.

Maiden Foray into Malaysia

In April 2015, Perennial entered into a 50-50 JV with IJM Land Berhad, one of the top developers in Malaysia, to acquire and develop a freehold waterfront site into a large-scale integrated mixed-use development in Penang of about 4.1 million sq ft of GFA, marking Perennial's first investment into neighbouring Malaysia.

Positioned as a large-scale integrated waterfront project, Penang Waterfront Integrated Development will be built at an estimated total development cost of over MYR3 billion (approximately S$1 billion). It is expected to house retail, entertainment, recreational, residential, business, hospitality and Meetings, Incentives, Conventions and Exhibitions ("**MICE**") components.

Well-Governed State with Strong Fundamentals

Penang is a highly-urbanised, industrialised and economically important state in Malaysia. High-tech manufacturing and tourism are the twin engines of growth for Penang, which thrives as one of the top foreign direct investment ("**FDI**") locations in Malaysia. Despite Malaysia's economy facing severe challenges in 2015, due to factors including declining commodity prices and a slowdown in China, Penang continues to be resilient to the economic downturn, due to proactive measures taken by the state government to bolster growth. In the long term, the economic outlook for Penang remains healthy.

Excellent Location and Connectivity

The waterfront site is served by Tun Dr Lim Chong Eu Expressway and is located in close proximity to the highly-utilised Penang Bridge, one of two road bridges connecting Penang Island to mainland Malaysia. Its good accessibility will be enhanced by a proposed Light Rail Transit System to be implemented under the MYR27 billion (approximately S$9 billion) Penang Transport Masterplan[17], making the integrated development easily accessible from the nearby Penang International Airport, as well as Penang city centre.

Leveraging on Penang's reputation as a thriving tourist destination, renowned for its rich heritage, architecture, beaches and food, the state government plans to position Penang as a pre-eminent MICE destination. The development of an international-standard large-scale convention and event centre within the integrated development, which will be the largest indoor event venue to be built in Penang, aligns with and supports the government's broader plans.

With the convention centre as the nucleus, the integrated development will also comprise two hotels, a Grade 'A' office tower, a retail mall with thematic street concepts and waterfront F&B, as well as premium residential towers. The residential towers, which are expected to enjoy strong purchaser demand, will provide a sizeable population catchment at the doorstep of the integrated development.

Strategic Priorities in 2016

The focus this year in relation to Penang Waterfront Integrated Development will be to refine the detailed design, secure the land title, and prepare for the application of necessary government permits as part of overall project development.

Upon completion of development works in 2021, Penang Waterfront Integrated Development will be a unique large-scale destination in Penang offering a comprehensive suite of facilities to locals and tourists alike.

17 The "Recommended Transport Master Plan Strategy", March 2013 (Finalised Version), Penang Transport Council.

Maiden Foray into Africa

In August 2015, Perennial entered into a 55-45 JV with Shangri-La Asia Limited ("**Shangri-La**") to develop an integrated mixed-use development of about 1.7 million sq ft of GFA in the prime Airport district of Accra, the capital of Ghana.

Accra Integrated Development, to be built at a total development cost of over US$250 million (approximately S$352 million), will comprise a shopping mall, residential towers, an office tower, serviced apartments, and a 5-star hotel to be managed by Shangri-La.

The integrated development marks Perennial's first venture into Africa to access the wealth of opportunities on the continent, and is in line with Perennial's strategy to leverage on its sponsors' experience and network of relationships to achieve first mover advantage in high growth emerging markets. For this project, Perennial will be able to leverage on our sponsor Wilmar International Limited's extensive knowledge, network and resources in Africa, where it already has a strong and established presence.

Stable Platform to Access the African Continent

Ghana is one of the most prosperous and stable countries in sub-Saharan Africa, with one of the highest GDP per capita[18] and a high standard of living. A regional powerhouse, it is rich in natural resources, such as gold and other precious metals, and is also one of the largest producers of cocoa in the world.

Being politically stable, Ghana is ranked as one of Africa's most promising countries for FDI[19]. After a decade of accelerated economic growth, the country is now undergoing a comprehensive economic reform process, due to fiscal challenges in recent years. The economy is expected to improve in 2016, bolstered by infrastructure investments. With continual improvements in macroeconomic and political stability, Ghana is expected to have a positive long-term outlook.

The successful execution of this signature project will make it an ideal launch pad for Perennial to access the rest of the African continent.

Prime Real Estate to Meet Strong Demand

With the large number of expatriates and rising local expectations in Ghana, there is a demand for high quality real estate which has not been adequately met by market supply. This has resulted in correspondingly high prices for hotel rooms, residential units, as well as retail and office spaces – in some cases, even pricier than in developed markets. Amidst this scarcity, international-standard real estate has done well, setting sale price records and enjoying good reputation and prestige.

The site is located in the prime Airport district of Accra with prominent frontage onto the key Tetteh Quarshie road interchange, which links major thoroughfares leading towards Accra city centre and other nearby cities. Its close proximity to the Kotoka International Airport is a key selling point to investors and businesses, as it provides convenient access without needing to deal with the traffic gridlock commonly experienced in central Accra.

With excellent real estate fundamentals, such as its prime location, good accessibility and high product quality, this iconic development has the natural elements to be the new centre of commerce for Accra. The development will also set a new benchmark for the design and quality of integrated real estate in the broader African market, and be a prime example to showcase the convenience and complementary benefits of a well-planned integrated project.

Strategic Priorities in 2016

The key approval-in-principle for the proposed scheme has been obtained from the Government Municipal Assembly. This year, the focus will be on refining the detailed design and starting strata sales of the residential and office components. The Accra Integrated Development is set to be the new standard-bearer for an international-quality one-stop 'Live-Work-Play' commercial hub in Ghana, when it commences operations in 2019.

18 Source: IMF, World Bank.
19 Source: "Financial Times, fDi Intelligence-'The fDi Report 2015'."

HEALTHCARE BUSINESS

Overview of Presence

Perennial expanded its business into the healthcare sector in China and is now invested in and co-manages the Modern Hospital Guangzhou in Guangzhou, the St. Stamford Plastic Surgery and Aesthetic Hospital and the Chengdu Xiehe Home in Chengdu.

Key Developments in the Period

In July 2015, Perennial entered into a 40-60 JV with a subsidiary of China Boai Medical Group ("**BOAI**"), one of the largest private hospital and medical services operators in China, to acquire, develop and manage healthcare businesses in China.

The JV, St. Stamford International Medical ("**SSIM**"), will focus on eight core medical fields at its hospitals and medical centres, being (1) Oncology, (2) Fertility Medicine, Obstetrics and Gynaecology (3) Plastic Surgery and Aesthetic Medicine, (4) Orthopaedics, (5) Paediatrics, (6) Ear, Nose, Throat and Eye Specialty Medicine, (7) Dentistry, and (8) Cardiology and Cardiovascular Surgery.

SSIM also acquired its first operational medical business, Modern Hospital Guangzhou, a leading private general and cancer hospital from BOAI. Modern Hospital Guangzhou has enjoyed steady YOY growth of 10% to 12% in Earnings Before Interest, Tax, Depreciation and Amortisation since 2011. The in-patient bed capacity at Modern Hospital Guangzhou is expected to be increased from its current 246 to close to 300 following its upgrading plans. Perennial's 40% stake in SSIM amounted to RMB286.7 million (approximately S$61.7 million).

SSIM has immediate access to BOAI's existing portfolio of over 100 hospitals in major cities and future acquisition pipeline across China, as well as Perennial's portfolio of greenfield and/or completed integrated developments. SSIM is therefore able to tap on BOAI's local knowledge and management expertise to expand rapidly and steadfastly into the large China healthcare market.

Leveraging on its access to the pipeline of projects to grow the business, SSIM leased a space of about 90,400 sq ft at PIHMH to operate the St. Stamford Plastic Surgery and Aesthetic Hospital in Chengdu. The facility is expected to commence operations by the first half of 2017.

In January 2016, Perennial further expanded its healthcare business scope to include eldercare and senior housing by entering into a Memorandum of Understanding with Shanghai Summit Property Development Limited ("**Shanghai Summit**") and Shanghai RST Chinese Medicine Co., Ltd ("**Shanghai Renshoutang**") to establish a 40-40-20 JV management company to operate Chengdu Xiehe Home at Chengdu Plot D2. Perennial and Shanghai Summit jointly-own (50-50) Chengdu Plot D2. Shanghai Renshoutang is one of the largest quality private eldercare home operators in Shanghai. The JV's total investment sum amounts to approximately RMB150 million (approximately S$32.3 million). Correspondingly, Perennial's 40% stake in the total investment sum amounts to RMB60 million (approximately S$12.9 million).

The JV will master lease at least 914,000 sq ft in GFA on Chengdu Plot D2 to operate the premium Chengdu Xiehe Home. The Xiehe brand of eldercare and retirement home is well-known as one of the top private senior housings in Shanghai catering to middle-to-upper income customers.

For a start, Chengdu Xiehe Home will be housed in three of the six blocks on Chengdu Plot D2, with subsequent phases to be rolled out to the remaining blocks at a later stage. Chengdu Xiehe Home, which will have a capacity of about 3,000 beds in the first phase, will comprise a Retirement Home (for occupants who are independent), a Nursing Home (for occupants who require round-the-clock professional continuing care) and a Rehabilitation Home (for occupants who require special care, such as medical treatment or rehabilitation). Chengdu Xiehe Home is expected to commence operations in 2017.

Strategic Priority in 2016

This year, Perennial will actively continue to explore strategic partnerships with established local and international medical and healthcare-related operators in China who have extensive local and international networks to scale the business and offer a wider range of offerings. Perennial is committed to growing its presence in key gateway cities to ride on China's rising healthcare consumption demand.

Besides growing in scale, Perennial is also committed to work with its partners to improve the quality of the offerings by bringing in international best practices and the latest technology to enhance our hospitals and senior housing projects. This will enable Perennial to lead in the evolving private healthcare market, and offer better care for its customers and patients.

In Singapore, Perennial intends to establish a JV which will operate a TCM Centre at the House of Tan Yeok Nee. The House of Tan Yeok Nee has an iconic classical Chinese architectural presence that is highly suitable for the practice of TCM. The JV plans to collaborate with a leading TCM hospital in China to bring advanced TCM medical practices and accredited products into Singapore to target the regional market. Senior TCM physicians from Singapore and China will offer complementary treatments for oncology, pain management, sub-fertility, skin disorders and chronic diseases. The TCM JV will be the platform for Perennial to develop a premier wellness facility and brand for the Asian market.

Market Review and Outlook

China's healthcare and elderly care markets are expanding rapidly, driven by an ageing population, stable economic growth and the growing demand for basic health care and insurance[20].

Healthcare expenditure in China has maintained double digit annual growth rate in the past 11 years and is expected to reach US$1 trillion by 2020[21]. The elderly population is estimated to double to over 400 million by 2040[22]. The expectation for high quality healthcare will continue to rise as incomes and living standards improve. The country's existing hospitals do not have sufficient capacity to cope effectively with the increasing demand for medical and hospital services. The Chinese government has thus liberalised the healthcare sector and encouraged private capital, both local and foreign, to invest in healthcare facilities and services. It has lowered the barriers of entry for foreign investors, by easing regulatory controls on foreign ownership of hospitals and allowing doctors to simultaneously practise in both public and private hospitals, amongst other measures[20].

Separately, there is also a growing emphasis on the integration of medical, rehabilitative and senior housing facilities to support the country's ageing population. The declining birth rates and extended average life span have led to an increasing ageing population. With the earlier one-child policy, the elderly community is increasingly choosing to stay in retirement homes to lessen the burden on their working children. These well-designed retirement complexes are typically integrated with healthcare services and leisure facilities to provide a comfortable, safe, enjoyable and high quality living space for the residents. Currently, premium facilities make up less than 1%[23] of the whole elderly care market, providing significant opportunity to penetrate this under-served market, particularly with the growing affluence of the Chinese population.

Specifically in Chengdu city, one of the more affluent cities in China, there is a strong demand for quality eldercare services as there is an inadequate supply of eldercare and senior housing facilities. As at end-2014, there were 2.49 million people who were aged 60 and above (accounting for about 20.6% of the total population of Chengdu), and only 257 eldercare homes providing less than 71,000 beds[24].

With the burgeoning ageing population, on-going healthcare reforms, supportive regulatory policies towards foreign participation and strong desire of the local government to upgrade the standard of living for its elderly citizens, there is immense growth potential in the China healthcare market.

Singapore, renowned as a major healthcare hub in Asia, is seeing an increasing demand for professional medical services, especially in the areas of health maintenance and complementary treatment for diseases relating to ageing. With the growing acceptance of the integration of TCM into mainstream medical services, quality TCM services provided by accredited practitioners in a premium setting are expected to be well-received by both the local and foreign customers.

20 Source: Deloitte Report 2015.

21 Source: McKinsey & Company article dated November 2012. (http://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/health-care-in-china-entering-uncharted-waters)

22 Source: South China Morning Post article dated May 2015. (http://www.scmp.com/article/topics/invest-china/1796323/china-offers-incentives-develop-elderly-care-face-alarming-population-ageing)

23 Source: PwC China Report dated November 2015.

24 Source: Chengdu Municipal Government Report 2015.

PORTFOLIO AT A GLANCE - SINGAPORE REAL ESTATE BUSINESS

Property	CHIJMES	Capitol Singapore	TripleOne Somerset	AXA Tower	House of Tan Yeok Nee	Chinatown Point
Location	30 Victoria Street, Singapore 187996	11 Stamford Road, Singapore 178884 - Eden Residences Capitol 13 Stamford Road, Singapore 178905 - Capitol Piazza (Neue) 15 Stamford Road, Singapore 178906 - Capitol Piazza (Galleria and Arcade) and the hotel 17 Stamford Road, Singapore 178907 - Capitol Theatre	111 Somerset Road, Singapore 238164	8 Shenton Way, Singapore 068811	101 Penang Road, Singapore 238466	133 New Bridge Road, Singapore 059413
Description	A conservation site comprising two National Monuments zoned for commercial use under the Master Plan 2008 Car Park: 1 basement level	Retail Podium: 4 retail levels Residential: 39 units Hotel: 157 rooms Multi-purpose Theatre Car Park: 4 basement levels	Office: 2 towers Retail Podium: 2 retail levels Car Park: 2 basement levels	Office: 1 tower Retail Podium: 2 retail levels Car Park: 3 basement levels	A gazetted National Monument zoned for commercial use under the Master Plan 2008	Retail Podium: 6 retail levels Office: 4 Strata-titled Office Units Car Park: 4 above ground levels
Tenure	99 years, expiring on 12 May 2090	99 years, expiring on 23 January 2110	99 years, expiring on 18 February 2074	99 years, expiring on 18 July 2081	Freehold	99 years, expiring on 11 November 2079
Effective Interest (%)	51.61[1]	50	50.2	31.2	50	5.15[4]
Valuation (S$)	334,000,000	743,500,000[2]	988,000,000	1,247,000,000	–	–
Land Area (sq ft)	154,063	177,673	109,421	118,230	26,321	99,203 Strata Area: Retail Podium: 177,021[5] 4 Strata-titled Office Units: 4,230
Gross Floor Area (sq ft)	159,204	552,016	766,549	1,029,306	Strata Area: 58,481	Retail Podium: 329,378
Net Lettable Area (sq ft)	115,525	Retail: 133,000[3]	Retail: 70,360 Office: 494,463 Total: 564,823	Retail: 29,245 Office: 646,497 Total: 675,742	29,912	Retail Podium: 208,798[5] 4 Strata-titled Office Units: 4,230
Operational	Since December 2014	Since April 2015	Operational with enhancement works expected to commence in the second quarter of 2016	Operational with enhancement works expected to commence in the second quarter of 2016	Operational	Since November 2012
Anchor/Major Tenants	Lei Garden, Watabe, Coriander Leaf	Four Seasons, Palette, Joseph	Cold Storage, Worley Parsons, National Council of Social Service	AXA Insurance, Bank of China Aviation, Red Hat Asia Pacific	–	NTUC Fairprice, Daiso, UNIQLO
Website	www.chijmes.com.sg	www.capitolsingapore.com	www.tripleonesomerset.com.sg	–	–	www.chinatownpoint.com.sg

1 Approximate percentage.
2 Excludes the residential component.
3 Subject to final survey by a registered surveyor.

4 On 4 March 2016, Perennial acquired an additional effective interest of about 3.68% in Chinatown Point, comprising the retail mall and four strata office units. As a result, Perennial's effective interest in the property increased from approximately 1.47% to 5.15%.
5 Excluding the Civic and Community Institution space which is intended for public/community usage.

PORTFOLIO AT A GLANCE - CHINA REAL ESTATE BUSINESS

Property[1]	Chengdu East HSR Integrated Development				Xi'an North HSR Integrated Development		Beijing Tongzhou Integrated Development		Zhuhai Hengqin Integrated Development
	Perennial International Health and Medical Hub, Chengdu[2]	Plot C	Plot D1	Plot D2	Plot 4	Plot 5	Phase 1	Phase 2	
Location	Plot A, East of Jinxiu Avenue, Chenghua District, Chengdu, Sichuan Province	East of Qionglaishan Road, Chenghua District, Chengdu, Sichuan Province			North of Shangxin Road, South of Xi'an North HSR Station, Weiyang District, Xi'an, Shaanxi Province		Plots 13, 14-1 and 14-2, Xinhua Avenue, Tongzhou District, Beijing	Plots 10, 11, 12, Xinhua Avenue, Tongzhou District, Beijing	East of Huandao East Road, South of Jilin Road, Next to Hengqin Port Plaza, Hengqin District, Zhuhai, Guangdong Province
Description[3]	A five-storey hospital and four specialty medical centres/hospital Retail Podium: 5 retail levels (3 above ground and 2 basement levels) Car Park: 1 basement level	Retail Podium: 11 retail levels (9 above ground and 2 basement levels) Office: 2 towers (two 63-storey) Car Park: 3 basement levels	Retail Podium/Office/ Apartments: 4 towers (four 37-storey) Car Park: 1 basement level	Eldercare and Retirement Home: 6 towers (six 32-storey above ground) Retail Podium: 4 retail levels, (3 above ground and 1 basement level) Car Park: 1 basement level	Retail Podium: 5 retail levels (4 above ground and 1 basement level) Hotel (3, 4 and 5 star): 1 tower Apartment: 1 tower SOHO/Loft: 2 towers Car Park: 2 basement levels	Retail Podium: 5 retail levels (4 above ground and 1 basement level) Office:1 tower Office/SOHO: 3 towers Apartment: 1 tower Car Park: 2 basement levels	Retail Podium: 8 retail levels (6 above ground and 2 basement levels) Office: 2 towers Residences: 1 tower Car Park: 2 basement levels	Retail Podium: 6 retail levels (4 above ground and 2 basement levels) Office: 1 tower Residences: 2 towers Car Park: 2 basement levels	Retail Podium: 6 retail levels (4 above ground and 2 basement levels) Office: 1 tower Residential/Hotel: 1 tower Car Park: 4 basement levels
Tenure	40 years, expiring on 20 February 2051				40 years, expiring 23 November 2052		Commercial: 40 years, expiring on 4 Nov 2052 Office and Residence: 50 years, expiring on 4 Nov 2062	Commercial: 40 years, expiring on 9 May 2053 Office and Residence: 50 years, expiring on 9 May 2063	Commercial: 40 years, expiring on 1 March 2054 Residential: 70 years, expiring on 1 March 2084
Effective Interest (%)	80	50	50	50	51	51	Approximately 40	Approximately 23.3	20
Land Area (sq ft)	519,057	412,401	235,906	363,449	506,977	554,310	418,999	537,489	256,552
Gross Floor Area (sq ft)	Retail: 2,309,350 Car Park/Others: 704,650 Total: 3,014,000	Retail and Office: 3,850,000 Car Park/Others: 1,770,000 Total: 5,620,000	Retail/Office/Apartments: 2,083,819 Car Park/Others: 322,920 Total: 2,406,739	Eldercare and Retirement Home: 1,819,100 Retail: 668,440 Car Park/Others: 615,721 Total: 3,103,261	Retail: 531,000 SOHO/Loft: 572,000 Apartment: 428,000 Hotel: 1,720,000 Car Park/Others: 1,162,000 Total: 4,413,000	Retail: 966,000 Office/SOHO: 2,261,000 Apartment: 304,000 Car Park/Others: 1,302,000 Total: 4,833,000	Retail: 1,440,000 Office: 1,277,000 Residence: 543,000 Car Park/Others: 1,196,000 Total: 4,456,000	Retail: 1,253,000 Office: 994,000 Residence: 716,000 Car Park/Others: 1,005,000 Total: 3,968,000	Retail: 450,000 Office: 520,000 Residential: 350,000 Hotel: 190,000 Car Park/Others: 680,000 Total: 2,190,000
Commencement of Operations	Target 2016	Target 2019	Target 2018	Target 2017	Target 2018/2019	Target 2018/2019	Target 2018	Target 2018	Target 2020
Anchor/ Major Tenants	Chengdu ParkwayHealth Hospital, St. Stamford Plastic Surgery and Aesthetic Hospital, Gulian Rehabilitation and Nursing Centre, AND Maternal and Child Health Centre	–	–	Chengdu Xiehe International Eldercare and Retirement Home	–	–	–	–	–

1 As all designs are undergoing refinement, the information in this table are subject to change.
2 Valuation as at 31 December 2015 amounts to S$503,059,000 based on a foreign exchange rate of SGD/RMB of 4.6098.
The property has a net lettable area of 1,558,840 sq ft.
3 Based on current plans and subject to the relevant authorities' approval of the plans.

PORTFOLIO AT A GLANCE - CHINA REAL ESTATE BUSINESS

Property	Shenyang Longemont Integrated Development			Perennial Jihua Mall, Foshan	Perennial Qingyang Mall, Chengdu
	Shenyang Red Star Macalline Furniture Mall	Shenyang Longemont Shopping Mall	Shenyang Longemont Offices		
Location	No. 24 Pangjiang Street, Dadong District, Shenyang, Liaoning Province	No. 20 Pangjiang Street, Dadong District, Shenyang, Liaoning Province		No. 45 Guilan South Road, Nanhai District, Foshan, Guangdong Province	No. 55 North Guanghua Third Road, Qingyang District, Chengdu, Sichuan Province
Description	Retail Podium: 8 retail levels (7 above ground and 1 basement level) Car Park: 1 basement level	Retail Podium: 10 retail levels (8 above ground and 2 basement levels)	Office: 2 towers (two 56-storey)	Retail Podium: 4 retail levels (3 above ground and 1 basement level) Car Park: (1 above ground and 1 basement level)	Retail Podium: 4 retail levels (3 above ground and 1 basement level) Car Park: 2 basement levels
Tenure	Commercial: 40 years, expiring on 20 January 2049 Others: 50 years, expiring on 20 January 2059			40 years, expiring on 20 May 2049	40 years, expiring on 19 January 2050
Effective Interest (%)	50	50	50	100	100
Valuation[1] (S$)	542,974,000	816,304,000	482,450,000	201,310,000	264,437,000
Land Area (sq ft)	482,711	574,019		370,403	568,582
Gross Floor Area (sq ft)	2,609,575	3,528,288	2,129,132	711,104	953,003
Net Lettable Area (sq ft)	2,558,751	2,210,037	1,911,561	490,945	644,330
Operational	Since September 2010	Since October 2011	Since October 2012	Since August 2013	Since April 2014
Anchor/ Major Tenants	Red Star Macalline, Liaoning Guangcai Property Investment Company	Sinbad Joy Castle, Carrefour, C&A, H&M, UNIQLO	Taiping Insurance, Pingan Insurance, Taikang Insurance	Yonghui Superstore (Supermarket), Jinyi Cineplex, Inditex Group	Yonghui Superstore (Supermarket), Jinyi Cineplex, Kidswant

1 Valuations as at 31 December 2015 are based on a foreign exchange rate of SGD/RMB of 4.6098.

PORTFOLIO AT A GLANCE - CHINA HEALTHCARE BUSINESS

Property	Modern Hospital Guangzhou	St. Stamford Plastic Surgery and Aesthetic Hospital[1]	Chengdu Xiehe International Eldercare and Retirement Home[1]
Location	42 Lianquan Road Tian He district, Guangzhou, Guangdong Province	Perennial International Health and Medical Hub, Plot A, East of Jin Xiu Avenue, Chengdu District, Chengdu, Sichuan Province	Chengdu East HSR Integrated Development Plot D2, East of Qionglaishan Road, Chenghua District, Chengdu, Sichuan Province
Description	Leading private general and cancer hospital in Guangzhou	Premium one-stop facility providing plastic surgery, aesthetic medical and dental services	Leading premium private eldercare and retirement home
Effective Interest (%)	40	40	40
Joint Venture Partners	Guangdong Boai Medical Group Co., Ltd		Shanghai Summit Property Development Limited, Shanghai RST Chinese Medicine Co., Ltd
Leased Gross Floor Area (sq ft)	173,083	90,417	Phase 1: 914,000[3]
Commencement of Operations	2005	Target 2016	Target 2017
In-Patient Bed Capacity	246[2]	50	Phase 1: 3,000[3]
Medical Specialties	Oncology, Plastic Surgery, Aesthetic Medicine, Internal Medicine, General Surgery, Gynaecology, Dentistry	Plastic Surgery, Aesthetic Medicine, Dentistry	Retirement Home, Nursing Home, Rehabilitation Home
Renowned Specialty	Full suite of cancer treatments	–	–
Accreditation & Recognition	Joint Commission International Accreditation, Appointed training faculty of Guangzhou Southern Medical University, China Social Health Insurance accredited institution	–	–
Website	www.22221111.com	–	–

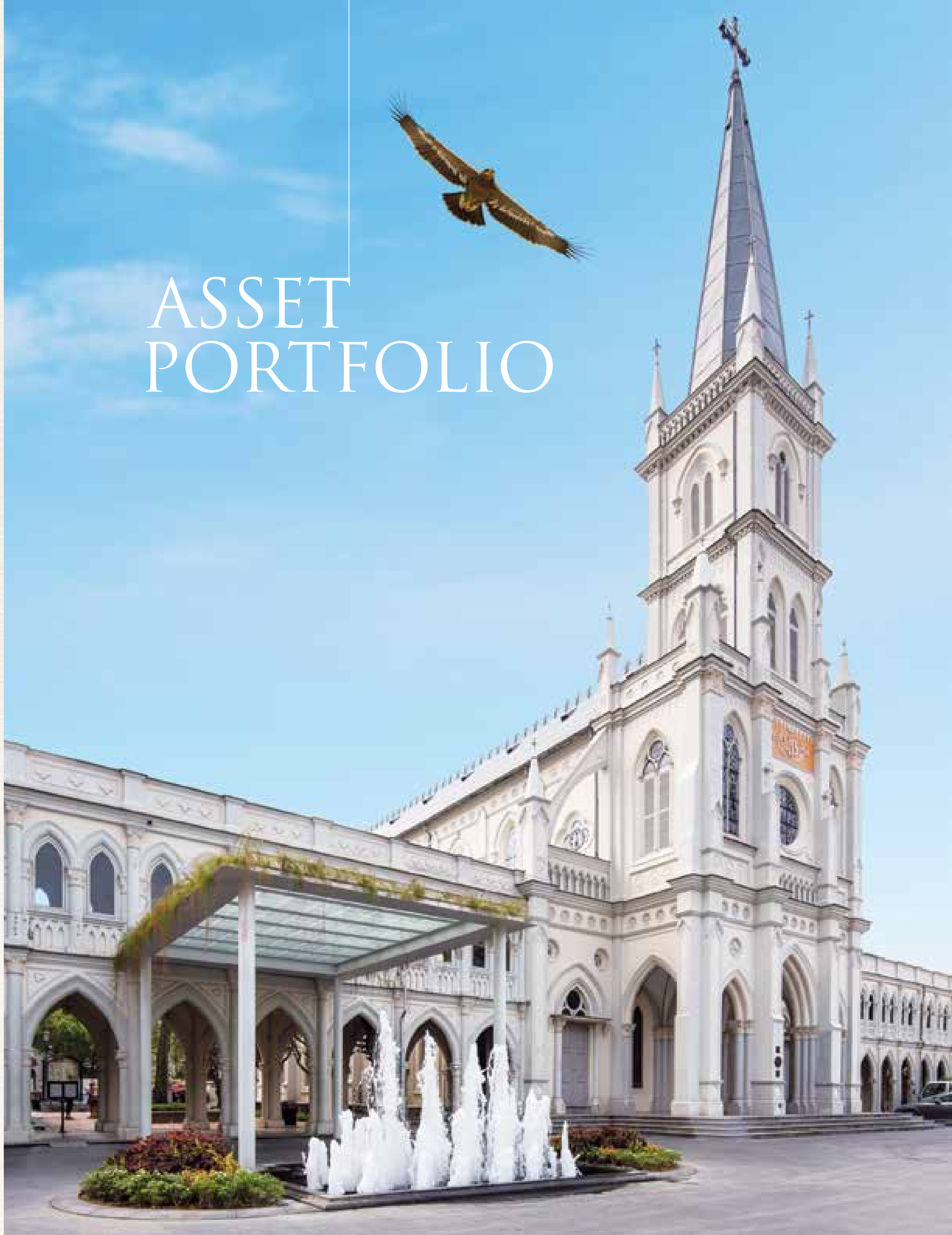
1 The information in the table is subject to change as the properties are undergoing development and the designs are being refined.
2 Following enhancement works, in-patient bed capacity is expected to increase to close to 300.
3 Phase 1 comprising at least 914,000 sq ft in leased gross floor area is expected to comprise in-patient bed capacity which may be increased based on demand.

PORTFOLIO AT A GLANCE - OTHER MARKETS REAL ESTATE BUSINESS

Property[1]	Penang Waterfront Integrated Development, Malaysia	Accra Integrated Development, Ghana
Location	About 1 km North of Penang Bridge, Gelugor	Along Liberation Road and about 2 km from Kotoka International Airport within the Airport district of Accra, Ghana
Description	Retail Podium and Thematic Shops Residential Office Hotels Convention Centre Car Park	Retail Podium Residential Office Hotel Serviced Apartment Car Park
Tenure	Freehold	50 years, expiring on 28 November 2061
Effective Interest (%)	50	55
Land Area (sq ft)	1,427,000	537,000
Gross Floor Area[2] (sq ft)	Retail and Thematic Shops: 1,536,700 Residential: 1,204,700 Office: 513,000 Hotel: 545,600 Convention Centre: 300,000 Total: 4,100,000	Retail: 231,400 Residential: 375,400 Office: 592,000 Hotel: 354,200 Serviced Apartment: 194,200 Total: 1,747,200
Commencement of Operations	Target 2021	Target 2019

1 As all designs are undergoing refinement, the details in the table are subject to change.
2 The gross floor area excludes carpark based on current plans and subject to the relevant authorities' approval of the plans.

ASSET PORTFOLIO



CHIJMES 赞美广场

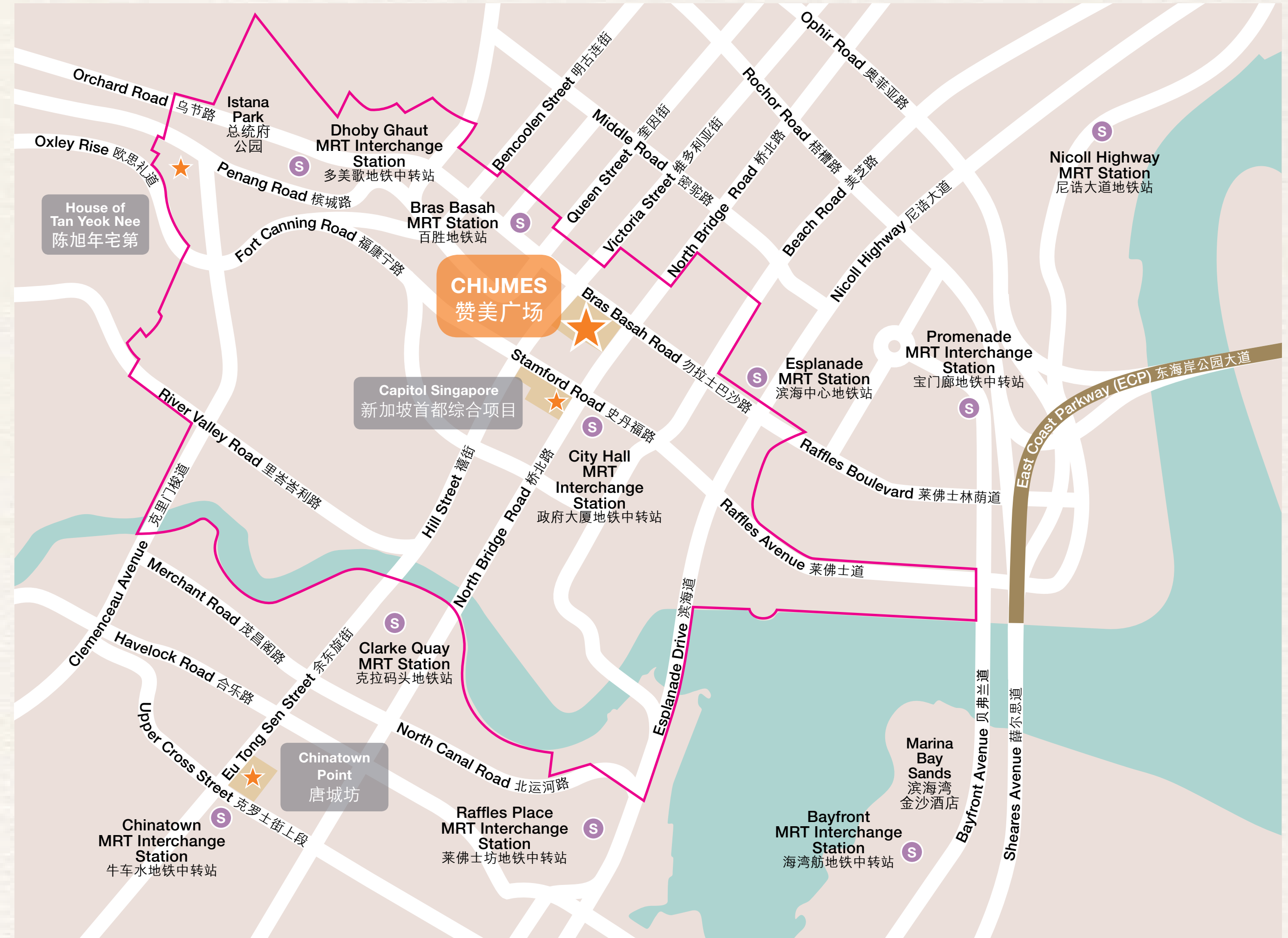
CHIJMES

CHIJMES was once the Convent of the Holy Infant Jesus ("**CHIJ**") and houses two gazetted National Monuments, namely the CHIJ Chapel (*now known as CHIJMES Hall*) and Caldwell House. The prime property is strategically located in the heart of Singapore's downtown Civic District and enjoys prominent frontages along Victoria Street, North Bridge Road and Bras Basah Road. CHIJMES is also easily accessible via the adjacent City Hall Mass Rapid Transit ("**MRT**") Interchange Station, which serves the North-South Line and East-West Line.

The landmark heritage development completed an about S$71 million enhancement programme in 2015 and increased its gross floor area ("**GFA**") and net lettable area by about 18.2% and 45% respectively. In addition, façade restoration works were also carried out at CHIJMES Hall and Caldwell House.

Positioned as a European-themed food and beverage and entertainment destination with beautiful courtyards and cosy alfresco dining areas, CHIJMES plays host to a wide array of restaurants serving international cuisines, stylish bars and hip cafes. CHIJMES Hall is also a choice venue for weddings, seminars and performances. The iconic development is now a popular dining and entertainment spot for locals and working professionals in the Central Business District ("**CBD**"), and tourists.

Location of CHIJMES 赞美广场位置



★ Perennial's Asset 鹏瑞利项目 | MRT Station 地铁站 | Expressway 高速公路 | Civic District 行政文化区

Alfresco dining

Alfresco dining

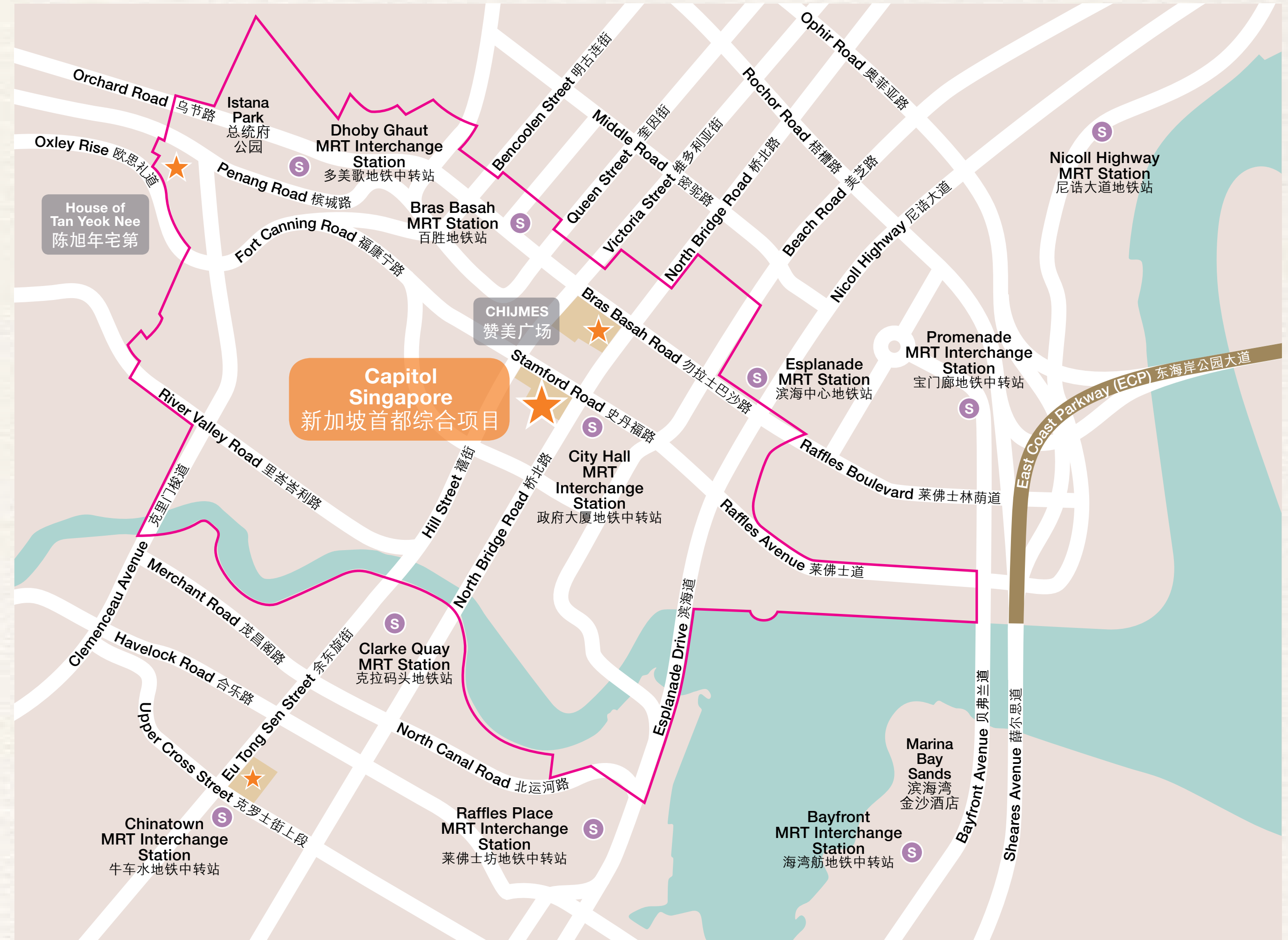
CAPITOL SINGAPORE 新加坡首都综合项目

Capitol Singapore

Capitol Singapore is Singapore's first luxury integrated development that houses the premier lifestyle shopping and dining destination Capitol Piazza, iconic Capitol Theatre, luxurious Eden Residences Capitol, and a hotel.

Strategically located in the heart of Singapore's downtown Civic District and surrounded by significant historic landmarks, Capitol Singapore comprises three conservation buildings – Stamford House, Capitol Building and Capitol Theatre – and is directly connected via the basement level to the City Hall MRT Interchange Station, which serves the North-South Line and East-West Line.

Location of Capitol Singapore 新加坡首都综合项目位置



★ Perennial's Asset 鹏瑞利项目 | Ⓢ MRT Station 地铁站 | Expressway 高速公路 | Civic District 行政文化区

Neue@Capitol Piazza

Neue@Capitol Piazza

Retail

Capitol Piazza comprises three unique retail zones. Neue, located in the newly-built four-storey retail podium, plays host to a myriad of pre-eminent flagship stores and new-to-market retail and food and beverage ("**F&B**") concepts. Galleria, which links the three conserved buildings, offers a unique alfresco street-dining ambience with trendy cafés, chic bars and bistros and world-class restaurants along an air-conditioned sheltered promenade. Arcade, housed in the conserved Capitol Building, stands out with a string of world celebrated luxury brands taking presence in street front heritage stores.

Arcade@Capitol Piazza

Theatre

Capitol Theatre houses one of South East Asia's largest single screens with over 970 plush seats. Beautifully restored and equipped with South East Asia's first advanced rotational floor system and state of the art audio and visual systems, it is the only multi-functional theatre in Singapore that can host musicals, plays, movies, conferences and seminars. Capitol Theatre is also Singapore's first venue with direct ground level access to the theatre, providing a grand and glamorous entrance for any red carpet event.

Residential

Sitting atop Neue, part of Capitol Piazza, Eden Residences Capitol comprises 39 ultra-luxurious apartments on 10 levels. Residents at the prestigious address will enjoy remarkable views of the Marina Bay area and beyond, as well as bespoke concierge and personal services.

Hotel

The luxurious boutique hotel is housed in the restored Capitol Building and Stamford House and will feature 157 guest rooms and suites, offering an unparalleled experience for guests.

Note:
The above artist's impressions may differ from the actual view of the completed properties.

TRIPLEONE SOMERSET

111索美塞

TRIPLEONE SOMERSET

TripleOne Somerset

TripleOne Somerset is a prime integrated development, comprising two premium grade office towers and a retail podium, strategically located within the renowned Orchard Road precinct and next to the Somerset MRT Station serving the North-South Line. The property also enjoys two prominent frontages along Somerset Road and Devonshire Road which provide dual drop-off and access to the development.

Location of TripleOne Somerset 111索美塞位置

The immediate Orchard Road precinct is Singapore's main shopping and entertainment belt, comprising predominantly shopping complexes, serviced apartments, hotels and office buildings. The development is also well-supported by a strong residential catchment from the affluent Devonshire and River Valley areas.

TripleOne Somerset is set to undergo an approximately S$150 million asset enhancement programme. The planned works include enhancing the retail offerings, incorporating medical suites of about 32,000 square feet ("**sq ft**") on levels three and four, and sprucing up of the office lobby and common areas. In addition, the two office towers and the medical suites will be sold on a strata basis. Strata sale of the office spaces will commence with the tower fronting Somerset Road. The enhancement works and strata sale are expected to commence in the second quarter of 2016.

AXA TOWER 安盛保险大厦


AXA Tower

AXA Tower is a 50-storey landmark Grade ‘A’ office development with a retail podium strategically sited within Singapore's CBD.

The property enjoys three major frontages along Shenton Way, Anson Road and Maxwell Road, and is connected via an underground pedestrian link to the Tanjong Pagar MRT Station. The predominantly office development is also easily accessible via the Ayer Rajah and Marina Coastal Expressways, making it one of the most convenient locations within the Downtown Financial District.

AXA Tower has an unutilised plot ratio that could add an additional GFA of over 212,000 sq ft. Plans are underway for a major enhancement programme which includes increasing the retail footprint, building a two-storey annex block measuring about 32,000 sq ft to house medical suites, enhancing the main office lobby and drop-off points, and strata sale of the office spaces.

Subject to the receipt of the final approvals from the relevant authorities, the enhancement works and strata sale are expected to commence in the second quarter of 2016.


Office Show Suite

Location of AXA Tower 安盛保险大厦位置

★ Perennial's Asset 鹏瑞利项目 | Ⓢ MRT Station 地铁站 | — Expressway 高速公路

HOUSE OF TAN YEOK NEE 陈旭年宅第


House of Tan Yeok Nee

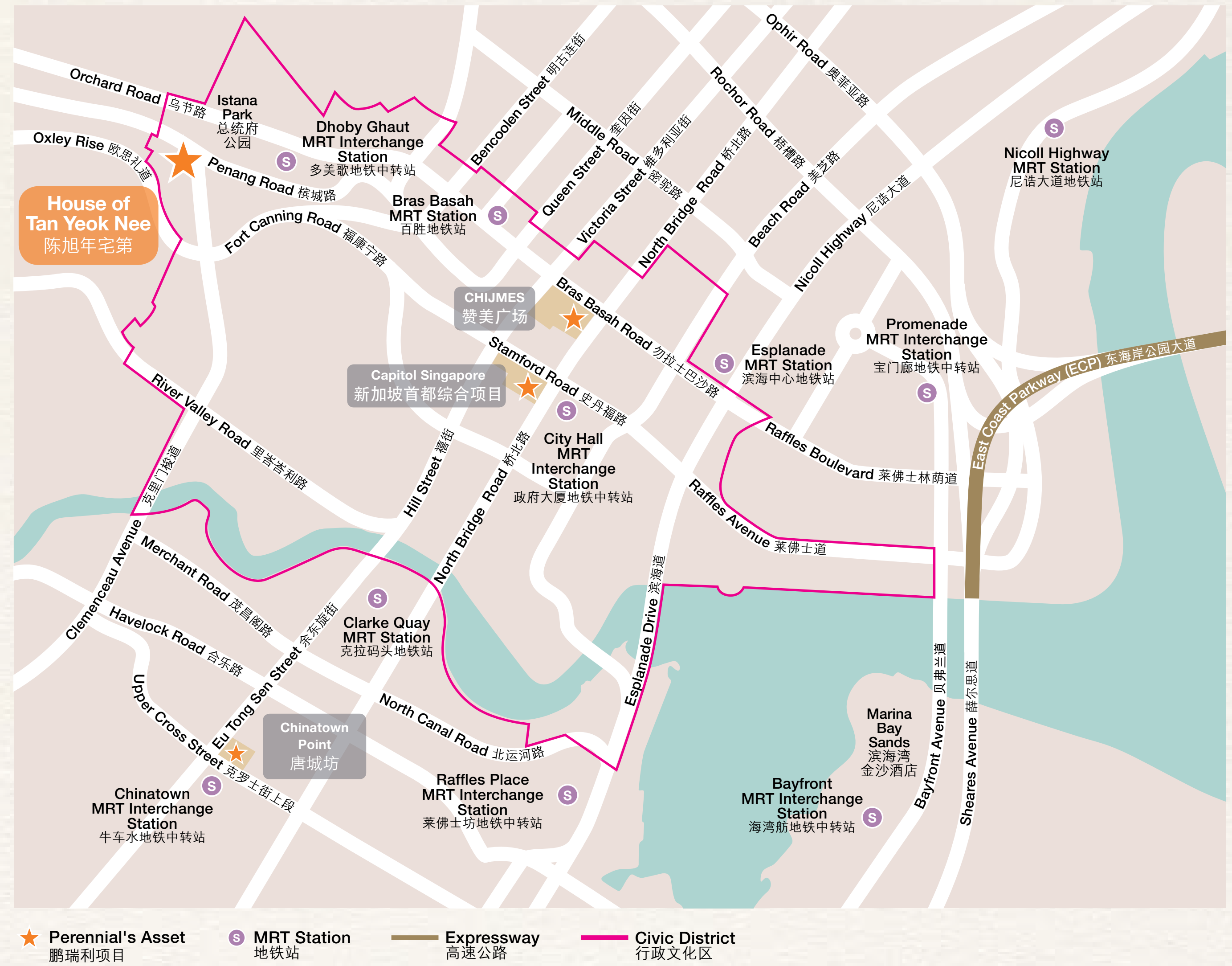
Constructed in 1882, the House of Tan Yeok Nee is a gazetted National Monument strategically located in the Orchard Road precinct. The heritage landmark development also enjoys close proximity to the Dhoby Ghaut MRT Interchange Station, which serves the North-South Line, North-East Line and Circle Line.

Previously a mansion that belonged to Chaozhou-born businessman, Tan Yeok Nee, the House of Tan Yeok Nee is the most elaborate and only 'survivor' of the Four Mansions built by rich Teochew tycoons in the late 19th century in Singapore. It is also one of two remaining traditional Chinese mansions in Singapore, making it a unique cultural treasure. The House of Tan Yeok Nee was restored in 2000 to ensure that the original architecture and character of the mansion is kept intact, whilst brilliantly furnished with contemporary facilities for modern-day usage.

Plans are underway to position the House of Tan Yeok Nee as the premier Traditional Chinese Medicine ("**TCM**") centre in Singapore that provides quality TCM treatment by professional physicians in a conducive and luxurious environment. The TCM specialties to be offered are expected to comprise wellness and health enhancement, chronic and metabolic illnesses, oncology, pain management, sub-fertility issues and anti-aging, skin and beauty treatments.

Facilities at the proposed TCM centre will include private waiting lounges, a welcome tea garden, consultation and treatment rooms, a retail TCM pharmacy and a museum gallery to showcase the evolution and concepts behind TCM.

Location of House of Tan Yeok Nee 陈旭年宅第位置



CHINATOWN POINT 唐城坊

Chinatown Point

Chinatown Point is a 25-storey commercial development comprising an office block and a six-storey retail podium with two basement levels.

Located in the heart of the Chinatown precinct in the CBD, the oriental-themed Chinatown Point retail podium is a prime shopping and dining destination for locals, the working crowd in the surrounding office developments, and tourists. The prime retail mall enjoys direct connectivity via the basement level to the Chinatown MRT Interchange Station, serving the North-East Line and Downtown Line.

Chinatown Point retail podium underwent major asset enhancement works in 2011. The revitalisation works included the reconfiguration of retail spaces, creation of an underground pedestrian link to the MRT station, relocation of the carpark, and refurbishment of the retail podium's façade.

The revamped Chinatown Point retail podium commenced operations in 2012 and is now a popular one-stop destination offering a wide spectrum of traditionally-Chinese and modern trade mix, including a supermarket, eateries, restaurants, travel agencies and the National Library Board's first Chinese Arts and Culture-themed library.

Location of Chinatown Point 唐城坊位置

CHENGDU EAST HIGH SPEED RAILWAY INTEGRATED DEVELOPMENT 成都东站综合项目

Artist's impression. Picture may differ from the actual view of the completed property.

Chengdu East High Speed Railway ("**HSR**") Integrated Development comprises the Perennial International Health and Medical Hub, Chengdu HSR Integrated Development Plot C, Plot D1 and Plot D2. The large-scale mixed-use project, measuring over 16.1 million sq ft in total GFA, is strategically sited adjacent and connected to the operational Chengdu East HSR Station.

Chengdu East HSR Station is one of the largest HSR integrated transportation hubs in China with inter-city railway, intra-city subway, long and short distance bus terminals and taxi services.

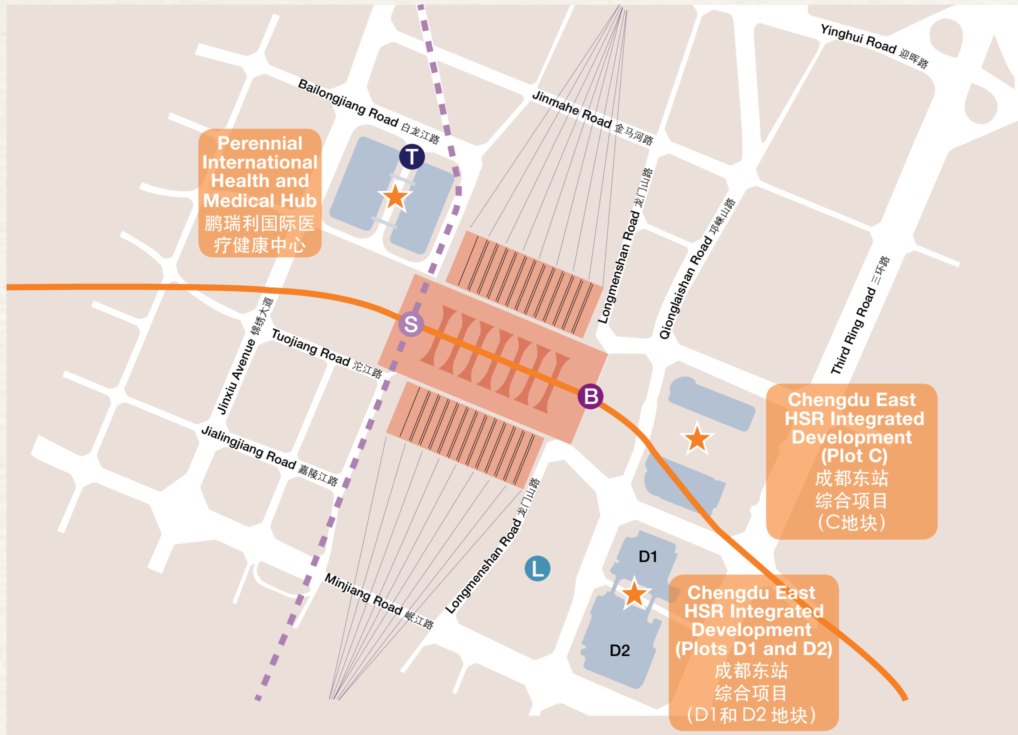
Located in the South East of Chengdu within the Third Ring Road, the immediate surrounding area of the integrated development, known as the Intercity

Location of Chengdu East HSR Integrated Development 成都东站综合项目位置

Travel Business City, has been designated as Chengdu's new CBD. The prime location is about 10 km from Chengdu's existing CBD and about 25 km from Chengdu Shuangliu International Airport. The integrated development is also well-served by the operational Subway Line 2 and a future Subway Line 7 via the Chengdu East HSR Station.

With its distinctive design, prime location and excellent connectivity, Chengdu East HSR Integrated Development is well-poised to become a regional commercial and medical hub that serves the burgeoning population of Chengdu and its neighbouring cities.

Site Plan of Chengdu East HSR Integrated Development 成都东站综合项目平面图



Perennial's Asset 鹏瑞利项目

Subway Line 2 (Operational) 地铁2号线（运行）

Subway Line 7 (Under Construction) 地铁7号线（在建）

Taxi Stand 出租车站

Subway Station 地铁站

Long Distance Bus Interchange 长途巴士中转站

Short Distance Bus Interchange 短途巴士中转站

Chengdu East HSR Station


Perennial International Health and Medical Hub

Artist's impression. Picture may differ from the actual view of the completed property.

Perennial International Health and Medical Hub

Perennial International Health and Medical Hub ("**PIHMH**") is positioned to be the first healthcare cum retail integrated development in Chengdu and Sichuan Province.

The development, with two distinct but connected blocks, will be anchored by the Chengdu ParkwayHealth Hospital which will occupy at least 517,000 sq ft on basement 3 to level 5 of Block A2. The 350-bed hospital will be equipped with advanced medical facilities and equipment, providing specialised care and clinical services including obstetrics and gynaecology, paediatrics, cardiology, orthopaedics, ophthalmology and internal medicine. The hospital is expected to commence operations in the second half of 2017.

Over at Block A1, specialty anchor tenants on the upper floors taking up a space of about 319,700 sq ft include AND Maternal and Child Health Centre, Gulian Rehabilitation and Nursing Centre and St. Stamford Plastic Surgery and Aesthetic Hospital. These tenants, together with other healthcare and wellness-related services, such as TCM, will complement the hospital facility at Block A2. The lower floors of Block A1 will house supporting retail trades and services.

Construction works for PIHMH is expected to complete by end 2016.

Chengdu East HSR Integrated Development Plot C

Artist's impression. Picture may differ from the actual view of the completed property.

Chengdu East HSR Integrated Development Plot C

Chengdu East HSR Integrated Development Plot C is expected to comprise a retail podium, office towers, apartment blocks and other amenities.

To-date, construction works have not commenced on this plot of land.

Artist's impression. Picture may differ from the actual view of the completed property.

Chengdu East HSR Integrated Development Plot D

Artist's impression. Picture may differ from the actual view of the completed property.

Chengdu East HSR Integrated Development Plot D1

Chengdu East HSR Integrated Development Plot D1 is designated for apartment and retail usage in view of the potential housing and rental demand from medical staff and visitors of the PIHMH, and the Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**") operating in Chengdu East HSR Integrated Development Plot D2.

To-date, construction works have not commenced on this plot of land.

Chengdu East HSR Integrated Development Plot D2

Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**") comprises six apartment blocks with some retail spaces. To-date, three blocks have topped-out, out of which, two blocks have received its pre-sale permits. The remaining three blocks are expected to top-out in 2016.

The first three blocks will house the Chengdu Xiehe Home, which will comprise a Retirement Home, a Nursing Home and a Rehabilitation Home. The retail spaces will house a rehabilitation hospital, ancillary medical facilities, a supermarket and complementary retail trade and services to meet the lifestyle needs of the occupants and visitors. Chengdu Xiehe Home is expected to commence operations in 2017 and may expand its services to the remaining blocks on the same plot in subsequent phases.

BEIJING TONGZHOU INTEGRATED DEVELOPMENT 北京通州综合项目


Beijing Tongzhou Integrated Development

Artist's impression. Picture may differ from the actual view of the completed property.

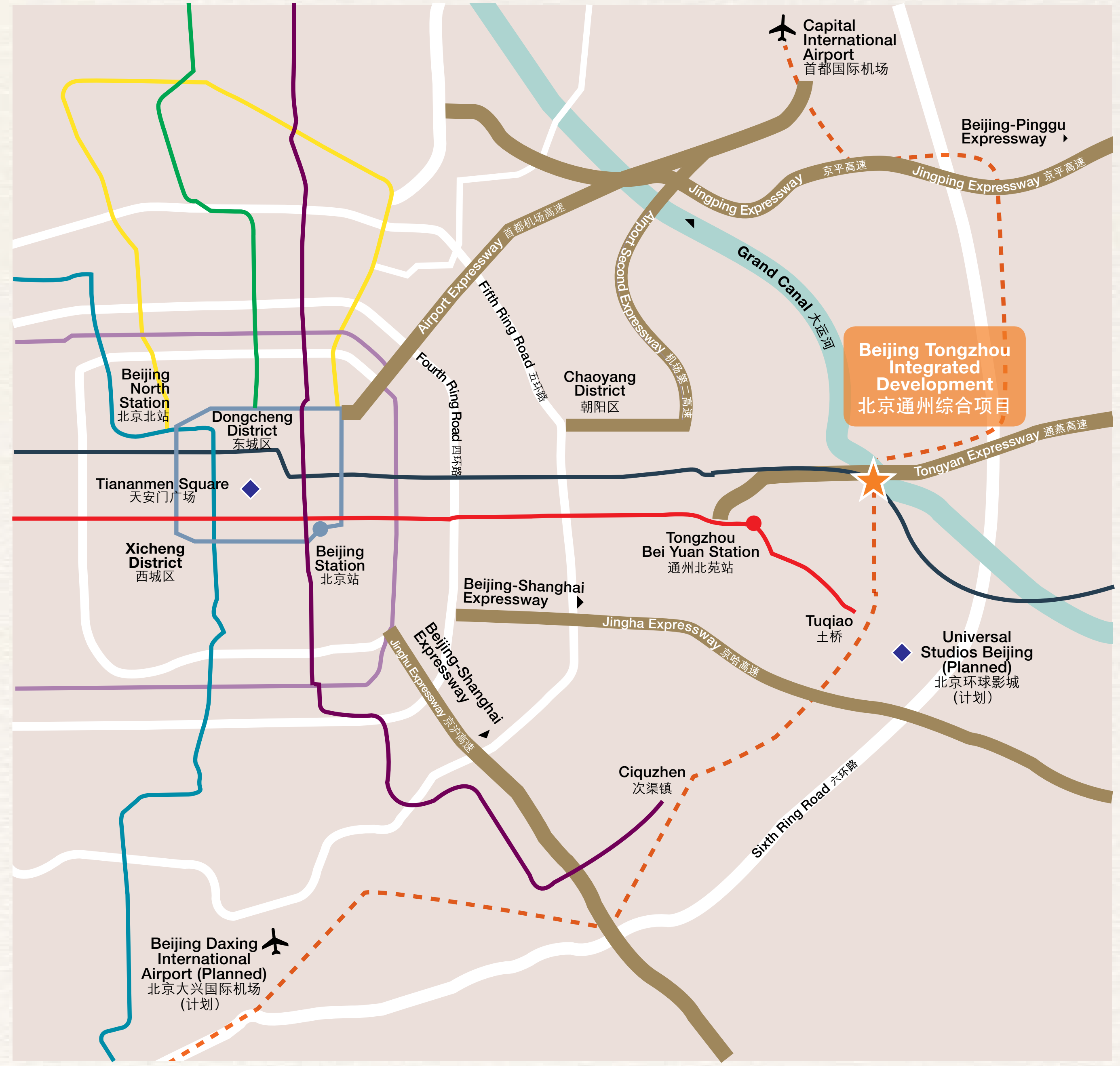
The Beijing Tongzhou Integrated Development, comprising Phase 1 and Phase 2, is an iconic mixed-use development measuring over 8.4 million sq ft in GFA with retail, office and residence components.

Sited on six prime plots of land, three plots for each of Phase 1 and Phase 2, the integrated development enjoys prime frontage with direct waterfront access to the famous Grand Canal in Beijing's Tongzhou District.

Located in the South East of Beijing, the integrated development is approximately 23 km from Beijing's city centre, 16 km from the Beijing Capital International Airport, and 9 km from the US$3.3 billion Universal Studios Beijing, which will be one of the largest theme parks in China.

Tongzhou District has been slated as Beijing's new CBD and definitive plans have been announced by the Beijing Municipal Government to relocate all or part of its municipal departments to Tongzhou by 2017.

Location of Beijing Tongzhou Integrated Development 北京通州综合项目位置



Perennial's Asset 鹏瑞利项目 | Subway Line 1 (Operational) 地铁1号线（运行） | Subway Line 2 (Operational) 地铁2号线（运行） | Subway Line 4 (Operational) 地铁4号线（运行）

Subway Line 5 (Operational) 地铁5号线（运行） | Subway Line 6 (Operational) 地铁6号线（运行） | Subway Line S6 (Under Construction) 地铁S6号线（在建）

Subway Line 8 (Operational) 地铁8号线（运行） | Subway Line 10 (Operational) 地铁10号线（运行） | Subway Line 13 (Operational) 地铁13号线（运行） | Expressway 高速公路 | Landmark 地标

The integrated development will enjoy direct connectivity via a basement linkway to the future Tongyunmen Subway Interchange Station served by the operational Line 6 and S6, both connecting Tongzhou District to the Beijing city centre, and the future Line S6, which is expected to link the existing Beijing Capital International Airport to the new airport in Daxing District.

The development is also well-poised to capitalise on the growth in the vibrant precinct being only about three subway stations (Haojiafu Station) from the new Beijing Tongzhou Administrative Centre. In addition, the prime development will be in close proximity to a subway station that will be served by the future R1 subway line, which will link Tongzhou District to Beijing city centre.

Sitemap of Beijing Tongzhou Integrated Development 北京通州综合项目位置

Perennial's Asset 鹏瑞利项目

Subway Line M6, Eastern Extension of Line 6 (Operational) 地铁M6号线 二期 (运行)

Subway Line S6 (Under Construction) 地铁S6号线 (在建)

Expressway 高速公路

Tongyunmen Station 通运门站

Short Distance Bus Interchange 短途巴士中转站

Landmark 地标

Besides being served by a future bus interchange, the road network in the vicinity of the development is also highly established, with convenient access to major arterial roads and expressways.

Construction works have commenced on site and both phases have received three of four construction-related regulatory permits. Construction works for the development are expected to complete by 2018.

With its distinctive design and excellent location, the integrated development is expected to be a new landmark and a premier waterfront destination for F&B, leisure and entertainment, with unparalleled views of the scenic Grand Canal.


Artist's impression. Picture may differ from the actual view of the completed property.


Beijing Tongzhou Tongyunmen Subway Interchange Station


Beijing Tongzhou Tongyunmen Subway Interchange Station

Note:
The above artist's impressions may differ from the actual view of the completed properties.

XI'AN NORTH HIGH SPEED RAILWAY INTEGRATED DEVELOPMENT 西安北站综合项目

Xi'an North HSR Integrated Development

Artist's impression. Picture may differ from the actual view of the completed property.

Location of Xi'an North HSR Integrated Development 西安北站综合项目位置

The Xi'an North HSR Integrated Development, comprising Plot 4 and Plot 5, is a large-scale mixed-use project measuring over 9.2 million sq ft in total GFA. The landmark development is strategically sited adjacent and connected to the operational Xi'an North HSR Station, one of the largest HSR integrated transportation hubs in China with inter-city railway, intra-city subway, long and short distance bus terminals and taxi services. The Xi'an North HSR Station is also the largest train station in northwest China, connecting Xi'an to Zhengzhou, Wuhan, Changsha, Guangzhou and Shenzhen.

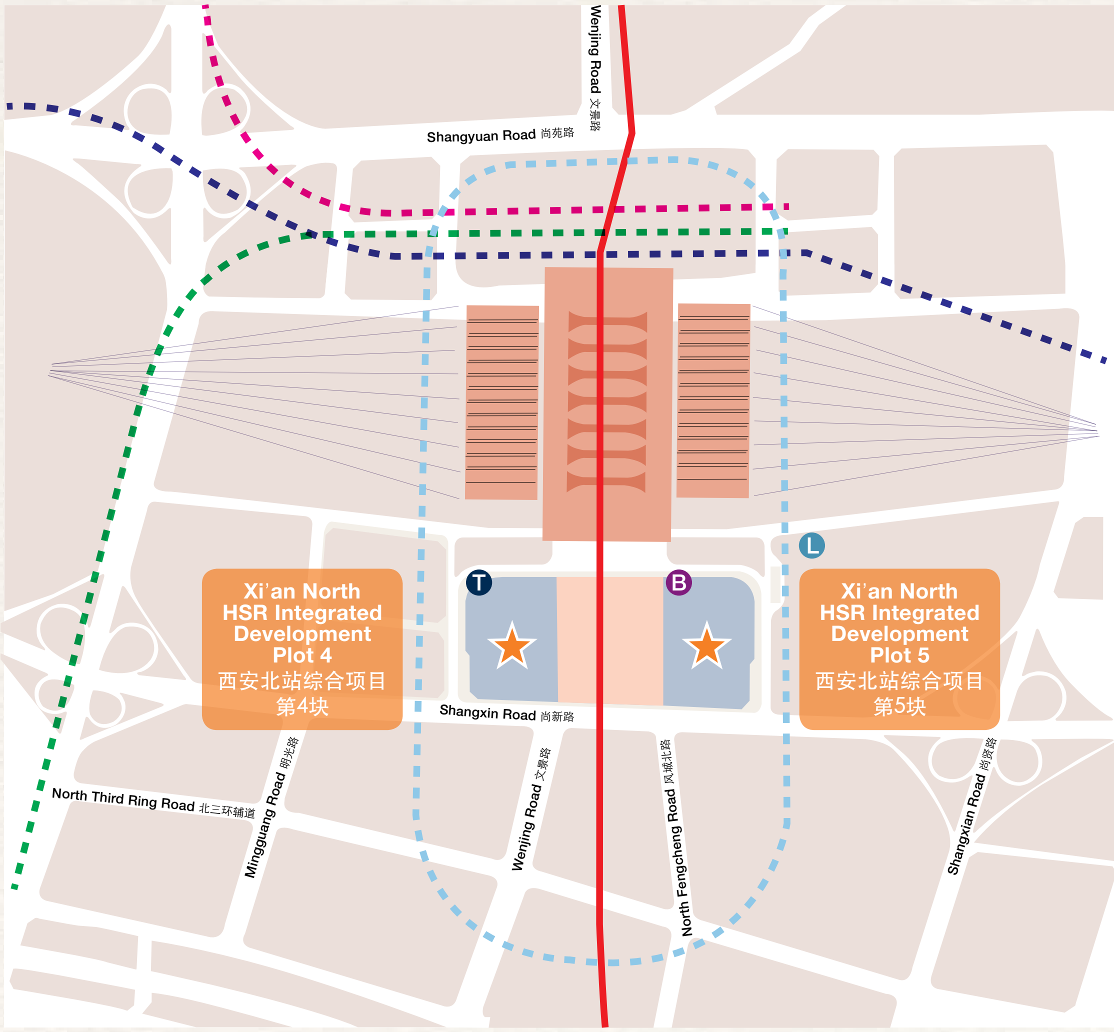
Located in the North of Xi'an, the integrated development is approximately 15 km from Xi'an's city centre, 17 km from Xi'an International Airport and 5 km from the Xi'an municipal government offices. The integrated development is also well-served by the operational Subway Line 2 and the future Subway Line 4 (under construction), which is expected to connect to the Xi'an Economic Development Zone in the North West of Xi'an City, via the Xi'an North HSR Station.

Plot 4 is expected to comprise retail, hotel, Loft, SOHO and apartment components, while Plot 5 is expected to comprise retail, apartment, and SOHO components.

Construction works have commenced on site and both plots have received two of four construction-related regulatory permits. Plot 4 and Plot 5 are expected to commence operations in 2018.

With its iconic design, strategic location and excellent connectivity, the integrated development is positioned as a regional hub to serve the sizeable catchment within Xi'an and beyond.

Site Plan of Xi'an North HSR Integrated Development 西安北站综合项目平图



★ Perennial's Asset 鹏瑞利项目

Subway Line 2 (Operational) 地铁2号线（运行）

Subway Line 4 (Under Construction) 地铁4号线（在建）

Subway Line 13 (Planned) 地铁13号线（计划）

Subway Line 15 (Planned) 地铁15号线（计划）

Light Rail (Planned) 轻轨线（计划）

T Taxi Stand 出租车站

B Short Distance Bus Interchange 短途巴士中转站

L Long Distance Bus Interchange 长途巴士中转站

Xi'an North HSR Station

Bird's Eye View


Retail

Note:
The above artist's impressions may differ from the actual view of the completed properties.

ZHUHAI HENGQIN INTEGRATED DEVELOPMENT 珠海横琴综合项目

Zhuhai Hengqin Integrated Development

Artist's impression. Picture may differ from the actual view of the completed property.

Location of Zhuhai Hengqin Integrated Development 珠海横琴综合项目位置

Perennial's Asset 鹏瑞利项目

Macau-Hengqin Light Rail (Underground) (Under Construction) 澳门-横琴轻轨线 (地下) (在建)

Extension of Guangzhou-Zhuhai Intercity Line (Under Construction) 广州-珠海城际快速轨道 延长线 (在建)

Hengqin Light Rail (Under Planning) 横琴轻轨 (正计划)

Landmark 地标

Zhuhai Hengqin Integrated Development is an iconic mixed-use project sited on a prime plot adjacent and connected to the Hengqin Immigration Plaza on Zhuhai's Hengqin Island. The Hengqin Immigration Plaza links to Cotai of Macau via the Lotus Bridge and is the major gateway between Hengqin Island and Macau.

Zhuhai Hengqin Integrated Development is expected to comprise retail, office, hotel and residential components. It will also enjoy good accessibility to the planned transportation infrastructure to be built on Hengqin Island, including a railway line which will serve the Eastern part of the island, a Hengqin-Macau cross-border light rail station expected to be sited near the integrated development, and an inter-city station which will be an extension of the HSR network from Guangzhou to Zhuhai. The multi-billion infrastructure investments form part of the Guangdong Provincial Government's 12th five-year plan to transform Hengqin Island into a world-class tourism and commercial centre.

To-date, three of four construction-related regulatory permits have been obtained and construction works are expected to complete in 2020.

SHENYANG LONGEMONT INTEGRATED DEVELOPMENT 沈阳龙之梦综合项目

Shenyang Longemont Integrated Development

Location of Shenyang Longemont Integrated Development 沈阳龙之梦综合项目位置

Shenyang Longemont Integrated Development, comprising Shenyang Longemont Shopping Mall, Shenyang Red Star Macalline Furniture Mall and Shenyang Longemont Offices, is one of the largest mixed-use commercial developments in China with a total GFA of about 8.7 million sq ft.

Located in Dadong District, Shenyang Longemont Integrated Development sits within the Shenyang Longemont Asia Pacific City ("**APC**") which comprises other operational developments such as 4-star and 5-star hotels, residential apartments, an IMAX cinema and wholesale centres.

Prominently located along Shenyang's First Ring Road and well-served by extensive road infrastructure, the integrated development also enjoys direct connectivity to the Shenyang APC Transportation Hub, which incorporates the Pangjiang Street Subway Station (serving the operational Subway Line 1 and future Subway Line 10), taxi services, as well as a long and short-distance bus interchange serving 16 inter-city and 90 intra-city bus lines.

Pangjiang Street Subway Station

Shenyang Longemont APC Transportation Hub

Shenyang Longemont Shopping Mall

Shenyang Longemont Shopping Mall

Shenyang Longemont Shopping Mall is one of the largest shopping malls in Shenyang and hosts a myriad of established retail brands, including H&M, UNIQLO, C&A, MJ Style and Decathlon, as well as a wide range of education and children-related offerings. In addition, the mall houses the first Wax Figure Gallery in Shenyang, complementing the extensive suite of entertainment options, including an indoor theme park, bowling alley and karaoke lounge.

With its prime location and extensive offerings, Shenyang Longemont Shopping Mall enjoys a good standing as one of the most popular one-stop dining, shopping, and entertainment destinations catering to families, youths, professionals from Shenyang and tourists from the nearby cities.

Sinbad Joy Castle

Shenyang Red Star Macalline Furniture Mall

Shenyang Red Star Macalline Furniture Mall is positioned as a one-stop destination for all home furnishing needs. The East Wing and West Wing of the mall are master-leased to Shanghai Red Star Macalline Home Furnishing Co., Ltd., one of the largest furniture retail operators in China, and Liaoning Guangcai Property Investment Company, an antique wholesale market operator, respectively.

With its master lease tenants complementing the offerings at the Shenyang Longemont Shopping Mall, Shenyang Red Star Macalline Furniture Mall further strengthens Shenyang Longemont Integrated Development's positioning as a prime shopping destination for households living in Shenyang and the neighbouring cities.

Shenyang Red Star Macalline Furniture Mall


Shenyang Longemont Offices

Shenyang Longemont Offices

Shenyang Longemont Offices, comprising two 56-storey Grade 'A' office towers sitting atop the Shenyang Longemont Shopping Mall, is an ideal office address for companies seeking a prime location with excellent transport connectivity and good supporting amenities in the fast-growing city. The office blocks currently house a variety of multi-national and local companies from the insurance, media, investment, business consultancy, and information technology industries.


Main Lobby


Office

PERENNIAL JIHUA MALL, FOSHAN

鹏瑞利季华广场（佛山）

PERENNIAL MALL 鹏瑞利季华广场

Perennial Jihua Mall, Foshan

Perennial Jihua Mall, Foshan is a prime one-stop suburban mall that is part of an integrated development with 16 high-rise residential towers.

Located in Foshan's affluent Nanhai District, Perennial Jihua Mall enjoys over 200 metres of main frontage along Jihua Road, one of the key arterial roads in Foshan. The mall is also situated in close proximity to the future Guilan Road Subway Station, which will be served by the new Foshan Subway Line 6. Foshan Subway Line 6 is expected to connect to the Guangzhou Subway Line 5.

Location of Perennial Jihua Mall, Foshan 佛山鹏瑞利季华广场位置

Perennial Jihua Mall houses a large supermarket, a 7-screen cineplex with an IMAX screen, well-known fashion retailers such as H&M and Zara, as well as over 150 specialty shops and F&B outlets. The mall enjoys the distinction of being the first mall in Foshan to offer shoppers an IMAX theatre, plush corridor carpeting, and a rooftop landscaped garden with a wet and dry playground.

With an excellent location well-served by a large residential catchment in its immediate precinct, as well as its wide array of family and lifestyle retail offerings, the mall is popular among residents as a shopping, dining and entertainment destination.

PERENNIAL QINGYANG MALL, CHENGDU
鹏瑞利青羊广场（成都）

PERENNIAL MALL
鹏瑞利青羊广场


Perennial Qingyang Mall, Chengdu

Perennial Qingyang Mall, Chengdu is a prime one-stop suburban mall positioned to serve the sizeable population catchment in the western part of Chengdu. The mall is part of an integrated development, comprising a five-star hotel, office blocks and SOHO, and is surrounded by numerous residential developments in its immediate vicinity, allowing the mall to enjoy a sizeable shopper catchment right at its doorstep.

Strategically sited with prominent frontage along Guanghua Avenue, a key east-west arterial road leading to the Chengdu city centre, Perennial Qingyang Mall is easily accessible by car and enjoys direct connectivity to Zhongba Subway Station, which is served by Subway Line 4, via an underground pedestrian link. The new retail shops located along the pedestrian link, which form part of the tenancies of the mall, have also commenced trading.

The mall houses a large supermarket (Yonghui Superstore), a 7-screen cineplex with an IMAX screen (Jinyi Cineplex), as well as over 250 specialty shops and F&B outlets.

Perennial Qingyang Mall's excellent location, complementary surrounding establishments and strong tenant mix strengthens its position as the premier shopping, dining and entertainment destination in the western region of Chengdu.

Location of Perennial Qingyang Mall, Chengdu 成都鹏瑞利青羊广场位置


Yonghui Superstore

Jinyi Cineplex

PENANG WATERFRONT INTEGRATED DEVELOPMENT 槟城滨海综合项目


Penang Waterfront Integrated Development

Artist's impression. Picture may differ from the actual view of the completed property.

The Penang Waterfront Integrated Development is located on a freehold waterfront site in Gelugor town situated on the eastern coastline of Penang, Malaysia.

Positioned as Penang's first mega integrated waterfront icon, the dynamic mixed-use development is expected to comprise a large retail podium with waterfront dining, premium residential towers, a high-quality office tower, two international hotels, and the largest convention centre in Penang. Imbued with the life and spirit of Penang's cultural heritage, the retail and entertainment components will feature Penang's enchanting historical architecture and renowned hawker food fare, making it a 'must-see' waterfront precinct for locals and tourists in the bustling city.

The landmark integrated development will enjoy excellent transport connectivity being strategically situated about 1km from the famous Penang Bridge and about 12km from the second Penang Bridge, linking Penang Island to mainland Malaysia. The integrated development is also about 5 km from Penang's capital, George Town, 16 km from the Penang International Airport, and is easily accessible via the Tun Dr Lim Chong Eu Expressway and a planned Light Rail Transit system.

Location of Penang Waterfront Integrated Development 槟城滨海综合项目位置


Retail and Thematic Shops

Artist's impression. Picture may differ from the actual view of the completed property.

The Penang Waterfront Integrated Development will be complemented by the adjacent residential precinct comprising over 1,100 condominium units and luxury villas, providing a significant population catchment for the development.

With its distinctive design and prime locality, the one-stop retail, business, lifestyle and entertainment destination is set to transform the waterscape of Penang. The development is expected to commence operations in 2021.

ACCRA INTEGRATED DEVELOPMENT 阿克拉综合项目

Accra Integrated Development

Artist's impression. Picture may differ from the actual view of the completed property.

The Accra Integrated Development is a prime mixed-use development located in the affluent Airport district of Accra, the capital of Ghana. Positioned as a new iconic centre of commerce in Accra, the integrated development is expected to comprise residential towers, an office tower, a shopping mall and luxury serviced apartments, as well as a 5-star world-class hotel to be managed by Shangri-La Asia Limited.

Located along Liberation Road and about 2km from the Kotoka International Airport, the development is connected to the Tetteh Quarshie Interchange, a major road system which provides quick access to Accra city centre and nearby cities. The multi-component one-stop destination is well-poised to serve tourists and business travellers who require quality hotel accommodation with good supporting amenities, and businesses and residents who prefer a convenient 'Live-Work-Play' destination with quick access to the city centre.

Location of Accra Integrated Development, Ghana 加纳阿克拉综合项目位置

Bird's Eye View

Artist's impression. Picture may differ from the actual view of the completed property.

With its quality design and development, strategic location and excellent connectivity, the landmark development is expected to set the standard for internationally-recognised integrated mixed-use projects in Accra and throughout Africa when it commences operations in 2019.

MODERN HOSPITAL GUANGZHOU 广州现代医院

Modern Hospital Guangzhou

Modern Hospital Guangzhou commenced operations in 2005 and has since established itself as one of the leading private general and cancer hospitals in Guangzhou, offering a full suite of oncology treatment ranging from chemotherapy, surgery and radiotherapy, to radiological interventional procedures, immunotherapy and TCM for late-stage cancer. The hospital is also renowned for its aesthetic medicine and plastic surgery practices, and provides a wide range of other services including internal medicine, general surgery, gynaecology and dentistry.

Located at 42 Lianquan Road and adjacent to Guangyuan East Road, one of the main arterial roads in Guangzhou, Modern Hospital Guangzhou is sited at the boundary of Tian He and Yue Xiu Districts and is about 15 minutes and 30 minutes by car from the Guangzhou city centre and the Guangzhou Baiyun Airport respectively. The hospital is also easily accessible via public bus and subway.

Modern Hospital Guangzhou's in-patient bed capacity is expected to increase from its current 246 to about 300 following its upgrading plans. Since 2014, the hospital has achieved the highly-regarded Joint Commission International accreditation, widely-recognised as the 'Gold-Standard' for international quality standards for patient care and organisation management. The hospital has also been appointed as one of the training facilities of the Guangzhou Southern Medical University and is a China social health insurance-accredited institution.

Location of Modern Hospital Guangzhou 广州现代医院位置

Perennial's Business 鹏瑞利业务 | Expressway 高速公路 | Subway Line 1 (Operational) 地铁1号线（运行） | Subway Line 2 (Operational) 地铁2号线（运行） | Subway Line 3 (Operational) 地铁3号线（运行）

Subway Line 5 (Operational) 地铁5号线（运行） | Subway Line 6 (Operational) 地铁6号线（运行） | Zhujiang New Town Automated People Mover Systems (Operational) 珠江新城旅客自动输送系统（运行）

Reception


VIP Suite

CHENGDU XIEHE INTERNATIONAL ELDERCARE AND RETIREMENT HOME 成都协和国际颐养院

Chengdu East HSR Integrated Development Plot D2

Artist's impression. Picture may differ from the actual view of the completed property.

Chengdu Xiehe Home is positioned as a leading premium private eldercare and retirement home with a comprehensive suite of facilities in Chengdu.

Located at Chengdu Plot D2, part of the Chengdu East HSR Integrated Development, Chengdu Xiehe Home enjoys close proximity to various amenities, including retail and F&B offerings, hotels and apartments, and is well-supported by various supporting medical facilities, including the Chengdu ParkwayHealth Hospital, at the PIHMH. Chengdu Xiehe Home is also easily accessible via various modes of transport and enjoys direct connectivity to the Chengdu East HSR Station. Please refer to pages 80 to 85 for details on Chengdu East HSR Integrated Development.

Under the first phase, the modern senior housing facility will occupy three apartment blocks on Chengdu Plot D2 and is expected to have a bed capacity of about 3,000. The facility will comprise a Retirement Home (for occupants who are independent), a Nursing Home (for occupants who require round-the-clock professional continuing care) and a Rehabilitation Home (for occupants who require special care, such as medical treatment or rehabilitation).

The well-designed complexes will also house a rehabilitation hospital, ancillary medical facilities, supermarket and complementary retail trade and services to serve the lifestyle needs of the occupants and visitors. Chengdu Xiehe Home is expected to commence operations in 2017.

ST. STAMFORD PLASTIC SURGERY AND AESTHETIC HOSPITAL, CHENGDU 成都圣丹福整形美容医院

Perennial International Health and Medical Hub

Artist's impression. Picture may differ from the actual view of the completed property.

St. Stamford Plastic Surgery and Aesthetic Hospital is positioned as a premium one-stop facility providing plastic surgery, aesthetic medical and dental services by highly qualified local and international doctors.

Located at the PIHMH, part of the Chengdu East HSR Integrated Development, St. Stamford Plastic Surgery and Aesthetic Hospital is easily accessible via various modes of transport and enjoys direct connectivity to the Chengdu East HSR Station. Please refer to pages 80 to 85 for details on Chengdu East HSR Integrated Development.

St. Stamford Plastic Surgery and Aesthetic Hospital is expected to commence operations in 2017.

PERFORMANCE REVIEW

The performance for the 18-month financial period ended 31 December 2015 reflected mainly the operating results of the real estate business of Perennial Real Estate Holdings Limited (the "**Company**") and its subsidiaries (collectively, "**Perennial**") as the Company was transformed into an integrated real estate owner, developer and manager following the successful completion of the reverse takeover ("**RTO**") of St. James Holdings Limited ("**St. James**") on 27 October 2014. The Company was renamed as Perennial Real Estate Holdings Limited on 28 October 2014 to better reflect its business and Perennial's real estate business commenced immediately thereafter. Perennial's financial year end was also changed from 30 June to 31 December.

For the financial period from 1 July 2014 to 31 December 2015, the reported revenue was S$139.4 million while the Earnings Before Interest and Tax ("**EBIT**") and Profit after Tax and Minority Interests ("**PATMI**") were S$196.9 million and S$79.0 million respectively. Prior to the RTO, St. James was engaged in the entertainment business and the Company ceased these operations on 27 October 2014 when the RTO was completed.

Excluding the operating results of St. James prior to completion of the RTO, Perennial achieved a revenue of S$132.6 million, an EBIT of S$197.1 million and a PATMI of S$79.4 million for the financial period from 28 October 2014 (being the date of commencement of the real estate business) to 31 December 2015 ("**Period**").

REVENUE

Perennial's real estate revenue of S$132.6 million was derived mainly from two main business activities, namely (i) the real estate development and investment and (ii) the real estate management businesses. Management businesses include asset and property management, project and development management, project and design management, as well as investment advisory services.

The revenue comprised mainly rental revenue generated by CHIJMES and TripleOne Somerset in Singapore, Perennial Jihua Mall and Perennial Qingyang Mall in Foshan and Chengdu. Both Perennial Jihua Mall and Perennial Qingyang Mall are held by Perennial China Retail Trust ("**PCRT**") which became a subsidiary of Perennial following the successful completion of the conditional Voluntary Offer ("**VO**") in February 2015.

Perennial's real estate assets are located in Singapore, China, Malaysia and Ghana. The operational assets are in Singapore and China which are Perennial's two core markets. For the Period, Singapore assets contributed approximately S$71.8 million of revenue, representing 54.1% of Perennial's real estate revenue. The assets in China ("**PRC**") contributed revenue of S$31.2 million (or 23.6% of Perennial's real estate revenue), with the remaining coming from the fee-based management business which included a one-off acquisition fee of S$11.7 million from the acquisition of AXA Tower in April 2015.

Revenue by Segment
From 28 October 2014[1] to 31 December 2015

Revenue	28 October 2014 to 31 December 2015 S$M	Percentage (%)
Singapore	71.8	54.1
China	31.2	23.6
Management Businesses	27.9	21.0
Corporate and Others	1.7	1.3
	132.6	**100**

1 Perennial's real estate business commenced from 28 October 2014 as the RTO of St. James was completed on 27 October 2014.

EBIT

Perennial achieved EBIT of S$197.1 million from its real estate business. The EBIT included a one-off transaction cost totalling S$11.4 million which was incurred for the RTO and VO exercises undertaken at the end of 2014. Excluding the one-off transaction cost of S$11.4 million arising from these two major restructuring exercises, the EBIT would be S$208.5 million.

The key contributions to EBIT are the operating income from the Singapore operating assets, Perennial Jihua Mall and Perennial Qingyang Mall in China as well as fair value gains from the revaluation of its investment properties which are held for long term. Fair value gains on revaluation of investment properties held through subsidiaries, associates and joint ventures totalled S$115.6 million and these mainly came from the revaluation of Perennial International Health and Medical Hub ("**PIHMH**"), CHIJMES, Capitol Singapore and AXA Tower.

For the Period, Singapore assets contributed approximately S$118.5 million or 60.2% of the total EBIT. The assets in China contributed EBIT of S$96.1 million or 48.7%.

EBIT by Segment
From 28 October 2014[1] to 31 December 2015

EBIT	28 October 2014 to 31 December 2015 S$M	Percentage (%)
Singapore	118.5	60.2
China	96.1	48.7
Management Businesses	4.4	2.2
One-off RTO and VO Transaction Cost	(11.4)	(5.8)
Corporate and Others	(10.5)	(5.3)
	197.1	**100**

PATMI

After deducting finance costs and accounting for taxes and the non-controlling interests' share of profit, Perennial achieved a PATMI of S$79.4 million for the Period, comprising operating PATMI of S$10.8 million and net fair value gains of S$68.6 million. Excluding the one-off transaction cost, PATMI would be S$90.8 million.

Finance costs comprised mainly interest expenses on bank borrowings, medium term notes and retail bonds, as well as amortisation of financing transaction costs.

Tax expenses included mainly deferred tax on the fair value gains of investment properties in China.

DIVIDEND

The Board of Directors is pleased to declare an ordinary dividend of 0.4 Singapore cents per share for the financial period ended 31 December 2015. The dividends are subject to the shareholders' approval at Perennial's upcoming Annual General Meeting.

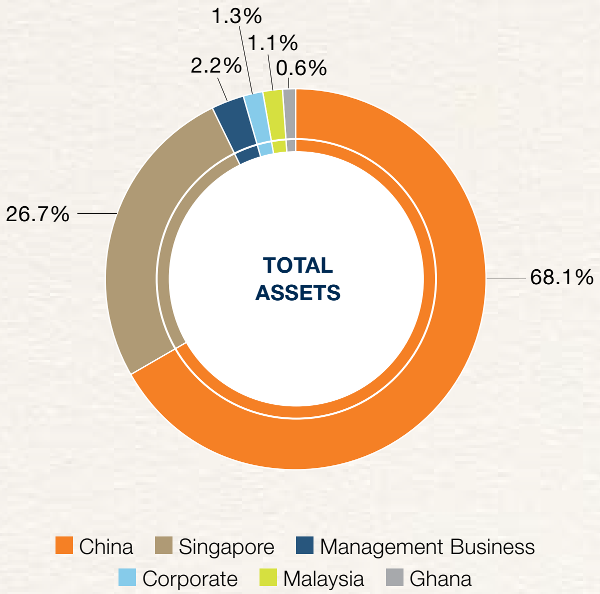
This is the first dividend declared by the Company following the RTO.

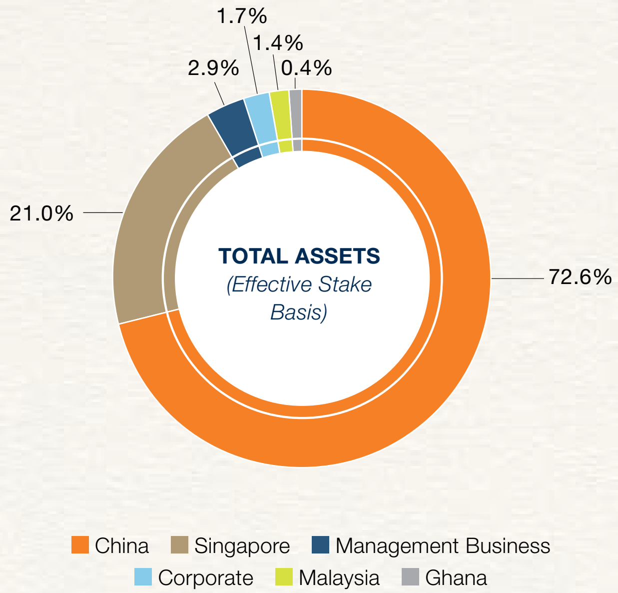
TOTAL ASSETS

Perennial's total assets as at 31 December 2015 stood at S$6.5 billion which comprised mainly real estate assets which were acquired as part of the RTO and VO exercises. On completion of the acquisitions made on the RTO date, the total asset size was approximately S$3.2 billion and this has since doubled with further acquisitions under the VO which were completed in February 2015 as well as the acquisition of the Beijing Tongzhou Integrated Development Phases 1 and 2 in April 2015.

The Singapore assets and China assets accounted for approximately 26.7% and 68.1% of total assets respectively.

Perennial is strategically focused on the core markets of Singapore and China. On an effective stake basis, each of these two markets constituted about 21% and 72.6% of total assets respectively.





As at 31 December 2015, Perennial's investment properties in Singapore included CHIJMES and TripleOne Somerset and those in China included Perennial Jihua Mall, Perennial Qingyang Mall and PIHMH.

Perennial's investment in associates and joint ventures included mainly Capitol Singapore, House of Tan Yeok Nee and AXA Tower in Singapore, as well as Shenyang Longemont Shopping Mall, Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Offices, Chengdu East High Speed Railway ("**HSR**") Integrated Development Plots C and D, Beijing Tongzhou Integrated Development Phase 2 and Zhuhai Hengqin Integrated Development in China.

Properties under development comprised mainly Xi'an North HSR Integrated Development, Beijing Tongzhou Integrated Development Phase 1 and Accra Integrated Development, Ghana.

BORROWINGS

As at 31 December 2015, Perennial's gross borrowings stood at S$1.9 billion. With cash and cash equivalents of S$162 million, net borrowings were S$1.7 billion as at 31 December 2015. The borrowings were mainly used to fund investments in the real estate business.

During the Period, Perennial established a S$2 billion Multicurrency Debt Issuance Programme ("**Debt Issuance Programme**") and issued S$100 million in principal amount of 4.25% Fixed Rate Notes due 2018 under the Debt Issuance Programme. In addition, Perennial issued its maiden retail bonds in October 2015 for S$300 million at 4.65% per annum with a 3-year tenure.

SHAREHOLDERS' EQUITY

As at 31 December 2015, the issued and paid-up ordinary share capital of the Company of S$2.2 billion comprised approximately 1.7 billion shares. The increase in the number of shares came from the issuance of shares for the acquisition of assets during the RTO and the acquisition of PCRT units during the VO. Perennial's other reserves mainly comprised capital reserve from the acquisition of businesses during the RTO and foreign currency translation reserves from the translation of overseas operations in local currency into Singapore dollar.

CAPITAL MANAGEMENT

Overview

Perennial exercises prudent capital management and strives to optimise cash flow and capital efficiency by proactively managing its overall liquidity position and debt maturity profile. To improve financial flexibility and to support its funding requirements, investment needs and future growth plans, Perennial has expanded and diversified its funding sources by putting in place a combination of banking facilities and debt capital market programmes.

As at 31 December 2015, Perennial had a total asset size of S$6.5 billion supported by a strong equity base of S$3.9 billion and total gross borrowings of S$1.9 billion.

Perennial's net borrowings were S$1.7 billion which gave a net debt-equity ratio of 0.45 times as at 31 December 2015.

Sources of Funding

As at the end of FY2015, Perennial's debt comprised 76.6% bank borrowings and 23.4% capital market issuances.

In March 2015, Perennial Treasury Pte. Ltd., Perennial's wholly-owned treasury vehicle, successfully issued S$100 million 4.25% Fixed Rate Notes due 2018 ("**Fixed Rate Notes**") under the Debt Issuance Programme which was established on 22 January 2015. The net proceeds arising from the issue of the Fixed Rate Notes were used to refinance existing borrowings and finance new investments. As at 31 December 2015, Perennial has an available limit of S$1.9 billion under the Debt Issuance Programme that can be tapped on to meet its future financial obligations.

In October 2015, Perennial issued its maiden S$300 million 4.65% per annum Retail Bonds due 2018 ("**Retail Bonds**"), which was upsized from an initial offering of S$150 million following strong interest from both the public under the public tranche and private banks, institutional and corporate investors under a private placement. Overall, the retail bonds offer attracted a total subscription of about S$618 million which is about 9.8 times oversubscribed based on the public offer tranche. This reflected the debt investors' confidence in Perennial. The net proceeds were used (i) to repay bank loans, (ii) for equity injection into a subsidiary which owns the PIHMH in Chengdu, China, (iii) to finance new investments and (iv) to fund the working capital and capital expenditure of certain subsidiaries of Perennial.

DEBT PROFILE

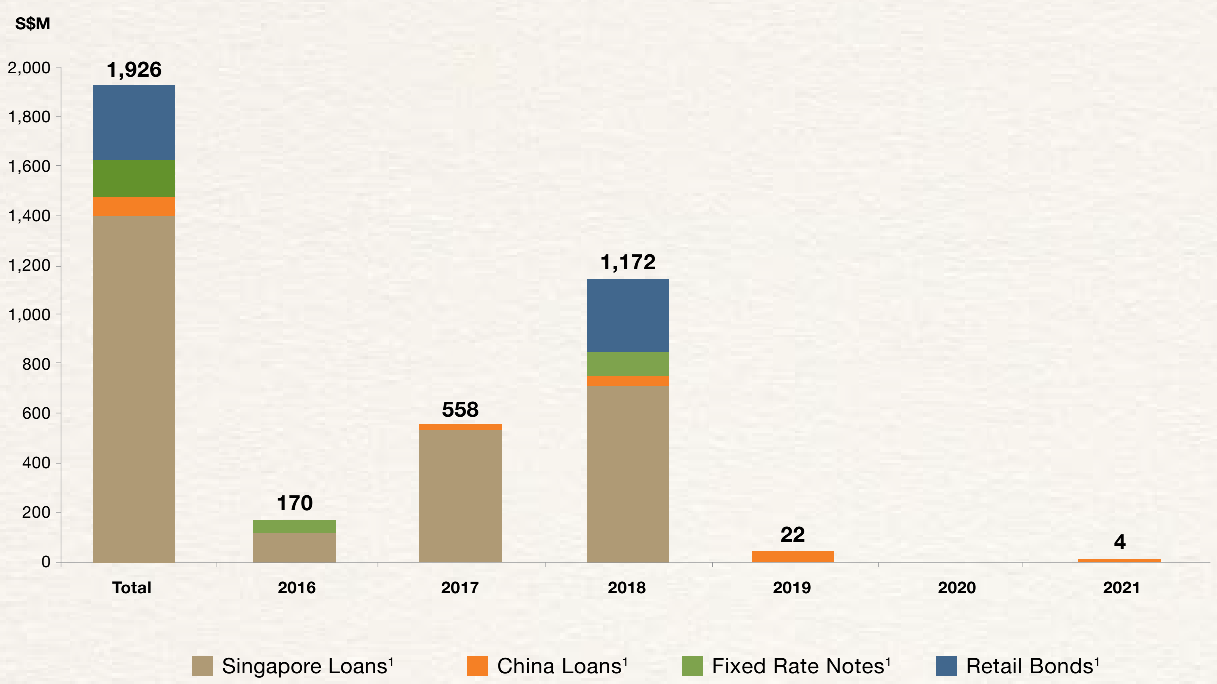
Perennial regularly reviews its debt maturity profile as part of its disciplined financial management. The tenure of new loans or refinancing would be spread out where possible, to mitigate concentration and refinancing risks.

Perennial also strives to strike a balance between managing its average interest cost and extending its debt maturity profile. For the Period, Perennial's weighted average interest rate of its total borrowings was 3.4% per annum.

As at end 2015, Perennial has a weighted average debt maturity profile of 2.1 years.

As at 31 December 2015, Perennial's borrowings comprised 95.9% denominated in Singapore dollar and 4.1% denominated in Renminbi. Where practicable, Perennial will borrow in the same functional currencies of its overseas projects to achieve a natural foreign exchange hedge.

Debt Maturity Profile



CASH FLOWS

As at 31 December 2015, Perennial has a cash balance of S$162 million. For the Period, net cash of S$88.2 million was used in operating activities, mainly towards properties under development as well as settlement of trade payables.

Net cash used in investing activities of S$228.8 million was mainly for acquisition of associates and capital expenditure incurred in investment properties. Net cash from financing activities of S$475.7 million mainly arose from net proceeds from borrowings, issuance of Fixed Rate Notes and Retail Bonds.

1 Being the gross amount, without amortised transaction costs.

	For the period 1 July 2014 to 31 December 2015 S$M
Value added from:	
Revenue earned	139.4
Less: Purchase of materials and services	(54.2)
Add: Other income	115.7
Gross value added from operations	200.9
In addition	
Share of results of associates and joint ventures	39.8
Total value added	240.7
Distribution:	
To employees in wages, salaries and benefits	22.4
To government in taxation	30.6
To providers of capital in:	
- Net finance cost on borrowings	71.5
- Dividends to non-controlling shareholders of subsidiaries	1.0
	125.5
Balance retained in the business:	
Depreciation and amortisation	4.4
Non-controlling interests	31.1
Retained earnings	79.0
	114.5
Allowance for doubtful receivables/written-off	0.7
Total Distribution	240.7
Productivity analysis:	
Value added per employee (S$'000)	764
Value added per dollar of employment cost (S$)	8.97
Value added per dollar sales (S$)	1.44

Singapore Corporate Governance Week
Towards Excellence in Corporate Governance 2015

In line with Perennial Real Estate Holdings Limited's ("**Perennial**") vision 'To build a sustainable business, establish strong lasting relationships, and create long term growth for our shareholders, we are committed to adopting sustainable business practices in our engagements with all of our stakeholders.'

Fundamental to enhancing shareholders' value is having in place a robust and comprehensive corporate governance ("**CG**") and risk management framework with sound internal controls. To affirm this stance, we took part in Securities Investors Association (Singapore)'s CG Statement of Support 2015 by pledging to uphold high standards of good corporate governance practices.

ENGAGING OUR KEY STAKEHOLDERS

- Tenants/ Customers
- Business Partners
- Regulators
- Shareholders and the Investment Community
- Our Community
- Our People

We recognise the importance of engaging our stakeholders regularly and have held various networking events, such as the 'Perennial Lunar New Year Spring Festival Dinner' and the premiere of 'Singapura: The Musical', to strengthen and build relationships with our key stakeholders. Regular communication with our staff is also one of our top priorities to develop a sustainable business over time. We also strive to protect our environment and embrace and support the communities in which we operate.


Premiere of 'Singapura: The Musical'


'Perennial Lunar New Year Spring Festival Dinner' at CHIJMES

We are also committed to complying with the relevant legal and regulatory requirements in the countries in which we operate. As a company listed on the Mainboard of the Singapore Exchange ("**SGX**"), we ensure compliance with the Companies Act, Chapter 50 of Singapore, the Securities and Futures Act, Chapter 289 of Singapore, the listing rules prescribed by the SGX, and in connection with that, we consult with the SGX, Monetary Authority of Singapore and the Accounting and Corporate Regulatory Authority.

We also work closely with the relevant land and building authorities, such as the Urban Redevelopment Authority and Building and Construction Authority in Singapore, as well as healthcare regulators, such as the Ministry of Health in Singapore, where applicable.

Ultimately, we aim to be a good corporate citizen to make a positive impact and enrich the lives of all of our stakeholders.

The board of directors ("**Board**") and the management team ("**Management**") of Perennial Real Estate Holdings Limited (the "**Company**", and together with its subsidiaries, "**Perennial**") believe in and are firmly committed to observing high standards of corporate governance to ensure the sustainability of Perennial's businesses and to safeguard the interests of the Company's shareholders ("**Shareholders**"). Perennial focuses on developing and maintaining sound and transparent policies and practices to reinforce its corporate governance framework and to provide a firm foundation for the growth of a trusted and respected business enterprise.

This report sets out Perennial's corporate governance practices for the financial period from 28 October 2014 to 31 December 2015 ("**Period**") with reference to the Code of Corporate Governance 2012 ("**Code**"). Where there are deviations from the principles and guidelines of the Code, an explanation has been provided in this report.

On 10 October 2014, the Shareholders approved the corporate restructuring exercise where the Company was transformed into an integrated real estate owner, developer and manager, focusing mainly on China and Singapore, through the acquisitions of effective interests in several real estate entities and the disposal of the entertainment business. The appointment of a new Board was approved by the Shareholders on the same day.

The corporate restructuring exercise was completed on 27 October 2014 and the new Board together with a new Management team were appointed. Under the directions of the new Board and Management, Perennial shall ensure compliance with the Code, while simultaneously achieving operational excellence and delivering long-term strategic objectives.

THE BOARD'S CONDUCT OF AFFAIRS (GUIDELINE 1)

Guideline 1.1 : Principal role of the Board

The Board oversees the business strategy and direction of Perennial and is collectively responsible for the long-term success of the group. The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on significant matters relating to Perennial's activities, including decisions on strategic directions and guidelines, approval of business plans and major investment and divestment proposals;
- oversee the business and affairs of Perennial, establish strategic objectives with the Management, and review management performance;
- establish and maintain a guiding framework of prudent and effective controls which in turn enables risks to be assessed, managed and contained in order to safeguard Shareholders' interests and Perennial's assets;
- oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and regulatory compliance, and assess the adequacy of such processes;
- establish Perennial's values and standards (including ethical standards), assume responsibility for corporate governance and ensure that obligations to Shareholders and other stakeholders are understood and carried out;
- identify the key stakeholder groups and recognise that their perceptions affect Perennial's reputation; and
- consider sustainability issues, e.g. environmental and social factors, as a component of its strategic formulation for Perennial's businesses.

Guideline 1.2 : Discharge of duties and responsibilities

Directors must discharge their duties and responsibilities in the best interests of Perennial at all times and they are expected to make decisions independently and objectively. Each Director brings to the Board his skills, experience, insights and sound judgment, which together with his strategic networks and relationships, serve to further the interests of Perennial. Directors are collectively and individually obliged to act in good faith and in the best interest of Perennial for the creation of long-term value for Shareholders. An annual performance evaluation of the Board is undertaken whereby the Board assesses each Director's decisiveness and preparedness to take a firm and independent stance on Board matters and Company issues.

Guideline 1.3 : Delegation of authority by the Board

Various board committees, namely the Audit and Risk Committee ("**ARC**"), Nomination Committee ("**NC**"), Remuneration Committee ("**RC**") and Corporate Disclosure Committee ("**CDC**") (collectively, the "**Board Committees**"), have been established to assist the Board in discharging its responsibilities in overseeing Perennial's businesses and enhancing the group's overall corporate governance. Each Board Committee has been constituted with clear written terms of reference. The terms of reference of the respective Board Committees are disclosed on pages 158 and 159 of this report.

The composition of the Board Committees is structured to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees. All the Board Committees are actively engaged and play an important role in ensuring good corporate governance within Perennial.

Minutes of the Board Committee meetings are circulated to the Board to keep all Directors updated on the activities and decisions of each Board Committee.

Guideline 1.4 : Meetings of the Board

The dates of the Board meetings, the Board Committee meetings and annual general meetings of the Company ("**AGM**") are scheduled at least one year in advance. To ensure optimal attendance rates, the Company Secretary will consult every Director before fixing the dates of these meetings.

Board meetings are held quarterly for the purpose of approving the release of Perennial's financial results as well as to deliberate and approve key business strategies and activities. At these Board meetings, the CEO and Management also update the Board on the development and performance of Perennial's businesses and assets. Ad-hoc Board meetings are convened as and when necessary to consider other specific matters or as warranted by particular circumstances. As part of Perennial's corporate governance practice, all Directors are also invited to attend all the Board Committee meetings. In addition, non-executive Directors are encouraged to meet without the presence of the Management on a need-to basis.

In between scheduled meetings, matters that require the Board's or the Board Committee's approval are circulated via email to the Directors for their consideration and decision.

The number of the Board and the Board Committee meetings held for the Period as well as Directors' attendance thereat is set out below:

Name of Director	Board Meeting	Audit and Risk Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Mr. Kuok Khoon Hong	6	N.A.	N.A.	2
Mr. Ron Sim	6	N.A.	1	N.A.
Mr. Chua Phuay Hee[1]	6	4	N.A.	N.A.
Mr. Eugene Paul Lai Chin Look	6	4	1	2
Mr. Lee Suan Hiang	6	4	1	2
Mr. Ooi Eng Peng[2]	3	2	N.A.	N.A.
Mr. Pua Seck Guan	6	N.A.	N.A.	N.A.
Total number of meetings held in the Period	**6**	**4**	**1**	**2**

Notes:

1. Mr. Chua Phuay Hee stepped down as Chairman of the ARC with effect from 5 February 2016. Mr. Chua chaired all of the ARC meetings that were held during his term as Chairman of the ARC for the Period. He remains as a member of the ARC.
2. Mr. Ooi Eng Peng was appointed as a Director and a Member of the ARC with effect from 28 July 2015. Mr. Ooi has attended all of the Board and ARC meetings held since his appointment as a Director and a Member of the ARC. Mr. Ooi was subsequently appointed as Chairman of the ARC in place of Mr. Chua with effect from 5 February 2016.

To encourage and ensure optimal participation and contribution from Directors, the Company's Articles of Association allow the Board meetings to be conducted via telephone conference, video conference or other means of similar communication. Directors, who are unable to be physically present at any Board meeting, will be able to participate in the meeting via such means.

Should a Director be unable to attend a Board or Board Committee meeting, he will still be sent the papers tabled for discussion and have the opportunity to separately convey any views to the Chairman for consideration or further discussion with other Directors. If necessary, a separate session may be organised for the Management to brief that Director and obtain his comments and/or approval.

Guideline 1.5 : Internal guidelines for matters requiring Board approval

Perennial has adopted internal guidelines setting forth matters that require the Board's approval, including investment acquisitions and disposals, borrowings and financing arrangements, budgets, project development and capital and operating expenditures. These internal guidelines are set out in the Financial Authority Limits, which provide Perennial with clear guidelines on the approval for all financial matters.

Apart from matters that specifically require the Board's approval, the Board has delegated its authority to approve transactions below the threshold limits to the Board Committees and the Management. Approval sub-limits are also provided at the Management levels to facilitate operational efficiency.

The Financial Authority Limits undergo regular reviews and updates to ensure operational relevancy with respect to the changing needs within the Company and the group as a whole.

Guidelines 1.6 : Board orientation and training

Guidelines 1.7 : Letter of appointment to Directors

All newly appointed Directors receive formal letters of appointment explaining their roles, duties and obligations as a director of the Company. Perennial conducts orientation and induction programmes for new Directors, which include comprehensive briefings on Board structure and responsibilities, overall strategic plans and direction for Perennial, group organisation structure and business activities as well as financial performance of Perennial. Site visits are also organised for the Directors to familiarise themselves with Perennial's assets and to better understand Perennial's business operations.

If first-time Directors are appointed, Perennial will provide training in areas such as accounting, legal and industry-specific knowledge as appropriate. Following their appointment, Perennial ensures that Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, changes to relevant laws, regulations and accounting standards, and industry-related matters, so as to keep them updated on matters that may affect or enhance their performance as Directors or Board Committee members.

All training and seminars attended by the Directors are arranged and funded by Perennial. These are done during specially convened sessions, including training sessions and seminars conducted by external professionals. Perennial's external auditors, KPMG LLP, routinely update the ARC and the Board on new and revised financial reporting standards relevant to Perennial while Ernst & Young Advisory Pte. Ltd., Perennial's internal auditors, also updated the ARC and the Board on regulatory changes regarding risk and governance issues.

BOARD COMPOSITION AND GUIDANCE (GUIDELINE 2)

Guidelines 2.1, 2.2, and 2.3 : Board's independence

The Board presently has seven Directors, comprising one Executive Director and six Non-Executive Directors, of whom, four are Independent Directors. The Code requires independent Directors to comprise at least half of the Board if the Chairman is not an independent Director. The current Board composition complies with the Code, with more than half of the Board consisting of independent Directors.

The Board comprises Directors who are business leaders and professionals with strong experience relevant to Perennial's businesses, ranging from real estate, banking, finance, investment to legal sectors. Best efforts have been made to ensure that in addition to contributing their valuable expertise and insight to Board deliberations, each Director also brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made by the Board.

The composition of the Company's Board and Board Committees, with effect from 27 October 2014, is set out below:

Name of Director	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Mr. Kuok Khoon Hong	Chairman and Non-Independent Non-Executive Director	N.A.	N.A.	Member
Mr. Ron Sim	Vice-Chairman and Non-Independent Non-Executive Director	N.A.	Member	N.A.
Mr. Chua Phuay Hee	Independent Non-Executive Director	Chairman (From 27 October 2014 to 4 February 2016) Member (with effect from 5 February 2016)	N.A.	N.A.
Mr. Eugene Paul Lai Chin Look	Lead Independent Non-Executive Director	Member	Member	Chairman
Mr. Lee Suan Hiang	Independent Non-Executive Director	Member	Chairman	Member
Mr. Ooi Eng Peng	Independent Non-Executive Director	Member (From 28 July 2015 to 4 February 2016) Chairman (with effect from 5 February 2016)	N.A.	N.A.
Mr. Pua Seck Guan	Chief Executive Officer and Executive Director	N.A.	N.A.	N.A.

The task of reviewing and evaluating the independence of Directors is delegated to the NC. The Board will then determine the independence of Directors, taking into account the evaluation and recommendation by the NC. Annually, each Director is required to complete a Director's Independence Checklist ("**Checklist**") to confirm his independence. The Checklist is based on the Code's definition of an "independent director" and guidance as to the existence of relationships which would deem a Director not to be independent. The NC reviews the Checklist completed by each Director to determine whether a Director is independent. Newly-appointed Directors are also requested to complete the Checklist to confirm their independence.

For the Period, the NC has affirmed that the independent Directors are Mr. Eugene Paul Lai Chin Look, Mr. Chua Phuay Hee, Mr. Lee Suan Hiang and Mr. Ooi Eng Peng. The Board concurred with the NC's assessment of the independence of the relevant Directors.

The Board has, at all times, exercised independent judgment in decision-making, using its collective wisdom and experience to act in the best interests of Perennial.

Any Director who has an interest that may conflict with a subject under discussion by the Board either recuses himself from the information flow and discussion of the subject-matter or declares his interest and abstains from decision-making on the subject-matter.

Guidelines 2.4 : Independence of director who has served the Board for more than nine years

All Directors are newly appointed during the Period. Accordingly, none of the Directors has served on the Board for more than nine years.

Guidelines 2.5 and 2.6 : Board size and composition

The Board, through the NC, reviews from time to time, the size and composition of the Board. The NC seeks to ensure that the Board size is appropriate in facilitating effective decision-making, taking into account the scope and nature of Perennial's operations. The NC also aims to maintain a diversity of expertise, skills, perspectives and other attributes in the relevant areas among the Directors.

The Board consists of Directors with core competencies in areas such as real estate, banking, finance, legal and investment. In addition, the Directors' combined work experience spans the areas of risk management, strategic planning and business development. The varied backgrounds of the Directors enable Management to benefit from their external, diverse and objective perspectives on issues brought before the Board for its deliberation. No individual or small group of individuals dominates the Board's decision-making process.

The NC is of the view that the current size and composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the industry and that the Directors, as a group, have the necessary core competencies in finance, business or management experience and industry knowledge. The NC also considers gender diversity as an attribute in strengthening the performance of the Board and the Board Committees. Notwithstanding this, the NC views that while it is important to enhance gender diversity in the Board composition, the appointment of a Director should focus on his/her qualifications and capabilities as well as the effective blend of competencies, skills, experience and knowledge of the Board as a whole.

The NC carries out a proactive review of the Board composition at least annually or on each occasion where an existing non-executive Director gives notice of his intention to retire or resign. This is to assess the collective skills of non-executive Directors represented on the Board to determine whether the Board, as a whole, has the skills required to achieve Perennial's strategic and operational objectives. In carrying out this assessment, the NC will take into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity before making relevant recommendations for appointment or re-election of the Director to the Board.

Guidelines 2.7 and 2.8 : Role of non-executive Directors

At Board meetings, Directors and the Management openly discuss business strategies, debate over issues as well as assess proposals and performance of Perennial. Board meetings are held in a candid and constructive environment, and Directors make decisions using their collective wisdom while at all times acting in the best interests of Perennial.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (GUIDELINE 3)

Guidelines 3.1 and 3.2 : Separation of roles between Chairman and CEO

The Chairman and Chief Executive Officer ("**CEO**") of the Company are separate persons and they are not immediate family members. The roles of the Chairman and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. This separation of roles and the resulting clarity provide a healthy professional relationship between the Board and the Management and facilitate robust deliberations on Perennial's business activities and the exchange of ideas and views to help shape the strategic process.

The current Chairman is Mr. Kuok Khoon Hong and he is responsible for leading the Board and ensuring effective functioning of the Board to act in the best interests of Perennial and its Shareholders. The Board has considered Mr. Kuok Khoon Hong's role as the Board's Chairman, and the strengths he brings to such a role by virtue of his stature and experience. He facilitates the relationship and information flow between the Board, CEO and the Management and engages them in effective and comprehensive discussions on the Board matters, including strategic issues as well as business planning. The Chairman promotes an open environment for deliberation and ensures that the Board and the Board Committee meetings are conducted objectively and professionally, where all views are heard and debated in a fair and open manner. At the same time, the Chairman also encourages non-executive Directors to speak freely and participate in meaningful and active discussions. He also monitors follow-up to the Board's decisions and ensure that such decisions are translated into executive actions.

In addition, the Chairman promotes a high standard of integrity and corporate governance, and provides leadership, guidance and advice to the Management, particularly with regard to Perennial's growth strategy and project investments. At AGMs and other Shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between the Shareholders, the Board and the Management.

The CEO, assisted by the Management team, makes strategic proposals to the Board and after robust Board discussions, executes the agreed strategy, manages and develops Perennial's businesses and implements the Board's decisions. The current CEO is Mr. Pua Seck Guan and his primary roles include effectively managing and supervising the day-to-day business operations of Perennial, reporting to the Board on all aspects of Perennial's operations and performance, managing and cultivating good relationships with all stakeholders and ensuring effective communication with the stakeholders.

Guidelines 3.3 and 3.4 : Appointment Of Lead Independent Director

Taking cognisance that the Chairman is a non-independent Director, the Board has appointed Mr. Eugene Paul Lai Chin Look as the Lead Independent Director to serve as an intermediary between the independent Directors and the Chairman. The Lead Independent Director acts as a counter-check on management issues in the decision-making process and avails himself to address Shareholders' concerns. He works closely with the independent Directors, and when necessary, meets them without the presence of other Directors or the Management to discuss matters that were deliberated during the Board meetings. The feedback which the Lead Independent Director obtained during such meetings is communicated to the Chairman.

Through the establishment of various Board Committees with power and authority to perform key functions beyond the authority of, or without the undue influence from, the Chairman or the Vice-Chairman, and the establishment of internal controls to allow effective oversight of Perennial's businesses by the Board, the Board is of the view that the decision-making process is objective and transparent, and decisions are made in the best interests of Perennial and the Shareholders.

BOARD MEMBERSHIP (GUIDELINE 4)

Guideline 4.1 : Composition of the NC

The NC is chaired by Mr. Lee Suan Hiang. The other members of the NC are Mr. Eugene Paul Lai Chin Look and Mr. Ron Sim. Except for Mr. Ron Sim, all other members of the NC are independent Directors. Mr. Eugene Paul Lai Chin Look is also the Lead Independent Director. The NC's terms of reference are set out on pages 158 and 159 of this report.

Guideline 4.2 : Role of the NC

The NC, among other things, makes recommendations to the Board on all the Board and the Board Committee appointments, ensures progressive Board renewal and oversees the Board and senior Management's succession and leadership development plans. The NC also ensures that there is a formal assessment of the effectiveness of the Board as a whole and the contribution of each Director to the Board.

On an annual basis, the NC recommends the performance evaluation of the Board, the Board Committees and the individual Directors, the composition of the Board and the assessment on the independence of the Directors. The performance of each individual Director (including levels of contribution, attendance, preparedness, participation and candour) as well as the expertise and experience that each Director possesses is evaluated by the NC to ensure that diversity and balance are maintained on the Board and the Board Committees.

The group believes that the Board's renewal is a necessary and continual process for good governance and maintaining relevance to the changing needs of Perennial's business. In this regard, the NC advises the Board on the re-nomination of Directors, taking into account the performance and contributions of each Director and the needs of Perennial at the relevant time. Pursuant to the Company's Articles of Association, one-third (or, if the number is not a multiple of three, the number nearest to but not greater than one-third) of the Board of Directors, including the CEO who also sits on the Board, are required to retire and are subject to re-election at every AGM of the Company ("**One-third Retirement Rule**"). Retiring Directors are selected on the basis of those who have been longest in office since their last election, and as between those persons who became Directors on the same day, they will be selected by agreement or by lot. A newly appointed Director must also subject himself for retirement and re-election at the AGM immediately following his appointment. Thereafter he is subject to the One-third Retirement Rule. The role of the CEO is separate from his position as a Board member, and does not affect the ability of the Shareholders to exercise their right to appoint all of the Board members.

At the forthcoming AGM, the Directors standing for re-election pursuant to Article 91 are Mr. Kuok Khoon Hong and Mr. Pua Seck Guan, and Mr. Ooi Eng Peng is standing for re-election pursuant to Article 97. Mr. Kuok is currently the Chairman of the Board and a member of the RC. Mr. Pua is the CEO of Perennial and an Executive Director of the Board. Mr. Ooi was a member of the ARC from 28 July 2015 to 4 February 2016 and subsequently appointed as the Chairman of the ARC with effect from 5 February 2016. All three Directors have indicated their willingness to stand for re-election at the coming AGM.

The NC has nominated and recommended for their re-election at the forthcoming AGM and the Board has endorsed the recommendation.

Guideline 4.3 : Assessment of independence of Directors

Procedures and control mechanisms are in place to ensure that independence of the Directors is actively monitored. Directors submit their declarations of independence annually by completing the Director's Independence Checklist. At the same time, they are also required to immediately report to Perennial on any changes in their external appointments, interests in shares and other pertinent information (including any corporate developments relating to their external appointments) which may affect their independence.

The NC is charged with the responsibility of reviewing and evaluating the independence of each Director. The Board will then, in turn, determine the independence of Directors, taking into account the evaluation performed by NC. For the Period, the Board, together with the NC, has determined that the independent Directors are Mr. Eugene Paul Lai Chin Look, Mr. Chua Phuay Hee, Mr. Lee Suan Hiang and Mr. Ooi Eng Peng.

Guideline 4.4 : Multiple board representations

The NC and the Board are of the opinion that Directors who sit on multiple boards will bring with them a wide range of experience and broad knowledge of business best practices and strategies to provide invaluable leadership contributions for the long-term success of Perennial.

The Board is of the view that the maximum number of listed company board representation should be based on a person's capacity. The NC monitors and determines annually whether a Director, who has multiple board representations and other principal commitments, is able to and has been adequately carrying out his duties as a Director of Perennial. The NC takes into account the effectiveness of the individual Director and his actual conduct on the Board when making this determination.

In the Period, the NC recognises that the Directors have effectively discharged their duties as Director of the Company in their contributions and oversight of Perennial, taking into consideration the number of their board representation in other listed companies and their principal commitments. The NC also noted that based on the attendance of the Board and Board Committee meetings held in the Period, all Directors were able to participate in all of such meetings to carry out their duties. The NC was therefore satisfied that for the Period, where a Director had other listed company board representations and/or other principal commitments, each of such Director has given sufficient time and attention to the affairs of the group and has been able to discharge his duties as a Director effectively.

Guideline 4.5 : Appointment of alternate Directors

The Board does not encourage the appointment of alternate Directors. No alternate Director has been or is currently being appointed to the Board.

Guideline 4.6 : Process for selection, appointment and re-appointment of Directors

The NC is responsible for reviewing the succession plans for the Board. In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. The NC annually reviews the size, composition, skill mix and competencies of the Board members to take stock of the expertise within the Board, and identify the Board's current and future needs, taking into consideration the growth and the evolving business requirements of Perennial. The NC considers, inter alia, the knowledge, experience and attributes of the existing Directors, the retirement and re-election of Directors, each Director's performance and contributions, and whether new competencies are required to enhance the Board's effectiveness.

In the light of such review and in consultation with the Chairman of the Board, the NC assesses if there is any inadequate representation in respect of any of those attributes. When the need to appoint a new Director arises, either to strengthen the Board or to replace a retiring Director, the NC will determine the required role and the desirable competencies for the particular appointment.

The search for potential candidates to be appointed to the Board is conducted through contacts of and recommendations from the Directors and Management. If the need arises, external consultants may also be engaged so as to access a wider base of potential candidates. The NC will shortlist and interview potential candidates to assess his or her suitability and ensure that the candidate(s) is/are aware of the expectations and the level of commitment required as a Director. The criteria and guidelines for appointment of new Directors are as follows:

Background
- Candidates should have good reputation as persons of integrity.

Experience
- Candidates should have core competencies to meet the current or foreseeable needs of the group and complement the skills and competencies of the existing Directors.
- Candidates should have varied experience from different industries to enhance the strength of the Board.
- Candidates should preferably have experience in acting as a director of a listed company.

Independence
- Candidates must be impartial, objective and be flexible and independent in their thinking.
- Candidates must have the courage to voice their independent opinions free from the influence or pressure of other Directors or the Management.

The NC recommends the most suitable candidate to the Board for appointment as a Director. With respect to the annual retirement and re-election of Directors, the NC reviews each of the retiring Director's performance and contributions before making the relevant recommendations to the Board for subsequent Shareholders' approval at the AGM.

Guideline 4.7 : Key information on Directors

All key information on the Directors is set out on pages 33 to 35 of this report.

BOARD PERFORMANCE (GUIDELINE 5)

Guideline 5.1 : Assessment on the effectiveness of Board and Board Committees, and contribution by each Director

Guideline 5.2 : Performance criteria to evaluate Board's performance

Guideline 5.3 : Individual evaluation on Director's contribution

Each year, in consultation with the NC, the Board assesses its performance to identify key areas for improvement and requisite follow-up actions. The NC sets the objective performance criteria for evaluating performance of the Board, the Board Committees and the individual Directors.

To assess the Board's performance, each Director is required to complete a questionnaire on the effectiveness of the Board and the Board Committees, adequacy of the blend of skillsets and expertise in the Board, and the relevance and timeliness of the Board and the Board Committee meeting agendas and papers. The assessment also considers factors such as the size and composition of the Board and the Board Committees, Board processes, the Board and the Board Committees' roles as well as communication within the Board and with the Management. The assessment results and feedback are then consolidated, evaluated and presented to the NC for discussion on areas of strengths and weaknesses to improve the effectiveness of the Board and the Board Committees.

In the Period, the NC has developed the questionnaire to ensure a proper assessment on the effectiveness of the Board and the Board Committees. The results of the assessment indicated that the Board functions effectively.

The NC evaluates the performance and contributions of each individual Director as part of its periodic review of the composition of the Board and the Board Committees. The criteria taken into consideration include the Director's level of understanding regarding Perennial's business environment, degree of preparedness, level of participation, attendance, the Director's expertise and experience, effectiveness in discussing matters and any deficiencies, and the level of candour in taking a firm and independent stance and in challenging the Management where necessary. Contributions by an individual Director can also take other forms, including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility by the Management outside of a formal environment of the Board and/or the Board Committee meetings. The NC assesses the independence of Directors in the manner set out under Guidelines 2 and 4 above. Based on the evaluation results of the Directors' performance and contributions, the Board, assisted by the NC, determines if changes to the Board composition are necessary.

If required, the Board may engage an external facilitator to assess the effectiveness of the Board and the Board Committees as well as the contributions by the Directors. In the Period, no external facilitator has been engaged.

ACCESS TO INFORMATION (GUIDELINE 6)

Guidelines 6.1 : Separate and independent access to Management

Guidelines 6.2 : Adequacy of information provided to the Board

To give Directors sufficient time to prepare for the Board and the Board Committee meetings, the agenda and Board papers for these meetings, including background information, related materials, copies of disclosure documents and financial statements, are sent to all Directors at least five days prior to the date of the relevant meeting.

All Directors are invited to attend all the Board Committee meetings to keep themselves informed of the discussions and decisions made in the respective meetings. Accordingly, the reports and papers for the Board meetings and the Board Committee meetings are provided to all Directors.

Directors receive operational and financial reports on the performance of Perennial on a regular basis. These reports include key financial indicators, variance analyses, property updates and strategic and business highlights which provide the Board with a better view of Perennial's actual performance. Amongst other reports, the Board is also provided with financial highlights of Perennial's performance, key developments, risk management updates and reports from internal and external auditors on a quarterly basis at the ARC and the Board meetings. The Board is also apprised of any significant developments on Perennial's business initiatives, industry developments, regulatory regime and analysts and press commentaries. In addition to briefings by the CEO and Chief Financial Officer ("**CFO**") at every Board meeting, Management also attends the Board and the Board Committee meetings to provide insight into matters being discussed and to respond to any questions that the Directors may have. Directors have separate, independent and unrestricted access to the CEO, the Management, Company Secretary and internal and external auditors at all times. Where the situation requires, the Directors are entitled to request for any additional information which will be provided by the Management in a timely manner.

Guideline 6.3 : Separate and independent access to the Company Secretary

Directors have separate and independent access to the Company Secretary.

As a matter of good corporate governance practice, the role of the Company Secretary is clearly defined. The Company Secretary provides secretariat support to the Board and the various Board Committees. She administers and prepares notices and minutes of meeting and is responsible for ensuring that the Board procedures are observed and that applicable rules and regulations are complied with. The agenda for the Board and the Board Committee meetings are prepared in consultation with the Chairman, the respective chairpersons of the Board Committees, and the CEO to ensure good information flow within the Board and the Board Committees, as well as between the Management and non-executive Directors.

The Company Secretary assists the Board Chairman and the respective chairpersons of the Board Committees in scheduling the respective meetings. She also advises the Board on all governance matters, as well as facilitates orientation and professional development of Directors as required. In addition, the Company Secretary assists the Board on Perennial's compliance with the Company's Articles of Association and applicable laws and regulations, including requirements of the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual. The Company Secretary also liaises on behalf of Perennial with the SGX-ST, the Accounting and Corporate Regulatory Authority and when necessary, the Shareholders.

Guideline 6.4 : Appointment and removal of the Company Secretary

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Guideline 6.5 : Ability to take independent professional advice

Where a Director deems necessary, in the furtherance of the relevant Director's duties, he can seek independent professional advice at Perennial's expense.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (GUIDELINE 7)

Guideline 7.1 : Composition of the RC

Guideline 7.2 : Role of the RC

The RC is chaired by Mr. Eugene Paul Lai Chin Look. The other members of the RC are Mr. Kuok Khoon Hong and Mr. Lee Suan Hiang. All members of the RC are non-executive and independent Directors, save for Mr. Kuok Khoon Hong who is a non-executive and non-independent Director. The RC's terms of reference are set out on pages 158 and 159 of this report.

The primary function of the RC is to ensure a formal and transparent process for developing policies on remuneration matters in the Company and to determine the remuneration packages of individual Directors and key management personnel. The RC aims to build capable and committed management team, through competitive compensation and progressive policies which are aligned to the long-term interests and risk policies of Perennial, and which can attract, retain and motivate a pool of talented employees to drive the growth of Perennial without being excessive.

In addition to the above, the RC performs the following functions:

(i) Assists the Board to establish a framework of remuneration (which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, and benefits in kind) and ensure the ongoing appropriateness and relevance of the remuneration policies and other benefit programmes, taking into consideration prevailing economic conditions within similar industries and comparable companies;
(ii) Reviews and recommends the remuneration package for Directors and key management personnel;
(iii) Approves any termination payments, retirement payments and other payments of similar nature to key management personnel;
(iv) Reviews and approves the design of all option plans, share plans and/or other equity based plans; and
(v) Reviews succession planning for key management personnel and the leadership pipeline in the immediate, medium and longer term.

In the deliberation of remuneration matters, no Director is involved in deciding any remuneration, compensation, share-based incentives or any form of benefits to be granted to himself.

Guideline 7.3: Appointment of remuneration consultant

The RC has access to expert professional advice on human resource matters whenever there is a need for such external consultation. During the Period, the RC engaged external remuneration consultants, Aon Hewitt Singapore Pte. Ltd., in the determination of the share options to be granted to the eligible employees and Directors under the share option scheme of the Company, also known as the Perennial Employee Share Option Scheme 2014. The RC is satisfied that there is no relationship between Perennial and the appointed remuneration consultants, Aon Hewitt, which would affect the independence and objectivity of the remuneration consultants.

Guideline 7.4: Review of termination clauses in contracts of service

The RC reviews the Company's obligations arising from the employment contracts of executive Directors and key management personnel and noted there were no onerous termination clauses other than the standard clause on notice period for termination.

LEVEL AND MIX OF REMUNERATION (GUIDELINE 8)

Guideline 8.1: Performance-related remuneration

The Company advocates a performance-centric remuneration system that is flexible and responsive to market conditions as well as the performance of the Company and individual employees. Such performance-centric remuneration is linked to the achievement of business and individual performance targets which emphasises both short and long-term quantifiable objectives. The Company has put in place appropriate and meaningful measures to assess the achievement of these performance targets by the individual employee.

In designing the remuneration structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in motivating and retaining the employees. The RC also exercises independent judgment in ensuring that the remuneration structure is aligned with the interests of Shareholders and promote long-term success and sustainable growth of Perennial.

The remuneration structure also takes into account the risk policies and risk tolerance of Perennial. The RC is of the view that there are adequate risk mitigation features in the Company's remuneration structure and the overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to Perennial's risk profile. The RC will undertake periodic reviews of compensation-related risks.

In determining the remuneration of key management personnel, the Company leveraged on external consultants' data on pay benchmarks as guidance and compares itself against peer companies and comparably-sized local listed companies with which the Company competes with for talent and capital. The RC is of the view that the remuneration of key management personnel is competitive and fair.

Guideline 8.2: Short-term and long-term incentive schemes for key management personnel

The remuneration mix for key management personnel comprises four key components: fixed compensation, variable cash compensation, share-based compensation and market-related benefits:

(a) Fixed Compensation
The fixed component comprises the base salary and compulsory employer contribution to an employee's Central Provident Fund account. The fixed component is determined by benchmarking against similar and comparable industries, taking into account an individual's responsibilities, performance, qualifications and experience.

(b) Variable Cash Compensation
The variable cash component includes an annual performance incentive that is linked to the achievement of pre-agreed financial and non-financial performance targets for Perennial and individual employees.

In determining the payout quantum for employees, the RC takes into account overall business performance and individual performance, amongst other considerations.

(c) Share-based Compensation
Share options were granted in the Period pursuant to the Perennial Employee Share Option Scheme 2014 approved and adopted by the Shareholders of the Company on 10 October 2014.

The Perennial Employee Share Option Scheme 2014 was established with the objective of motivating employees of managerial level and above to strive for sustained long-term growth and superior performance in Perennial. It also aims to foster a share ownership culture among employees within the Company and better align employees' incentives with Shareholders' interests.

The share options scheme involves the grant of Market Price share options which are vested and released over four consecutive years at the rate of 25% for each year. The vesting of the first tranche of any such share options will be on the first anniversary of the Date of Grant.

More information on the Perennial Employee Share Option Scheme 2014 can be found in the Directors' Statement from pages 180 to 182 and in the Notes to Financial Statements from pages 228 to 230.

(d) Market-related Benefits
The employment-related benefits provided are comparable with local market practices.

Guidelines 8.3 : Remuneration of non-executive Directors

The non-executive Directors receive their Directors' fees in accordance with their various levels of contributions, taking into account factors such as their responsibilities, effort and time spent for serving on the Board and the Board Committees. Their remuneration package consists of basic retainer fees as a Director as well as additional fees for serving on the Board Committees. The Lead Independent Director also receives an additional fee which reflects his greater responsibility.

The fee structure for non-executive Directors for the Period is as follows:

Fee Structure	S$
Basic Retainer Fee	
Director	50,000
Appointment to Audit and Risk Committee	
Committee Chairman	25,000
Committee Member	15,000
Appointment to Remuneration Committee	
Committee Chairman	10,000
Committee Member	5,000
Appointment to Nomination Committee	
Committee Chairman	10,000
Committee Member	5,000
Appointment as Lead Independent Director	
Lead Independent Director	10,000

The RC ensures that the non-executive Directors are not over-compensated to the extent that their independence may be compromised. Mr. Pua Seck Guan, being the CEO of the Company, does not receive Director's fees but is remunerated as a member of the Management.

During the Period, all independent non-executive Directors, except Mr. Ooi Eng Peng who was appointed with effect from 28 July 2015, received share options under the Perennial Employee Share Option Scheme 2014. The basis of allocation of the number of share options took into account the Director's roles and responsibilities. The granting of share options to independent non-executive Directors aims to encourage the alignment of interests between these Directors and the Shareholders.

The aggregate Directors' fees for non-executive Directors are subject to Shareholders' approval at the AGM. The Chairman and the non-executive Directors will abstain from voting, and will procure their respective associates to abstain from voting in respect of this resolution for the Directors' fees.

Guideline 8.4 : Reclamation of incentive components of remuneration

The RC is responsible for considering the reclamation of incentive components of remuneration from the executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in a financial loss to the Company. The RC shall look into the implementation of such reclamation of incentive components.

DISCLOSURE ON REMUNERATION (GUIDELINE 9)

Guideline 9.1 : Report to shareholders on remuneration

Guideline 9.2 : Disclosure of remuneration of each Director and CEO

Guideline 9.3 : Disclosure of remuneration of top five key management personnel

The Code encourages the disclosure of the remuneration of Directors, the CEO and at least the top five key management personnel (who are not also Directors or the CEO) of the Company on a named basis.

The details of remuneration for the Directors and CEO for the period from 27 October 2014 to 31 December 2015 are provided in the table below. All Directors were appointed on 27 October 2014 except for Mr. Ooi Eng Peng who was appointed on 28 July 2015.

Directors of the Company	For the period from 27 October 2014 to 31 December 2015				
	Salary inclusive of Annual Wage Supplement ("AWS") and employer's CPF	Bonus and other benefits inclusive of employer's CPF	Stock options granted and other share-based incentives and awards	Director's Fees	Total
	%	%	%	%	%
Executive Director Between S$2,500,000 to S$2,600,000					
Mr. Pua Seck Guan	57.1	42.9	Please see Note 1	–	100
Non-Executive Directors Between S$100,000 to S$199,000					
Mr. Eugene Paul Lai Chin Look	–	–	Please see Note 1	100	100
Up to S$99,999					
Mr. Kuok Khoon Hong	–	–	–	100	100
Mr. Ron Sim	–	–	–	100	100
Mr. Chua Phuay Hee	–	–	Please see Note 1	100	100
Mr. Lee Suan Hiang	–	–		100	100
Mr. Ooi Eng Peng	–	–		100	100

Note 1:

The above remuneration bands exclude the grant of share options to Directors under the Perennial Employee Share Option Scheme 2014. The Share Plan was approved by Shareholders at an Extraordinary General Meeting held in October 2014 and is administered by the RC. Where applicable, the executive Director and independent Directors had abstained from the review and recommendation process in respect of their own share option award allocation.

Share options were granted during the year, to be vested from FY2016 onwards. Fair value of vested shares will be declared on their vesting in the remuneration disclosure for FY2016, where applicable.

In relation to the key management personnel, the Company noted that the Code recommends that at least the top five key management personnel's remuneration be disclosed. After careful consideration, the Board believes that such disclosure would be disadvantageous to Perennial's business interests, taking into consideration the competitive pressures in the talent market. The Company believes that in view of the competitive human resource environment and to support the Company's effort in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

For these reasons, the Company is only disclosing the remuneration in percentage terms in bands of S$100,000 for the Period. The Board is of the opinion that the information disclosed would be sufficient for the Shareholders to have an adequate appreciation of the Company's compensation policies and practices.

Remuneration Bands	No. of Executives	For the period from 28 October 2014 to 31 December 2015			
		Salary inclusive of AWS and employer's CPF	Bonus and other benefits inclusive of employer's CPF	Stock options granted and other share-based incentives and awards	Total
		%	%	%	%
S$700,000 - S$799,000	1	62.3	37.7	Please see Note 1	100
S$500,000 - S$599,000	2	73.3	26.7		100
S$400,000 - S$499,000	2	77.6	22.4		100
S$300,000 - S$399,000	1	97.5	2.5		100

Note 1:

The above remuneration bands exclude the grant of share options to staff under the Perennial Employee Share Option Scheme 2014. The Share Plan was approved by the Shareholders at an Extraordinary General Meeting held in October 2014 and is administered by the RC.

Share Options were granted during the year, to be vested from FY2016 onwards. Fair value of vested shares will be declared on their vesting in the remuneration disclosure for FY2016, where applicable

The aggregate remuneration paid to the top six key management personnel of the Company (excluding the CEO) for the Period was S$3,088,528.27.

In the Period, there were no termination, retirement or post-employment benefits granted to Directors, the CEO and key management personnel. There were also no special retirement plan, 'golden parachute' or special severance packages given to the key management personnel.

Guideline 9.4: Remuneration of related employees

The Company does not have any employee who is an immediate family member of a Director or the CEO for the Period. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent.

Guideline 9.5: Employee shares scheme

Details on the Perennial Employee Share Option Scheme 2014 can be found in the Directors' Statement from pages 180 to 182 and in the Notes to Financial Statements from pages 228 to 230.

Guideline 9.6: Disclosure on link between performance and remuneration

The RC ensures that the remuneration structure is strongly linked to the achievement of corporate and individual performance targets while maintaining high flexibility and responsiveness to the market conditions and Perennial's performance. The performance targets as determined by the RC each year are set at realistic yet enhanced levels to motivate a high degree of performance with emphasis on both short and long-term objectives.

The short-term incentive is primarily a remuneration-based performance incentive that is linked to the achievement of pre-agreed financial and non-financial performance targets for Perennial and the individual employees. Company-wide performance targets are dependent on factors such as business performance and operational growth. Individual performance targets are set at the beginning of each financial year and are aligned to the overall strategic, financial and operational goals of Perennial. The short-term performance incentive aims to improve collaboration and ownership across the group to achieve shared operational and financial growth targets.

Long-term incentives consist of share options that were granted based on the achievement of corporate and individual performance targets. Vesting of these share options will be over a four-year period. Such long-term remuneration is a retention tool and is aligned with the interests of the Shareholders and promotes long-term success of the Company and the group as a whole. More information on the Perennial Employee Share Option Scheme 2014 can be found in the Directors' Statement from pages 180 to 182 and in the Notes to Financial Statements from pages 228 to 230.

ACCOUNTABILITY (GUIDELINE 10)

The Board is responsible for and committed to present a balanced, transparent, and understandable assessment of the Company's and the group's performance, positions and prospects to the Shareholders at all times. Perennial believes in conducting itself in ways that seek to deliver sustainable value to its Shareholders.

Guideline 10.1: Extension of the Board's responsibility

Perennial presents a balanced and clear assessment of its performance, position and prospects to Shareholders through the timely release of its quarterly and annual financial reports. Perennial believes that prompt compliance with statutory reporting requirements is imperative to maintaining Shareholders' confidence and trust in the group. In line with SGX-ST's requirements, negative assurance statements were issued by the Board to accompany Perennial's quarterly financial results announcements, confirming that to the best of its knowledge, nothing had come to its attention which would render Perennial's quarterly results false or misleading.

Guideline 10.2 : Adequacy in ensuring legislative and regulatory compliance

The Board ensures that it is updated regularly on relevant changes to laws and regulations so that it can monitor and supervise adequate compliance by Perennial with such laws, regulations and requirements of regulatory and governmental authorities. Changes to accounting standards and accounting issues which have a direct impact on the financial statements are reported to the ARC, and highlighted by the external auditors in their quarterly reviews with the ARC.

Guideline 10.3 : Monthly provision of information

Directors receive operational and financial reports on the performance of Perennial on a regular basis, which includes key performance indicators, variance analyses, property updates, strategic and business highlights and key developments. Where the situation requires, the Directors are entitled to request for any additional information which will be provided by the Management in a timely manner.

RISK MANAGEMENT AND INTERNAL CONTROLS (GUIDELINE 11)

Guideline 11.1 : Determination of risk tolerance and risk policies

Risk management is an integral part of the manner in which Perennial manages and runs its businesses. The Board has overall responsibility for the governance of Perennial's risk management and internal controls. The Board and the Management are fully committed to maintaining sound risk management and internal control systems to safeguard the Shareholders' interests and Perennial's assets.

In order to create, enhance and protect value for its Shareholders, Perennial proactively manages risks and embeds the risk management process into all planning and decision-making processes as well as its day-to-day operations at the Company and group levels. All major investments and projects undergo a comprehensive due diligence and risk management review process. The Board sets the overall strategic direction, governs the risk management strategy and framework, and determines the risk tolerance levels and risk policies for Perennial. With these in place, the Board oversees the Management in the design, implementation and monitoring of risk management and internal control systems, and ensures that strategies are aligned with the risk tolerance levels as well as any potential emerging risks that Perennial may face.

Guideline 11.2 : Review of adequacy and effectiveness of risk management and internal control systems

The ARC assists the Board in fulfilling its oversight responsibility pertaining to Perennial's risk policies, risk profile, internal controls and the effectiveness of Perennial's risk management and internal control systems. In doing so, the ARC regularly reviews the key organisational risks and the robustness of Perennial's risk management systems.

Risk Management

The CEO and the Management are responsible for identifying and managing risks. Perennial understands that its business environment presents both opportunities that need preparation and planning in order to be seized as well as uncertainties that need to be actively managed. Perennial has implemented a comprehensive enterprise risk management ("**ERM**") framework which lays out the governing policies, processes and systems to identify key risks for deliberation by the Management and the findings, together with proposals to manage the risks, are reported to the ARC and the Board on a regular basis. The ERM framework, which is largely derived from the ISO 31000 Risk Management – Principles and Guidelines (2009), enables Perennial to deal with business opportunities and uncertainties by identifying key risks and enacting the appropriate mitigating plans and actions.

Under the ERM framework, Perennial's risk profile is reviewed and updated annually. Perennial also produces and maintains risk registers which identified all risks it faces and the corresponding internal controls it has in place to manage or mitigate those risks. The risk profile, risk registers and all identified risks and controls are reviewed annually by the Management and presented to the ARC and the Board.

Once the risks are prioritised and key risks are identified, preventive and mitigating measures (collectively defined as "**controls**") will be developed and implemented. Such key risks are also consolidated at group level for risk monitoring by the Management as well as at the asset level. Managers at the asset level are required to periodically review the effectiveness of the controls implemented, and initiate necessary changes as the risk profile of the relevant asset changes.

Perennial has also established risk tolerance levels and key risk indicators to measure and monitor risk exposures for the key risks. A risk dashboard is also developed and maintained at the group level to provide early warning for potential emerging risks or increase in risk exposures and identify areas that require immediate attention or pre-emptive actions. Quarterly, the ARC and the Board review the key risk indicators and risk dashboard and discuss the status of the risk exposures and risk management action plans.

The system of risk management is reviewed and, where appropriate, refined regularly by the Management, the ARC and the Board.

Internal Controls

Supporting the ERM framework is a system of internal controls, comprising group-wide governance and internal control policies, procedures and guidelines which dictates the segregation of duties, approval authorities and limits, and checks and balances embedded in business processes. Fraud risk management processes and the implementation of policies, such as the Whistle-blowing Policy and Employee Code of Conduct, also help to establish a clear tone from the Management with regard to employees' business and ethical conduct. This system of internal controls is reviewed regularly for continuous improvement and strengthening of controls.

Internal auditors and external auditors conduct audits that involve testing the effectiveness of the material internal controls, covering the areas of financial, operational, compliance and information technology ("**IT**"). Any material non-compliance or lapses in internal controls, together with corrective measures recommended by internal auditors and external auditors, are reported to and reviewed by the ARC. The adequacy and effectiveness of the measures taken by the Management in response to the recommendations made by the internal auditors and external auditors are also reviewed by the ARC. The results of these audits serve to provide the basis on the adequacy of Perennial's internal controls.

The key elements of Perennial's system of controls to manage financial, operational, compliance and IT risks are as follows:

A. Policies and Governance

Perennial has a well-defined operating structure with clearly established lines of responsibility and delegated authority, as well as proper reporting mechanisms to both the Management and the Board, thus providing good visibility on the control measures adopted by Perennial.

Internal controls are detailed in formal and clearly stipulated procedures, policies and manuals. Such policies and procedures govern financial, operational and compliance matters, and are reviewed and updated periodically. Perennial's internal audit function verifies compliance with these internal controls. Perennial's Employee Code of Conduct identifies values and practices which all employees of Perennial are expected to adhere to.

B. Financial and Management Reporting

Management reviews on a monthly basis the performance of each asset to instill a high level of financial and operational discipline within Perennial. Key financial risks (such as liquidity risk) which Perennial is exposed to, are managed by a centralised finance and treasury function for effective and coordinated oversight.

The Board is regularly updated on Perennial's performance through the provision of operational and financial reports. These reports provide explanations for significant variances of financial performance. Where relevant, these financial reports are also supplemented with additional information to highlight key operational and financial performance indicators.

Perennial's financial results are reported to the Shareholders on a quarterly basis, in accordance with the requirements of the SGX-ST. These results announcements provide analyses of significant variances in financial performance. Detailed disclosure and analyses of the full year financial performance of Perennial are covered in the Annual Report.

C. Information Technology Management

The Management has established the mandate that it is the responsibility of every employee to understand as well as to pre-empt and manage IT risks in the course of their employment. In governing IT-related risks, Management has put in place a process to manage IT security and data recovery risks. A suite of protection systems against IT security vulnerabilities, such as hacking and cyber-attack incidents, have also been implemented. In addition, Perennial's IT infrastructure is equipped with firewall protection, including intrusion prevention systems, application control, web-filtering and gateway anti-virus, email security gateway and endpoint security, including anti-virus and anti-malware software.

To provide assurance on IT compliance, annual internal audits are conducted on the IT processes and systems. Any potential risks or lapses identified are highlighted to the Management, the ARC and the Board for necessary actions and further monitoring.

D. Fraud Risk Management

The Management and the Board take a serious view on promoting an anti-fraud culture. Non-compliance with Perennial's policies, procedures and Employee Code of Conduct are strictly dealt with. Anti-fraud controls such as segregation of duties, access controls, new vendor evaluations and appropriate key performance indicators are implemented and vigorously observed. Internal audits are also regularly carried out to independently evaluate the design and operating effectiveness of these anti-fraud controls.

A Whistle-blowing policy and its reporting channel have been established for employees and external parties to report on probable improprieties and suspected wrongful activities without fear of reprisal. Please refer to details set out below on the "Whistle-blowing Programme" in pages 140 to 141 of this report.

Guideline 11.3 : Board's opinion on the adequacy and effectiveness of risk management and internal control systems.

The Board recognises the importance of a robust risk management and internal control system to safeguard the assets of Perennial and the Shareholders' interests. The Board affirms its overall responsibility for Perennial's systems of risk management and internal control, and for reviewing the adequacy and integrity of these systems.

For the Period, the Board has received assurance from the CEO and CFO that financial records of Perennial have been properly maintained, that the financial statements for the financial period ended 31 December 2015 give a true and fair view of Perennial's operations and financial results and that the internal controls (including financial, operational, compliance and IT controls) and risk management systems of Perennial are adequate and effective in addressing the risks of the group in its current business environment.

Based on the ERM framework and internal controls established and maintained by Perennial, work performed by external and internal auditors, reviews performed by the Management and assurance received from the CEO and CFO, the Board, with the concurrence of the ARC, is of the opinion that Perennial's risk management and internal control systems were adequate and effective as at 31 December 2015 to address the financial, operational, compliance and IT risks of the group.

However, all internal control and risk management systems contain inherent limitations and no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. Owing to such inherent limitations, the Board notes that the systems of risk management and internal controls established by the Management provide reasonable, but not absolute assurance that Perennial will not be adversely affected by any event that can be reasonably foreseen or anticipated, as it strives to achieve its business objectives. The Board will ensure that should any significant internal control failings or weaknesses arise, necessary remedial actions will be swiftly taken.

Guideline 11.4 : Establishment of a separate Board Risk Committee

The Board delegates the responsibility of overseeing Perennial's risk management framework and policies, risk profile and the effectiveness of Perennial's risk management system to the ARC. In discharging this responsibility, the ARC regularly reviews the key organisational risks and the robustness of Perennial's risk management systems to assess the adequacy and effectiveness of the risk management policies and systems. The ARC also determines the nature and extent of the significant risks which the Board is willing to assume in achieving Perennial's strategic objectives.

AUDIT COMMITTEE (GUIDELINE 12)

Guideline 12.1 : Composition of the ARC

Guideline 12.2 : Qualification of the ARC

For the Period, the ARC was chaired by Mr. Chua Phuay Hee and other members of the ARC were Mr. Eugene Paul Lai Chin Look, Mr. Lee Suan Hiang and Mr. Ooi Eng Peng. With effect from 5 February 2016, Mr. Chua Phuay Hee stepped down as Chairman of the ARC and Mr. Ooi Eng Peng was appointed as the Chairman. Mr. Chua remains as a member of the ARC.

All members of the ARC are independent non-executive Directors. Mr. Chua Phuay Hee and Mr. Ooi Eng Peng have the relevant accounting and related financial management expertise and experience. The Board considered that Mr. Eugene Paul Lai Chin Look and Mr. Lee Suan Hiang have sufficient financial management knowledge and experience to discharge their responsibilities as ARC members. The ARC's terms of reference are set out on pages 158 and 159 of this report.

Guideline 12.3 : Authority of the ARC

The ARC has full access to the Management, reasonable resources to enable it to discharge its functions properly and the explicit authority to investigate any matter within its terms of reference. The Management is required to provide the fullest co-operation in furnishing information and resources, and in implementing or carrying out all requests made by the ARC. The ARC also has direct access to the internal auditors and external auditors, and has full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal auditors and external auditors are given unrestricted access to the ARC.

The ARC met four times during the Period and the Chairman and Vice-Chairman are invited to attend the ARC meetings. The CEO, CFO, Company Secretary, internal and external auditors as well the other Management staff attended these ARC meetings. In addition, whenever necessary, other employees of the group will be invited to attend the ARC meetings to answer queries and provide detailed insights into their areas of operations. The ARC is provided with all necessary information ahead of the ARC meetings to enable them to make informed decisions.

Guideline 12.4 : Role of the ARC

The ARC is guided by its terms of reference which will be reviewed periodically to ensure relevancy and compliance with good corporate governance and best practices.

In particular, the role of the ARC includes:

- reviewing the quarterly, half-year and full year results announcements, accompanying press releases and presentation slides, as well as the financial statements of the group and the adequacy and accuracy of information disclosed prior to submission to the Board for approval;
- reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the group and any announcements relating to Perennial's financial performance;
- reviewing the adequacy and effectiveness of Perennial's internal controls, including financial and accounting, operational, compliance and IT controls, and risk management systems;
- reviewing the effectiveness and adequacy of internal audit function, scope and results of the audit reviews and internal audit reports;
- reviewing the scope and results of the external audit, the audit reports and the independence and objectivity of the external auditors;
- monitoring Perennial's compliance with laws and regulations, particularly those of the Companies Act and the SGX-ST Listing Manual;
- reviewing the arrangements by which staff and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action; and
- overseeing the procedures established to regulate interested person transactions and ensuring the compliance of such transactions with the Listing Manual.

Guideline 12.5 : Meetings with external and internal auditors

During the Period, the ARC met with the external auditors and internal auditors, without the presence of the Management, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. The deliberate absence of the Management at these meetings is designed to provide a forum where auditors can feel free to raise any potential issues encountered in the course of their work without any possibility of influence by the Management.

Guideline 12.6 : Review of independence of external auditors

The external auditor for the Period is KPMG LLP.

For the Period, the ARC has also reviewed and is satisfied with the standard of the external auditors' work. Additionally, having reviewed the nature, extent and volume of non-audit services provided to Perennial by the external auditors and its affiliates, and the fees paid for such services, the ARC is satisfied that the provision of such services has not prejudiced the external auditors' independence and objectivity. As at 31 December 2015, the aggregate fees paid/payable to KPMG were S$623,464 for their external audit services and S$201,015 for their non-audit services.

The ARC has recommended the re-appointment of the external auditors at the forthcoming AGM. The Company confirms that it complies with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditors.

Guideline 12.7 : Whistle-blowing policy and procedures

The ARC oversees Perennial's Whistle-blowing Policy, which provides the employees and parties who have dealings with Perennial with well-defined procedures and accessible and trusted channels to report suspected fraud, corruption, dishonest practices or

other probable improprieties in the workplace. The Whistle-blowing Policy is intended to provide a trusted avenue for Perennial's employees and other parties to come forward and report such concerns with confidence that it will be independently investigated and appropriate follow-up actions taken.

The Whistle-blowing Policy will be reviewed by the ARC annually and is in place to encourage good faith reporting of any suspected improper conduct whilst protecting the whistleblowers from reprisals within the limits of the law. The Whistle-blowing Policy and procedures are communicated via emails to all employees and also posted on Perennial's corporate website. The secured and protected whistle-blowing channel includes a dedicated and independent e-mail account that is only accessible by the ARC as the ARC recognises the importance of confidentiality in making a whistle-blowing report.

The ARC is guided by the Whistle-blowing Policy to ensure proper and independent conduct of investigations under strict confidentiality, and execution of appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence. For the Period, no whistle-blowing report was received.

Guideline 12.8 : Disclosure of ARC's activities

During the Period, the ARC examined and reviewed the following items:

- the quarterly and half-year results announcements and financial statements prior to approving or recommending their release to the Board, as applicable;
- key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials;
- the risk management framework, risk profile, risk tolerance levels, identified key risks and their controls, key risk indicators, risk exposures and the risk management action plans to be implemented;
- the reports from external and internal auditors to assess the adequacy and effectiveness of Perennial's internal controls;
- the annual audit plan of the external and internal auditors and their independence and objectivity;
- the re-appointment of external and internal auditors and their remuneration and terms of engagement; and
- the list of interested person transactions and non-audit services rendered by the external auditors.

For the Period, the ARC has reviewed the Whistle-blowing Policy and met with external and internal auditors without the presence of the Management. The ARC has also taken active measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements. The external auditors also highlighted changes in accounting standards and issues during their quarterly reviews with the ARC.

Guideline 12.9 : Exclusion from being member of the ARC

No former partner or director of Perennial's existing auditing firm, KPMG LLP, was appointed as an ARC member within 12 months commencing on the date of the relevant member ceasing to be a partner of the auditing firm or director of the auditing corporation and in any case, for as long as he has any financial interest in the auditing firm or auditing corporation.

INTERNAL AUDIT (GUIDELINE 13)

Guideline 13.1 : Independence of the internal audit function

Perennial's internal audit function is outsourced to Ernst & Young Advisory Pte. Ltd. ("**EY**"), an International Accounting Firm. The role of EY is to assist the ARC in ensuring that Perennial maintains a sound system of internal controls and their continued effectiveness through regular monitoring and evaluation of key controls and procedures.

EY reports directly to the ARC Chairman and has unfettered access to all documents, records, properties and personnel in Perennial, including unrestricted access to the ARC. The ARC is responsible for approving the hiring, removal, evaluation and compensation of the auditing firm to which the internal audit function is outsourced. For the Period, the ARC has reviewed and approved the appointment of EY and the fees payable to EY.

Guideline 13.2 : Adequacy in resources and appropriateness in the standing of the internal audit function

Guideline 13.3 : Qualification and experience of internal auditors

Guideline 13.4 : Internal audit standards

Guideline 13.5 : Review of the adequacy and effectiveness of the internal audit function

The annual internal audit plans are reviewed and approved by the ARC. EY adopts a risk-based methodology in drawing up Perennial's annual audit plan ("**Audit Plan**"). The Audit Plan is planned in consultation with, but independently of, the Management. Key considerations for the Audit Plan include risk exposures, operating concerns and compliance to regulations, policies and procedures. The Audit Plan includes, amongst others, the audit scope, objectives, and resources to be allocated for the audits. At the beginning of each year, the Audit Plan is submitted to the ARC for review and approval to ensure that the Audit Plan covered sufficiently in terms of audit scope in reviewing the significant internal controls of Perennial. Such significant controls comprise financial, operational, compliance and IT controls.

All internal audit reports are submitted to the ARC for deliberation, with copies of these reports extended to the CEO and relevant Management for prompt corrective actions, as recommended. At the quarterly ARC meetings, EY also presents a summary of findings, recommendations and updates on management actions taken.

The internal audit function is staffed with persons with the relevant qualifications and experience, and EY carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditors.

On an annual basis, the ARC also undertakes a review to assess the adequacy and effectiveness of the internal audit function. For the Period, the ARC, having reviewed the Audit Plan, internal audit reports and quality and standard of the internal auditors' work performed for the Period, is satisfied with the adequacy and effectiveness of EY being its internal auditor. It is also satisfied that EY, as Perennial's internal auditor, is adequately resourced and is independent of the activities it audits.

SHAREHOLDER RIGHTS (GUIDELINE 14)

Guideline 14.1 : Disclosure of information to Shareholders

Perennial is committed to ensuring that the Shareholders are sufficiently informed of Perennial's performance or any changes in Perennial or its businesses which are likely to materially affect the share price or value of the Company, by disclosing as much relevant information as possible to the Shareholders, in a timely, fair and transparent manner. Perennial engages the Shareholders and the analysts, fund managers, media and various stakeholders (together, the "**Investment Community**") through various platforms including phone calls, e-mail communications as well as publication content on Perennial's corporate website (http://www.perennialrealestate.com.sg). The CEO and the Management also attended investors' conferences and seminars which were held during the Period, as part of the engagement with the Shareholders and the Investment Community.

Perennial treats all its Shareholders fairly and equitably, and does not practise selective disclosure. If in any instance where unpublished price sensitive information is inadvertently disclosed, they are immediately released to the public via SGXNET and Perennial's corporate website.

The Board has established a CDC comprising Mr. Chua Phuay Hee and Mr. Pua Seck Guan. With effect from 5 February 2016, Mr. Chua Phuay Hee stepped down from the CDC and Mr. Ooi Eng Peng was appointed. The Board has delegated authority to the CDC to review the promptness and adequacy of disclosures and to approve the public release of material information relating to Perennial.

Guideline 14.2 : Shareholders' participation and voting rights at general meetings

All of the Shareholders are invited to attend, participate effectively in and vote at the general meetings of the Shareholders. The Shareholders are informed of the general meetings, together with the relevant rules and voting procedures of such meetings, through notices published in the local newspaper, reports or circulars sent to all of the Shareholders as well as via SGXNET and Perennial's corporate website. These notices are provided promptly to the Shareholders well within the stipulated timeline.

Details and matters that require the Shareholders' consideration and approval are also clearly documented in the Annual Report or circulars to allow the Shareholders to participate and vote effectively at the general meetings.

Guideline 14.3 : Appointment of proxies

To encourage greater Shareholders participation in the general meetings, the Shareholders are provided with the option of appointing multiple proxies to attend the general meetings to vote on his/her behalf.

COMMUNICATION WITH SHAREHOLDERS (GUIDELINE 15)

Guideline 15.1 : Investor relations policy

Perennial is committed to regular, effective, fair, timely and transparent communication with its Shareholders and the Investment Community. To uphold these commitments, Perennial has a dedicated investor relations and corporate communications team that reports to the CEO to effectively execute the group's investor relations and corporate communications policy which is published on Perennial's corporate website.

Guideline 15.2 : Timely disclosure of information

Perennial is committed to disclosing material and price sensitive information on a timely, comprehensive and accurate manner through SGXNET and Perennial's corporate website. In the event that unpublished material information is inadvertently disclosed to any selected group of stakeholders, an announcement of the same disclosure will be released as promptly as possible to the public via SGXNET. A dedicated investor relations section on Perennial's corporate website provide the Shareholders and the Investment Community with pertinent financial and non-financial related information including financial results' announcements, presentation slides and press releases, publications such as circulars and annual reports, and stock-related information.

Guideline 15.3 : Regular dialogue with Shareholders

Guideline 15.4 : Steps taken to solicit and understand Shareholders' view

The Management meets with the Shareholders and the Investment Community regularly to communicate Perennial's strategic business plans and operating performance, share latest corporate and industry developments, and gather their views and feedback. The Management also addresses queries from the Shareholders and the Investment Community via phone calls and emails. Such regular interactions allow the Management to understand and consider the views and feedback from the Shareholders and the Investment Community before formulating its key strategic decisions. The contact details of the investor relations and corporate communications team are listed on Perennial's corporate website and disclosed in this report.

Guideline 15.5 : Dividend payment policy

Perennial has a stated policy on the payment of dividends which aims to balance cash return to the Shareholders and the Investment Community for sustaining growth, while striving for an efficient capital structure. Through this policy, Perennial seeks to provide consistent and sustainable ordinary dividend payments to its Shareholders on an annual basis. The Company's policy is to declare a dividend of up to 25% of the distributable profits (excluding revaluation gains), after taking into account the appropriation of amounts which are sufficient and prudent to meet the working capital, capital expenditure and cash flow needs of the Company. For every dividend declaration made, the Shareholders will be notified via announcement made through SGXNET.

CONDUCT OF SHAREHOLDERS' MEETINGS (GUIDELINE 16)

Guideline 16.1 : Shareholders' opportunity to participate and vote at general meetings

Perennial fully supports active Shareholders' participation at AGMs and Extraordinary General Meetings ("**EGM**") and views such general meetings as important engagement sessions with the Shareholders. All Shareholders are invited to attend and participate in Perennial's general meetings. The Annual Report and Notice of AGM are despatched to all of the Shareholders at least 14 days prior to the AGM to give them ample time to review the documents. Notices of general meetings of the Shareholders are also published in the local newspaper, released via SGXNET and posted on Perennial's corporate website. The Notice of AGM, where relevant, may include explanatory notes or a circular on items of special business. The Annual Report is also available to all of the Shareholders for download on Perennial's corporate website.

Perennial may consider other voting methods which are permissible under the applicable laws and regulations, and in doing so, it shall evaluate to ensure that there is no compromise to the integrity of the information and the proper authenticity of the Shareholders' identities.

Guideline 16.2 : Separate resolutions at general meetings of Shareholders

To safeguard the Shareholders' interests and rights and to place adequate attention and focus on each issue, Perennial seeks to ensure that each substantially distinct issue is proposed as a separate resolution and that the Code's guideline regarding the "bundling" of resolutions are complied with.

Guideline 16.3 : Attendance of Directors and other key persons at general meetings of Shareholders

The Board Chairman, Chairperson of each Board Committee, all Board Members, CEO, CFO, Company Secretary and members of the Management team are in attendance at AGMs or EGMs to take questions and obtain feedback from the Shareholders. The Shareholders are encouraged to communicate their views, raise questions, provide feedback and discuss with the Board and the Management on issues pertaining to the proposed resolutions or any other matters regarding Perennial. The external auditors, KPMG LLP, external legal advisors and human resource consultants (where applicable) are also invited to attend general meetings and will assist the Board and the Management in addressing queries from the Shareholders relating to the conduct of the external audit, the preparation and content of the auditors' report or the remuneration of the Directors.

The Shareholders also have the opportunity to communicate, discuss and interact with the Board and the Management after the general meetings.

Guideline 16.4 : Minutes of general meetings of Shareholders

The Company Secretary prepares detailed minutes of general meetings of the Shareholders, which include substantial comments or queries raised by the Shareholders and the responses from the Chairman, Board Members and the Management. These minutes are made available to the Shareholders upon their request.

Guideline 16.5 : Voting by poll

Perennial has conducted voting in its EGM in October 2015 by way of poll and will conduct voting by poll for all resolutions at the forthcoming AGM. The Board believes that voting by poll provides better clarity and enhances transparency of the voting process. The total number of votes cast for or against each resolution and the respective percentages will be announced to all of the Shareholders at the AGM. An announcement of the detailed AGM results will also be made in a timely manner via SGXNET after the meeting.

DEALINGS IN SECURITIES

Perennial adopts a trading policy based on the SGX-ST's best practices on dealing in securities. Pursuant to the SGX-ST's Listing Rule 1207(19), Perennial issues guidelines to Directors and employees in the group, which sets out the prohibitions against dealings in the Company's securities (i) while in possession of material unpublished price-sensitive information, (ii) during the two weeks immediately preceding, and up to the time of the announcement of, the Company's results for each of the quarters of its financial period and, (iii) during the one month preceding, and up to the time of announcement of, Perennial's results for the full financial period/year.

Directors and employees of Perennial are also refrained from dealing in the Company's securities on short-term considerations. They are also routinely advised to be mindful and ensure that their dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act.

INTERESTED PERSON TRANSACTIONS

Perennial has established a formal Interested Person Transaction ("**IPT**") Policy to ensure that all transactions with interested persons are reported in a timely manner to the ARC, conducted on normal commercial terms and are not prejudicial to the interests of the Shareholders. The IPT Policy is circulated to all departments in Perennial. All departments are required to be familiar with the IPT Policy and report any IPT to the ARC for review.

In accordance with the reporting requirements in Chapter 9 of the SGX-ST Listing Manual, Perennial also maintains a register of all IPT entered into by the group. As stipulated in Perennial's IPT Policy, the Management reports the IPT register, which contain all transactions with interested persons and the relevant details of each transaction, to the ARC on a quarterly basis.

An audit on IPT is also incorporated into Perennial's annual internal audit plan. Information on IPT for the Period may be found in the supplemental information on page 257 in this report.

CG CODE DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?
General	a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Yes, the Company has complied with all principles and guidelines of the Code in all material aspects. To the extent that there are deviations, explanations have been provided in the report and alternative practices have been adopted by the Company. (i) Guideline 4.4 Instead of implementing a maximum number of listed company board representations, the Board is of the view that this should be based on a person's capacity. The NC monitors and assesses annually whether a Director, who has multiple board representations and other principal commitments, is able to and has been adequately carrying out his duties as a Director of Perennial. In doing the assessment, the NC takes into account the effectiveness of the individual Director including his conduct and contribution to the Board as well as his attendance at the Board meetings to ensure that sufficient time and attention have been given to the affairs of the group. (ii) Guideline 8.4 The RC shall look into the implementation of such reclamation of incentive components. (iii) Guideline 9.3 Due to the competitive pressures in the talent market and to support the Company's effort in attracting and retaining executive talents, the Company has decided to maintain the confidentiality on employee remuneration matters. For these reasons, the Company is only disclosing the remuneration of the key management personnel in percentage terms in bands of S$100,000 for the Period. The Board is of the opinion that the information disclosed would be sufficient for the Shareholders to have an adequate appreciation of the Company's compensation policies and practices.

Guideline	Questions	How has the Company complied?
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	(i) Acquisition/Disposal or increase/ decrease in equity investments and debt securities (ii) Provision for impairment in investments (iii) Acceptance of banking or guarantee facilities (iv) Granting of corporate guarantee (v) Approval of annual operating and capital expenditure budget (vi) Approval of project development expenditure / asset enhancement initiatives budget
Members of the Board		
Guideline 2.6	a) What is the Board's policy with regard to diversity in identifying director nominees?	The NC annually reviews the size, composition, skill mix and competencies of the Board to take stock of the expertise within the Board, and identify the Board's current and future needs. In light of such review and in consultation with the Management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, the NC will determine the required role and the desired competencies for a particular appointment.

Guideline	Questions	How has the Company complied?
Members of the Board		
Guideline 2.6	b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	The Board was reconstituted in October 2014 following the RTO of St James Holdings Limited whereby the Company was transformed into an integrated real estate owner, developer and manager. The existing Board now comprises Directors with real estate knowledge as well as legal and finance experience. The NC is of the view that the current size and composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the Company and industry. The NC also considers gender diversity in the Board composition and is of the view that while it is important to enhance gender diversity, the appointment of a Director should focus on his/her qualifications and capabilities as well as the effective blend of competencies, skills, experience and knowledge of the Board as a whole.
	c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	Annually, the NC will advise the Board on the re-nomination of Directors, taking into account the performance and contributions of each Director and the needs of Perennial at the relevant time. The NC is also responsible for reviewing the succession plans for the Board and has put in place a formal process for the renewal of the Board and the selection of new Directors. Please refer to Guideline 4.6 for more details.

Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The new Board and the Board Committees comprising six Directors were reconstituted on 27 October 2014 following approval by the Shareholders at the EGM on 10 October 2014. During the Period, one new Director, Mr. Ooi Eng Peng, was appointed on 28 July 2015. The NC has reviewed Mr. Ooi's qualifications and work experience and also met with him. Having been satisfied that Mr. Ooi has the relevant qualifications and extensive experience in the property industry and fund management business, coupled with his strong finance background, the NC recommended his appointment as a director to the Board as well as a member of the ARC. As all Directors are newly appointed during the Period, there was no re-election of any incumbent director during the said period.
Guideline 1.6	a) Are new directors given formal training? If not, please explain why. b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Yes, new Directors undergo an induction programme. The induction programme for new Directors include briefings on board policies and processes, overall strategic plans and direction for Perennial, its business activities, financial performance, organisation structure, regulatory environment and corporate governance practices. All existing Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters. Site visits are also organised for the Directors to familiarise themselves with Perennial's assets and better understand the operational aspects of the group.

Guideline	Questions	How has the Company complied?
Guideline 4.4	a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? b) If a maximum number has not been determined, what are the reasons? c) What are the specific considerations in deciding on the capacity of directors?	Not applicable. The Company has not prescribed a maximum number of listed company board representations for its Directors. The Board is of the view that the maximum number of listed company board representation should be based on a person's capacity. The NC conducts an annual assessment on the effectiveness of the Directors and their actual attendance, contributions and conduct on the Board, to determine whether a Director, who has multiple board representations and other principal commitments, is able to and has been adequately carrying out his duties as a Director.
Board Evaluation		
Guideline 5.1	a) What was the process upon which the Board reached the conclusion on its performance for the financial year? b) Has the Board met its performance objectives?	Each Director is required to complete a questionnaire on the effectiveness of the Board and the Board Committees, adequacy of the blend of skillsets and expertise in the Board, and the relevance and timeliness of the Board and the Board Committee meeting agendas and papers. The assessment also considers factors such as the size and composition of the Board and the Board Committees, the Board processes, the Board and the Board Committees' roles as well as communication within the Board and with the Management. The assessment results and feedback are then consolidated, evaluated and presented to the NC for discussion on areas of strengths and weaknesses to improve the effectiveness of the Board and the Board Committees. Yes

Guideline	Questions	How has the Company complied?
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The Board presently has seven Directors, comprising one executive Director and six non-executive Directors, of whom, four are independent Directors.
Guideline 2.3	a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No. There is no such Director.
	b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The Company has disclosed the remuneration of its key management personnel in bands of S$100,000. However, due to competitive pressures in the talent market and to support the Company's efforts in attracting and retaining executive talents, the Company has decided to maintain confidentiality on other details of the employee remuneration matters.
	b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Aggregate remuneration paid to the top six key management personnel of the Company is S$3,088,528.27.

Guideline	Questions	How has the Company complied?
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No. There is no such employee.
Guideline 9.6	a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	The total remuneration mix comprises four key components: fixed compensation, variable compensation, share-based compensation and market-related benefits. The fixed component comprises the base salary, which is determined by benchmarking against similar and comparable industries. The variable compensation is tied to the Company's and individual employee's performance. The share-based compensation refers to the Employee Share Option Scheme 2014 approved by the Shareholders. The Employee Share Option Scheme 2014 is a long-term incentive plan whereby share options are granted based on the achievement of corporate and individual performance targets.
	b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	The compensation structure is directly linked to the achievement of performance targets for the Company and individual employees, with emphasis on both short and long-term objectives. The short-term incentives are based on the fulfilment of corporate targets involving business performance, operational growth and value creation as well as individual performance targets that are aligned to the overall strategic, financial and operational goals of the Company. Long-term incentives consist of share options that were granted based on the achievement of corporate and individual performance targets.
	c) Were all of these performance conditions met? If not, what were the reasons?	Yes. The RC is satisfied that the quantum of performance-related bonuses and the value of share options granted and vested under the Employee Share Option Scheme 2014 was fair and appropriate, taking into account the extent to which their performance conditions for the Period were met.

Guideline	Questions	How has the Company complied?
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Perennial has instituted processes to ensure that the non-executive Directors are well supported by accurate, complete and timely information, and have unrestricted access to the Management. Directors are kept informed of potential developments or material prospective deals ahead of the formal board meeting where approval is sought. Directors are also provided with operational and financial reports on the performance of Perennial on a regular basis and as the Board may require from time to time. These reports include key financial indicators, variance analyses, property updates and strategic and business highlights which provide the Board with a better view of Perennial's actual performance. Amongst other reports, the Board is also provided with financial highlights of Perennial's performance, key developments, risk management updates and reports from internal and external auditors on a quarterly basis at the Board meetings.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes, Perennial's internal audit function is outsourced to EY.

Guideline	Questions	How has the Company complied?
Guideline 11.3	a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board oversees Perennial's system of internal controls and risk management with the support from the ARC. The ARC's view on the adequacy and effectiveness of Perennial's internal controls is based on the group-wide governance and internal control policies, procedures and guidelines dictating the segregation of duties, approval authorities and limits, checks and balances embedded in business processes and the regular audits, monitoring and reviews performed by the internal and external auditors. The Board concurred with this view. The ARC is also satisfied that the risk management systems implemented by Perennial are adequate and effective. Perennial has implemented the ERM framework and policies whereby the group has identified the key risks and regularly monitored and reviewed such key risks and risk exposures and kept the Management and the Board informed of the assessment of the risk exposures and actions taken. The Board concurred with this view.
	b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes.

Guideline	Questions	How has the Company complied?
Guideline 12.6	a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	As at 31 December 2015, the aggregate fees paid/payable to KPMG were S$623,464 for their external audit services and S$201,015 for their non-audit services.
	b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	An assessment was carried out by the ARC on the nature, extent and volume of the non-audit services provided by the external auditors and its affiliates, and the fees paid for such services. For the Period, non-audit fees accounted for 32% of total audit fees. The ARC has confirmed that the provision of such non-audit services by the external auditors would not affect their independence.
Communication with Shareholders		
Guideline 15.4	a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Yes. The Management meets with the Shareholders and the Investment Community regularly to communicate Perennial's strategic business plans and operating performance, share latest corporate and industry developments, and gather their views and feedback. The Management also addresses the Shareholders' and the Investment Community's queries via phone calls and emails.
	b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, Perennial has a dedicated investor relations team which facilitates active engagement and effective communication with the Shareholders on a regular basis.
	c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Perennial employs various platforms to effectively engage the Shareholders and the Investment Community, including phone calls, e-mail communications and publication content on Perennial's corporate website. The CEO and the Management also attended investors' conferences and seminars to engage with the Shareholders and the Investment Community as well as gather their views, feedback and concerns.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	A dividend has been declared for the Period.

DISCLOSURE OF CORPORATE GOVERNANCE ARRANGEMENTS

Relevant Guideline or Principle (as per Code of Governance 2012)	Page Reference in this report	Our compliance
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	122 to 123	√
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	123	√
Guideline 1.5 The type of material transactions that require board approval under guidelines	124	√
Guideline 1.6 The induction, orientation and training provided to new and existing directors	124	√
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	124 to 125	√
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	125	No
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	126	Not Applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	127, 158 to 159	√
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	128	The Board is of the view that the maximum number of listed company board representation should be based on a person's capacity.
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	128 to 129	√
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	33 to 35	√

Relevant Guideline or Principle (as per Code of Governance 2012)	Page Reference in this report	Our compliance
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	129 to 130	√
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	131, 158 to 159	√
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	131	√
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	134 to 136	√
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and postemployment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	134 to 135	√
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	134	√
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	135	The Company has disclosed the remuneration of its key management personnel in bands of S$100,000. However, due to competitive pressures in the talent market and to support the Company's efforts in attracting and retaining executive talents, the Company has decided to maintain confidentiality on other details of the employee remuneration matters.
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	135	Not Applicable
Guideline 9.5 Details and important terms of employee share schemes	180 to 182, 228 to 230	√
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	135	√
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	139	√
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	139, 158 to 159	√
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	140	√
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	140 to 141	√
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	141	√
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	143	√
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	143	A dividend has been declared for the financial period under review.

APPENDIX 1
BOARD COMMITTEES – SUMMARY TERMS OF REFERENCE

A. Audit and Risk Committee

i. Monitor and evaluate the adequacy and effectiveness of the Company's internal controls.
ii. Review significant financial reporting issues and judgements, financial statements and internal audit reports.
iii. Review the system of internal controls including financial, operational, compliance and IT controls and risk management processes.
iv. Review, on an annual basis, the adequacy and effectiveness of the internal audit function.
v. Review the appointment of external auditors and the adequacy of external audits in respect of cost, scope and performance.
vi. Review the scope and results of external audit and, on an annual basis, the independence and objectivity of the external auditors.
vii. Review the appointment, re-appointment or removal of external and internal auditors (including the review of their fees and scope of work).
viii. Meet with external and internal auditors, without the presence of the executive officers, at least on an annual basis.
ix. Review the nature and extent of non-audit services performed by external auditors.
x. Establish and review the whistle-blowing policy and arrangements by which staff of the company and any other persons may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.
xi. Ensure that the internal audit and accounting function is adequately resourced and has appropriate standing with the Company.
xii. Monitor the procedures in place to ensure compliance with applicable legislation and the Listing Manual.
xiii. Review external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management.
xiv. Review internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with.
xv. Monitor the procedures established to regulate interested person transactions, including ensuring compliance with the provisions of the Listing Manual relating to interested person transactions.
xvi. Review and provide their views on all hedging policies and instruments to be implemented by the Company to the Board.
xvii. Review and approve the procedures for the entry into any foreign exchange hedging transactions and monitor the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into foreign exchange hedging transactions.
xviii. Investigate any matters within the ARC's terms of reference, whenever it deems necessary.
xix. Report to the Board on material matters, findings and recommendations; and deliberate on resolutions relating to conflicts of interest situations involving the Company and the vendors.

B. Nomination Committee

i. Approve the appointment of CEO and other key management personnel and review the succession plans for Directors and key positions within the Company.
ii. Review the effectiveness of the Board and the Board Committees and evaluate the performance and contribution of the Directors.
iii. Review the training and development of the Board, key management personnel and talented executives within the Company.
iv. Review and recommend candidates for appointments to the Board and the Board Committees (excluding the appointment of existing members of the Board to a Board Committee).
v. Review and recommend nomination for re-appointment or re-election or renewal of appointment of the Director.
vi. Determine if a Director is independent.
vii. Assess each Director's contribution and performance and this may involve the following matters:
- Attendance;
- Preparedness;
- Participation; and
- Candour.

viii. Recommend to the Board objective performance criteria for the purpose of evaluating the Board's performance as a whole and to implement performance evaluation established by the Board.
ix. Evaluate the Board's performance as a whole.

C. Remuneration Committee

i. Review and recommend the remuneration framework for the Board and key management personnel.
ii. Review and recommend the remuneration packages for each Director as well as the key management personnel.
iii. Consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each key management personnel (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy within the Company.
iv. Consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to key management personnel.
v. Review the on-going appropriateness and relevance of executive remuneration policy and other benefit programmes.
vi. Review and approve the design of all option plans, stock plans and/or other equity based plans.
vii. Determine each year whether awards will be made under each of the equity plans.
viii. Review and approve each award as well as the total proposed awards under each plan in accordance to the rules governing each plan.
ix. Review, approve and keep under review performance hurdles and/or fulfilment of performance hurdles for each of the equity based plans.

D. Corporate Disclosure Committee

i. Review and approve the release of material information to the public relating to the Company, its subsidiaries, associated or investment companies that is necessary to avoid the establishment of a false market in its securities or which would be likely to materially affect the price of its securities.
ii. Delegate authority to the CEO, failing him, any two of either the Deputy CEO or the Chief Operating Officer or the CFO or the Company Secretary, to review and approve the release of routine information to the public.

Perennial Real Estate Holdings Limited ("**Company**" and together with its subsidiaries, "**Perennial**") has put in place an enterprise risk management ("**ERM**") framework to identify, monitor, measure and manage its risks. The ERM framework which includes the objectives, policies and procedures for risk management, will be regularly reviewed to ensure that such policies and measures continue to be relevant and are adequate to adapt to the changing business landscape.

Risk management is an integral part of strategic, operational and financial decision-making at all levels of the group. Perennial believes that a proactive approach towards risk management is more effective in attaining its business objectives and strategies, thereby creating and preserving value for shareholders of the Company ("**Shareholders**").

The board of directors of the Company ("**Board**") is responsible for governing risks and ensuring that the management team of the Company ("**Management**") maintains a sound system of risk management and internal controls to safeguard the Shareholders' interests and Perennial's assets. The Board's responsibilities include formulating the risk policies, overseeing Perennial's ERM framework, regularly reviewing Perennial's risk profile, key risks and mitigation strategies, affirming that Perennial's business plans and strategies accord with the risk appetite that Perennial undertakes to achieve its corporate objectives, and ensuring the effectiveness of risk management policies and procedures.

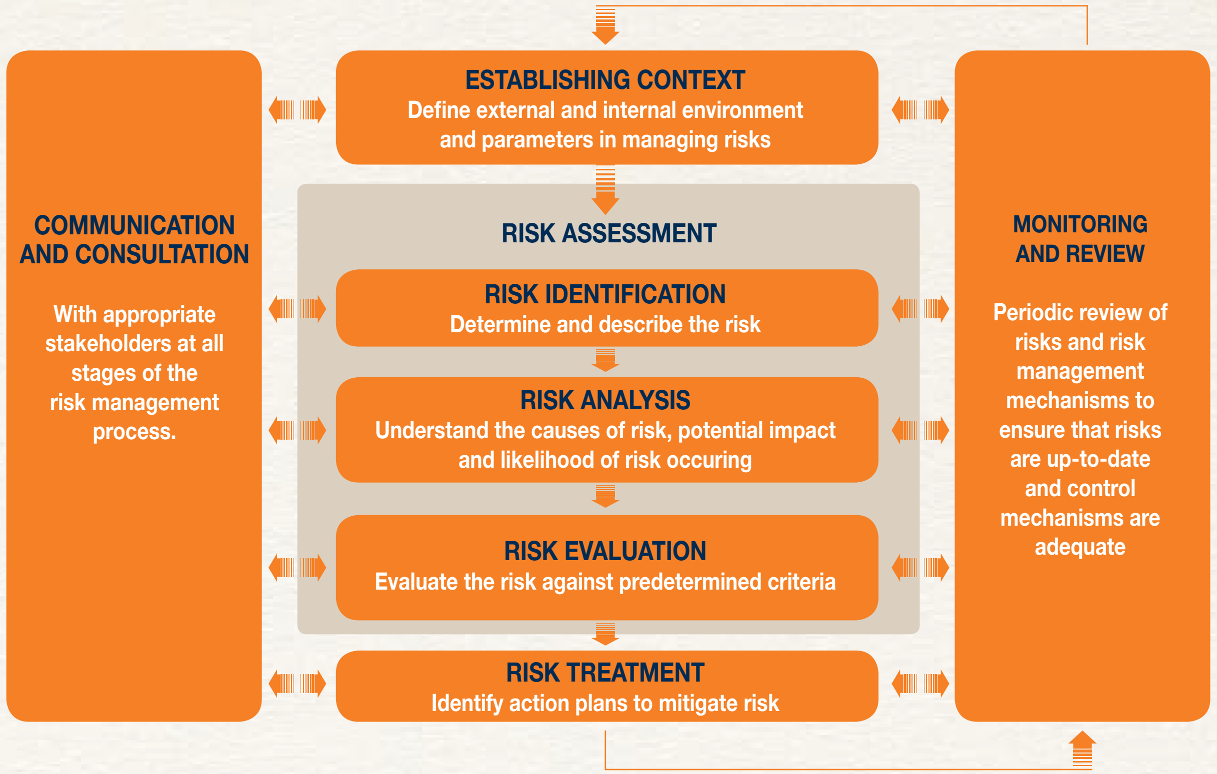
To assist the Board in its risk management oversight, the Audit and Risk Committee of the Company ("**ARC**") has been authorised by the Board to provide oversight and review on matters relating to Perennial's risk management policies and systems. The ARC is assisted by the Enterprise Risk Management Manager ("**ERM Manager**") and a team of risk owners in this aspect. The risk owners consist of various functional heads and managers at the asset level. On a quarterly basis, the risk owners report business and operational risks and highlight any probable risks to the attention of the ERM Manager. The ERM Manager is responsible for performing risk evaluation and monitoring all risks and risk management issues for reporting to the ARC.

RISK MANAGEMENT FRAMEWORK

Perennial is committed to ensuring that an effective and practical ERM framework is in place to safeguard the employees and assets, protect the Shareholders' interests, make informed decisions for intrinsic value creation and ultimately uphold and enhance Perennial's reputation amongst the stakeholders. The Chief Executive Officer and the Management are responsible for implementing and monitoring the development and practices of ERM across the group.

Perennial's ERM framework sets out a systematic and structured approach for the identification, assessment, evaluation, monitoring and reporting of risks in an integrated and consistent manner. In designing the ERM framework, Perennial has adapted and made reference to various industry risk management standards, such as ISO 31000 and the COSO framework, to ensure that the group is in line with the best practices. Assisted by the ARC, the Board provides valuable advice to the Management in formulating Perennial's ERM framework.

The diagram below outlines an overview of Perennial's ERM framework and process:



The five-step risk management process under Perennial's ERM framework consists of communication and consultation, establishment of context, risk identification and assessment, risk treatment as well as monitoring and review. The assessment process takes into account both the impact and likelihood of the risks occurring, and encompasses the financial, operational and reputational aspects of the risk impact. Tools such as risk ratings, risk profile, key risk indicators and risk registers are used as part of this process. Perennial's risk management process also extends downwards to the level of the group's assets, with the respective management team in charge of each asset being responsible for identifying, assessing, mitigating and managing the risks within each of their functional areas.

Perennial's risk profile, risk registers and all identified risks and controls will be reviewed annually by the Management and presented to the ARC and the Board. The annual review ensures that Perennial's risk profile remains relevant to its business environment and organisational structure.

Key risks are identified for closer monitoring by the Management and at the asset level, through the establishment of risk tolerance levels and key risk indicators to measure and monitor the exposures for such key risks. The ARC and the Board are also provided with quarterly risk management updates via a risk dashboard which showcases the status of key strategic risks, risk exposures and risk management action plans, any potential emerging risk or increase in risk exposures as well as areas that require immediate attention or pre-emptive actions.

The ERM framework and related risk management policies would be reviewed and, where appropriate, refined regularly by the Management, the ARC and the Board, taking into account changes in Perennial's business and operating environment. Perennial shall keep abreast of the latest developments and good practices in risk management through participation in seminars and interacting with field practitioners.

A robust internal control system and an effective, independent review and audit process are the twin pillars that underpin Perennial's ERM framework. While the Management is responsible for the design and implementation of effective internal controls using a risk-based approach, the internal audits conducted on the business operations provide a reasonable assurance to the ARC on the adequacy and effectiveness of the internal control system.

MANAGING KEY RISKS

Perennial undertakes a comprehensive approach in identifying, managing, monitoring and reporting key risks across the group. Such key risks include:

Macroeconomic Risk

Perennial's performance is highly dependent on the economies and the financial and property markets in which Perennial invests in. The developments in these economies may affect business sentiment towards real estate and property investment, thereby reducing revenue and potentially resulting in a downward revaluation of Perennial's assets. Market illiquidity during a financial crisis makes asset divestment challenging and the cost of financing is also higher during such times and this can affect Perennial's investment and strategic objectives and increase the holding cost of the investment asset. Perennial manages such risk by adopting a disciplined approach towards financial management, diversifying its investment portfolio across geographies and focusing on cities where the Management has a good understanding of the financial and property markets or in countries where it can leverage on the knowledge and experience of its sponsors, which comprise Mr. Kuok Khoon Hong, Mr. Ron Sim, Wilmar International Limited and Mr. Pua Seck Guan. The Management and asset level management teams vigilantly monitor the key global economic trends and the macro-economic environment of Perennial's investments. The Board is updated regularly on future economic trends and the impact of these trends on Perennial's existing and potential investments.

Investment Risk

Perennial manages investment risk through a disciplined approach of risk assessment and risk evaluation for each investment proposal. The assessment and evaluation include macro and project specific risks analysis, encompassing due diligence, feasibility studies and sensitivity analyses on key investment assumptions and variables. Each investment proposal is objectively evaluated to determine its compatibility with corporate strategy and investment objective. Potential investment proposals are also evaluated against a comprehensive set of investment parameters.

Risks of each proposal are highlighted and where possible, mitigation measures are proposed. Perennial's investment managers also stress-test the potential financial impact of different scenarios with sensitivity analyses and other relevant tools.

In addition, potential business and partnership synergies are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

All major investment and divestment proposals are submitted for the Board's deliberation and approval. Projects under development are tracked for progress updates and monitored for their investment performance.

Financial Risk

Financial risk management refers to the management of Perennial's ability to meet its financial obligations and mitigate its credit, liquidity, foreign exchange and interest rate risks. Perennial seeks to actively manage its financial risk exposure through established financial policies, such as Perennial's treasury policies and financial authority limits. These policies are reviewed periodically to incorporate changes in the operating and control environment.

Perennial actively monitors its debt maturity profile and cash flows to ensure adequate funding resources are available for investment and working capital. To manage liquidity risk, Perennial maintains an adequate level of cashflows to meet its working capital needs. It also maintains adequate loan facilities with financial institutions to enable it to draw on such facilities when required. In addition to bank lines, Perennial has expanded its sources of funding with the establishment of a S$2 billion multicurrency debt issuance programme in January 2015. As at 31 December 2015, Perennial has tapped S$100 million under this programme. Perennial has also tapped the retail bonds market in October 2015 to further diversify its sources of funding.

Perennial's credit risk arises mainly from the tenants of its properties and the financial institutions which it had placed its cash deposits with. Credit risk exposure from the tenants is managed by screening such

tenants for creditworthiness as well as the collection of security deposits upon signing of tenancy agreements. Perennial's surplus cash is placed with reputable and established financial institutions with sound financial positions (such as banks and finance companies in Singapore regulated by the Monetary Authority of Singapore), thus minimising the risk exposure.

Perennial continues to focus on improving its financial discipline, deploying its capital to earn the best risk-adjusted returns and maintaining a financially sound balance sheet to enable the group to seize appropriate business opportunities when they arise.

Project Development Risk

To manage project development risk, stringent pre-qualification procedures are in place to appoint well-qualified vendors with proven track records. Perennial adopts a proactive project management process through frequent and regular monitoring of the projects to ensure that construction progress are within expected timeline and budgeted cost. The Management and asset managers also make regular site visits to keep abreast of the projects' progress and any issues on the ground.

Fraud/Corruption Risk

Perennial is committed to the highest standard of integrity and has zero tolerance towards any fraud, corruption or bribery in the conduct of its business activities. In line with this commitment, Perennial has put in place a policy governing employees' code of conduct, corporate gift policy, grievance handling procedures, pre-employment screening and compliance and monitoring programme as part of its fraud risk management activities.

Perennial also maintains a whistle-blowing policy which provides employees with well-defined and accessible channels within the group through which they may, in confidence, raise concerns about possible improprieties in the conduct of business activities, financial reporting or other matters to the ARC. This arrangement facilitates independent investigation of such matters for appropriate resolution. The whistle-blowing policy is communicated to all employees of Perennial and employees are encouraged to report suspected wrongdoing, in confidence and without fear of reprisal.

Internal audits are also conducted to prevent and detect fraud risk.

Information Technology Risk

Perennial has implemented a set of controls and procedures to manage information technology ("**IT**") risks, including areas such as IT security, access controls and data security. High availability and resilience are built into all critical information systems. Perennial's IT systems and infrastructure are also constantly reviewed to proactively identify and mitigate risks. At the employee level, information security materials are put in place to educate employees of the prevailing risks when handling corporate data. To provide assurance on the effectiveness of Perennial's IT risk management, annual internal audits are conducted on the IT processes and systems to identify any lapses and to enhance Perennial's IT risk posture.

Compliance Risk

Compliance risks are risks arising from non-compliance with statutes and regulations, including applicable listing rules, data privacy and anti-corruption laws and regulations. Compliance risk may expose Perennial to penalties imposed by the regulators and/or legal actions with consequential adverse impact on the Shareholders' confidence and Perennial's reputation. Perennial has put in place a framework that proactively identifies applicable laws and regulatory obligations for its business and operating environment, and inculcates active compliance into the day-to-day operations across all assets. Other than ensuring compliance with applicable laws and regulations as well as the financial reporting and accounting standards, the Management also keep abreast of changes in the applicable laws and regulations through attending training sessions and seminars organised by the professional bodies. As and when required, Perennial consults its legal counsel or external professional advisors to seek clarification.

PROACTIVE RISK MANAGEMENT

The Management is committed to fostering a strong risk-awareness culture in Perennial, which encourages prudent risk-taking in decision-making and business processes. Besides the formalised guidelines, structured monitoring and reporting processes, and internal control systems, Perennial's human resource policy promotes good values and ethical behaviour which are key elements to an effective risk management system. Through close collaboration with Perennial's stakeholders, Perennial will continue to refine and improve its ERM framework, systems and processes to ensure that they remain adequate and effective. This will allow Perennial to capitalise on growth opportunities while managing the risks of a dynamic and challenging business environment.

Perennial Real Estate Holdings Limited ("**Perennial**") is committed to regular, effective, fair, timely and transparent communication with its shareholders ("**Shareholders**"), as well as analysts, fund managers, the media and various stakeholders (together, the "**Investment Community**"). To uphold these commitments, Perennial has a dedicated investor relations and corporate communication ("**IRCC**") team that reports to the Chief Executive Officer ("**CEO**") to effectively execute Perennial's IRCC Policy, a copy of which is made available on Perennial's website (www.perennialrealestate.com.sg).

The IRCC team proactively communicates with Shareholders and the Investment Community to keep them abreast of Perennial's strategic plans, financial and operating performance, and key developments. This will enhance Shareholders' understanding of Perennial and help investors to make informed investment decisions. It also allows management to better understand stakeholders' perception of Perennial.

All material and price sensitive information about Perennial is made publicly available via announcements, press releases and presentations issued through the SGXNET and also made available on Perennial's website. With the proliferation of mobile devices, Perennial's website was upgraded with mobile responsive capability so as to enhance the Shareholders' and Investment Community's ease of access to online information on Perennial. Shareholders and the Investment Community can also subscribe to email alerts via the website to be updated on the latest announcements and events.

As part of Perennial's structured IRCC programme, the IRCC team engages regularly with Shareholders and the Investment Community via various platforms and channels. These include emails, conference calls, one-on-one meetings, group meetings, luncheons and conferences. Perennial is also a participating company in the Securities Investors Association (Singapore) Shareholder Communication Services Programme to further augment its outreach to existing and potential retail Shareholders. Site visits are also conducted for Shareholders and the Investment Community to gain insights into the operations and development progress of Perennial's Singapore and China assets.

In 2015, Perennial privatised Perennial China Retail Trust via a Voluntary Offer ("**VO**") exercise. During the VO period, Perennial's management and the IRCC team conducted a series of one-on-one and group meetings to explain the transaction rationale and address unitholders' feedback. The IRCC team also promptly addressed any queries raised by unitholders' through email and telephone.

At statutory meetings with Shareholders, such as Annual General Meeting and Extraordinary General Meeting ("**EGM**"), the full Board of Directors, CEO and key management team have been present to engage with Shareholders and attend to their queries. In addition to financial results briefings, Perennial also conducts ad-hoc briefings to update the analysts and the media on major corporate announcements. On 3 July 2015, following Perennial's announcement that it was expanding its business into the healthcare industry in China, a combined analysts and media briefing was hosted to explain the rationale and growth potential of the newly adopted strategy, and to address any concerns from the Investment Community.


EGM at Capitol Theatre


Mr. Pua engaging with Shareholders

Perennial believes that a comprehensive IRCC programme, coupled with strong corporate disclosure and governance standards, maximises shareholder value. Perennial's management and the IRCC team will continue to actively engage the Investment Community, uphold a high standard of disclosure and governance practices and intensify its IRCC and media-related activities in 2016.

Perennial started trading on the Mainboard of the Singapore Exchange under the stock symbol 40S with effect from 26 December 2014. As at 31 December 2015, Perennial's closing share price was S$0.955, translating to a total market capitalisation of S$1.58 billion.

A first and final dividend of 0.4 Singapore cents was declared for the period from 1 July 2014 to 31 December 2015.

FINANCIAL CALENDAR

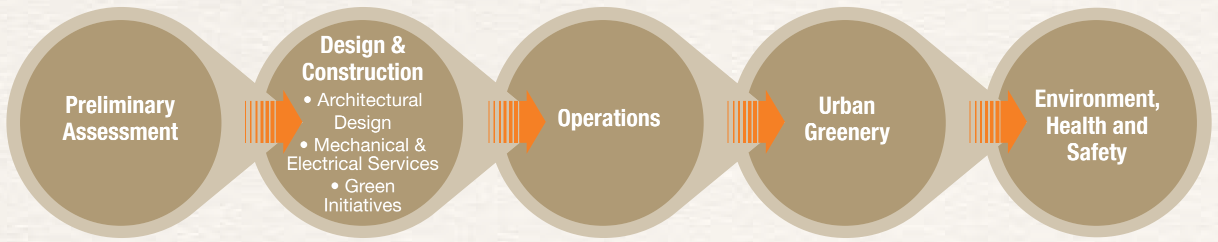
Events	Financial Period for the Six Quarters (*1 July 2014 to 31 December 2015*)
First Quarter Results Announcement[1]	Not Applicable
Extraordinary General Meeting	10 October 2014
Second Quarter Results Announcement[2]	13 February 2015
Third Quarter Results Announcement	8 May 2015
Fourth Quarter Results Announcement	4 August 2015
Extraordinary General Meeting	8 October 2015
Fifth Quarter Results Announcement	6 November 2015
Sixth Quarter Results Announcement	4 February 2016
Annual General Meeting	25 April 2016
Books Closure Date	6 May 2016
Proposed Payment of 2015 First and Final Dividend	20 May 2016

Events	FY2016 (*1 January 2016 to 31 December 2016*) (Tentative)
First Quarter Results Announcement	May 2016
Second Quarter Results Announcement	August 2016
Third Quarter Results Announcement	November 2016
Fourth Quarter Results Announcement	February 2017

1 This period was before the reverse takeover ("**RTO**") of St. James Holdings Limited ("**St. James**").
2 Perennial completed the RTO of St. James on 27 October 2014 and its real estate business commenced the next day on 28 October 2014.

We aspire to build a sustainable 'Work, Live and Play' environment through adopting green construction methods, supporting the adaptive reuse of buildings, active recycling, minimising energy and water consumption, and reducing carbon emission and waste production to maximise Perennial's green footprint.

In the acquisition, construction, enhancement and management of all of our properties, we conduct a comprehensive evaluation process which covers the scope of preliminary assessment, design and construction, operations, urban greenery and environment, health and safety.

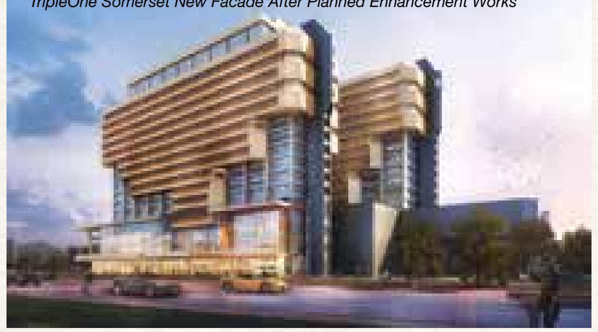


PRELIMINARY ASSESSMENT

Whenever new properties are added to our portfolio and value enhancement works are explored, our priority is to identify the 'green' potential of these buildings and support the reuse of existing building structures, such as beams, columns, slabs and façade, rather than complete demolition and reconstruction.

The adaptive reuse approach not only provides environmental benefit, but also preserves the building's heritage and character, providing the community with a glimpse of the past. This method was applied when refurbishment and conservation works were carried out at Chinatown Point, Capitol Singapore and CHIJMES. The same approach will be undertaken for the enhancement works planned at TripleOne Somerset and AXA Tower.

TripleOne Somerset New Facade After Planned Enhancement Works



Artist's Impression. Picture may differ from the actual view of the completed property.

DESIGN AND CONSTRUCTION

When developing our projects, we endeavour to align with the best practices and sustainable guidelines in the areas of architectural design, mechanical and electrical ("**M&E**") services, and green initiatives.

In Singapore, our projects are benchmarked against the Building Construction Authority's ("**BCA**") Green Mark criteria. Capitol Singapore was awarded the BCA Green Mark Gold Plus post-development, whilst Chinatown Point and CHIJMES were both awarded the BCA Green Mark Certification post-asset enhancement.

Architectural Design

At the design conceptualisation stage, some of our key design considerations include: (i) the ease of commuters' access to the building via various public transport modes; (ii) the orientation of the building and its envelope design to reduce air conditioning and/or heating requirements and maximise the usage of daylight as a natural light source.

As most of our developments are in close proximity to subway stations, underground and/or sheltered above-ground pedestrian link ways are constructed, if permissible, to further enhance commuters' usage of subway as a mode of transport.

Where feasible, we also incorporate the use of recycled construction materials, and environmentally-friendly adhesives and paints in our construction and redevelopment works.

These architectural design considerations have been and will be adopted in our Singapore and China developments, such as Capitol Singapore, TripleOne Somerset, AXA Tower and Chinatown Point in Singapore, and Perennial Qingyang Mall in Chengdu, Perennial Jihua Mall in Foshan, Shenyang Longemont Shopping Mall, Shenyang Longemont Offices and Shenyang Red Star Macalline Furniture Mall in China.

To optimise indoor temperature at our developments, simulation software is used to model heat load requirements and low-emissivity double glazed glass is installed to control temperature loss. These measures resulted in lower cooling and heating requirements at Capitol Singapore and Perennial Qingyang Mall respectively.

Capitol Singapore's design maximises daylight usage as a natural light source to reduce lighting requirements.

M&E Services

As ventilation and air-conditioning systems consume a considerable amount of energy, the design of a building's air conditioning systems and its envelope detailing, and the selection of high-performance energy efficient chillers are reviewed critically.

The installation of energy-efficient lightings and vertical transportation systems, coupled with the usage of an automated building management system, further optimises the operational efficiency of major M&E systems, including chillers, ventilation fans, lifts and lightings.

Properties within our portfolio, such as AXA Tower, Capitol Singapore, CHIJMES and TripleOne Somerset, are fitted with energy-efficient fluorescent and LED lamps. At Capitol Singapore, motion sensor lightings have been installed along the stairways, whilst its lifts have built-in variable voltage variable frequency drivers, which draw less current when accelerating and decelerating, thus reducing overall energy consumption.

CHIJMES uses energy-efficient lighting to reduce overall energy consumption.

To improve water efficiency at our properties, sanitary fittings with auto flush mechanism which are certified under the Water Efficiency Labeling Scheme are installed. In addition, private meters are installed to monitor water consumption to ensure that they are within acceptable levels. At the residential and hotel components of Capitol Singapore, dual low capacity flushing cisterns were fitted to further reduce water usage.

Green Initiatives

Some of the green initiatives pursued at our developments to reduce carbon emissions include the installation of car park guidance systems and the provision of electric car charging stations and bicycle parking lots. These initiatives are in line with the Sustainable Singapore Blueprint 2015 to create a more liveable and sustainable city.

The installation of a car park guidance system provides drivers with real time information on the number and location of available lots thus substantially reducing the time taken by the driver to look for a parking space and consequently cutting down on car exhaust emissions from vehicles within the car park. At Perennial Qingyang Mall, a smart phone application has also been launched to facilitate shoppers' search for available parking lots.

Currently, bicycle parking lots are conveniently located within the car parks of AXA Tower and TripleOne Somerset. Capitol Singapore and TripleOne Somerset also have in place designated electric vehicle charging stations.

In support of the annual global 'Earth Hour' campaign, TripleOne Somerset joined hands with its tenants to raise awareness on climate change and environmental issues by switching off the lights for one hour on 28 March 2015.

OPERATIONS

At Perennial's operating properties, the monthly consumption of electricity and water are monitored, tracked and reported to management on a regular basis. Recycling bins are also conveniently placed at strategic locations within the buildings to encourage proper disposal of waste materials.

We proactively encourage our tenants to use environmentally-friendly products which are certified by the relevant certification authority, including partitions, furniture, carpets, wall coverings and paint, in the renovation of their premises. Tenants are also advised to install energy-efficient lightings to minimise energy consumption.

At Perennial Qingyang Mall, shoppers receive electronic brochures and digital shopping vouchers in place of paper marketing materials. The introduction of the electronic parking system at Perennial Jihua Mall eliminated the printing of paper receipts via the traditional parking receipt issuance system. These initiatives not only lowered the malls' operating costs, but also minimised the usage of paper-based products.

URBAN GREENERY

We take pride in creating a clean and green environment at our developments. At CHIJMES, extensive landscaping works were carried out which involved the preservation of existing trees and planting of new trees to provide good sun shading. At other properties, such as Capitol Singapore, TripleOne Somerset, AXA Tower, Perennial Jihua Mall and Perennial Qingyang Mall, green roof gardens and sky terraces were introduced to provide our stakeholders with the much needed green spaces in the increasingly built-up urban environment.

Shoppers at Perennial Qingyang Mall spending quality time with their family at the mall's green roof garden.

ENVIRONMENT, HEALTH AND SAFETY

Creating a healthy and safe workplace environment for our people remains a top priority. We have established a framework for Perennial staff, where safety risks involved in the execution of daily operations are communicated and various control measures are put in place to minimise workplace injuries.

When accidents are reported to the respective property management offices, Perennial staff have been guided to focus on the injured. For all accidents, the details are comprehensively recorded and the incidents thoroughly investigated to prevent recurrence where possible.

We work closely with all of our stakeholders to create a safe work environment. Stakeholders at our properties are required to participate in the bi-annual fire drill exercises. In addition, tabletop exercises are also conducted twice a year, where we attend the meetings together with the tenants and fire safety managers to discuss and review the fire safety requirements of the respective buildings.

Separately, our main contractors are selected based on their proven track records and having the relevant professional certifications, such as OHSAS 18001 and ISO 14001, to heighten on-site safety assurance and align with our goal to minimise environmental footprint.

Staff of Perennial Qingyang Mall with the children in Meigu County as part of the 'Give The Children a Warm Winter' campaign.

We are strong advocates of contributing back to the communities in which we live and operate. As an integrated real estate and healthcare company, our strategically-located and easily-accessible developments are excellent community spaces to bring the community together to further our corporate social responsibility ("**CSR**") goals. For the period from 28 October 2014 to 31 December 2015, our CSR initiatives focused on two key themes, being (1) Collaborating with the Community for the Community and (2) Empowerment through Education, the Arts and Culture.

Collaborating with the Community for the Community

We believe in engaging the community in our CSR efforts and encourage our staff to actively participate in the events that we champion for the community.

In November 2014, Perennial Qingyang Mall launched the 'Give The Children a Warm Winter' campaign to collect warm winter clothing for the children who are residing in the rural parts of Chengdu (in the areas of Meigu, Puge and Ganluo Counties).

The project received an overwhelming response from the community living in the vicinity of Perennial Qingyang Mall and a number of corporate sponsors. At the end of the campaign, Perennial staff volunteers delivered donations of cash and more than three truckloads of winter clothing to over 1,000 families. The volunteers also spent the day interacting with the children through a series of fun and engaging activities. Following the huge success of the initiative, the project was re-launched in November 2015. Similarly, the project received very strong support from the community, with over 500 pieces of warm winter clothing collected and delivered to the beneficiaries by Perennial staff volunteers.

Over at Shenyang, staff from Shenyang Longemont Shopping Mall held community outreach programmes to help two local primary schools in Liaoning Province set up their library facility and put together a collection of library books.

During the first outreach programme held in March 2015 for Libeigou Primary School, a total of 500 books were collected. In addition, equipment such as computers and printers, were donated to the school by the community. A second programme was held in September 2015 for Liqianhu Primary School and more than 2,000 books of different genres, ranging from biographies and science, to fiction and other non-fiction books, were donated to the school's newly set up library.

Staff of Shenyang Longemont Shopping Mall receiving a token of appreciation from students of Liqianhu Primary School for helping to set up the library in the school.

In Singapore, CHIJMES, which had its beginnings as a Convent of the Holy Infant Jesus ("**CHIJ**") school, orphanage and home for abandoned babies, was a venue sponsor for a charity show put up by former CHIJ students, where the proceeds were donated to the Infant Jesus Homes and Children's Centre ("**IJHCC**"). IJHCC is an orphanage which originated from CHIJMES.

CHIJMES also collaborated with Privilege Enterprise Group Holdings Pte Ltd ("**PEG**"), a social enterprise which helps the underprivileged, low income and single mums find employment opportunities, by providing them with an opportunity to operate the festive booths at the CHIJMES Christmas Market. Half of the net sale proceeds from the Christmas Market were donated to PEG.

CHIJMES Christmas Market

Separately, Chinatown Point helped raise funds for the Kreta Ayer-Kim Seng Elderly Care Centre during the Lunar New Year season through the 'Make-A-Wish' project, where shoppers can buy S$2 wishing cards, write their wishes and hang their cards on a Wishing Tree set up at the outdoor plaza of the mall. All proceeds raised were donated to the elderly care centre.

Charity Wishing Tree at Chinatown Point

Charity Night in support of Community Chest

Empowering through Education, the Arts and Culture

Recognising the real estate industry as one of the key sectors of Singapore's vibrant economy, Perennial is committed to developing a pool of competent professionals for the industry. In May 2015, Perennial, in collaboration with the National University of Singapore ("**NUS**") Real Estate School, launched the NUS-Perennial Scholarship. The scholarship is offered to students who are keen to pursue a career in the real estate industry, and are selected based on their academic performance, exceptional personal attributes and track record in extra-curricular activities

In addition to empowering the community through education, we are dedicated to promoting the arts and culture to the community. The opportunity to appreciate and enjoy the arts and culture should be made available to all segments of the community. In line with our efforts towards conservation of heritage developments, we also support activities that enhance the community's understanding of culture and cultural heritage as they give us a sense of belonging and provide us with insights on the past.

In June 2015, Perennial organised and hosted the 'Charity Night of Singapura: The Musical' at the newly restored Capitol Theatre as part of the company's initiatives to mark Singapore's 50th birthday ("**SG50**"). Perennial donated over S$107,000 in cash and in-kind contributions and helped to raise close to S$103,000 from its corporate partners for the more than 80 charities under the Community Chest. More importantly, the musical charity night provided over 400 Community Chest's youth beneficiaries and volunteers with an opportunity to watch a musical, many of whom never had a chance prior to this event.

Buildings | Memories Event – Charity Screening of 7 Letters

In August 2015, Perennial partnered Lianhe Zaobao ("**LHZB**") and Lianhe Wanbao ("**LHWB**") to jointly organise the 'Buildings | Memories Event – Charity Screening of 7 Letters' at the Capitol Theatre. The event, which highlights the importance of the conservation of the heritage buildings, also tied in with Singapore's SG50 celebrations. Readers of LHZB and LHWB had to submit their personal or their parents' recollection of memories at Capitol Theatre. The selected stories were put together for a week-long exhibition at Capitol Singapore and the contributors of the selected stories received tickets to attend the movie screening of '7 Letters', an SG50 film. Patrons who attended the screening were encouraged to donate to the charities adopted by the producers of the film.

Our developments in Singapore were also venue sponsors for numerous art and cultural activities, ranging from SG50-related movie screenings of '7 Letters' and '1965', and the musical production 'Singapura: The Musical', to public exhibitions such as the '50 Years of Singapore Foreign Policy Exhibition', 'Portraits of the People Campaign', 'Dr Lim Boon Keng Exhibition', 'Spotlight on Singapore Cinema Exhibition', and 'Singapore's Economic Miracle Exhibition'.

Capitol Singapore collaborated with SPRING Singapore in the 'Singapore's Economic Miracle Exhibition', an SG50 event organised by the SG50 Economic and International Committee.

At Perennial, our people are our most valuable assets and are fundamental to delivering sustainable long-term growth. Developing our people and cultivating a motivated and engaged workforce is one of our top priorities. Our human capital strategy is focused on enhancing skills and leadership capabilities, creating a conducive and positive workplace environment to attract and retain talent, and rewarding our people fairly and competitively based on their performance.

TALENT MANAGEMENT

Developing a robust talent pool is fundamental to support Perennial's business growth plans, augment its management bench strength and support its succession planning.

We actively seek dynamic and talented people to join the team and conscientiously recruit people at different points in their careers, from fresh graduates to young, mid-career professionals and industry veterans, to ensure a good depth and breadth in our talent pool.

To better support the pipeline for young talents and grow our internal talent pool, we launched the 'Perennial Real Estate Graduate Associate Programme' with the objective to develop promising young talents who will grow their careers with Perennial, and in time, assume key roles within the company.

TALENT AND CAREER DEVELOPMENT

We are committed to provide our people with engaging work that develops them on the personal and professional levels and provides them with continuing learning opportunities. To enable our people to take on larger roles as they grow with us, we advocate internal mobility, job rotations, cross-functional projects and other experiential learning opportunities across the company. Between 28 October 2014 to 31 December 2015, about 10%

Informal Staff Briefing Session over Lunch of the available positions in the company were filled by internal transfers within different departments.

As part of career planning and development management, annual performance reviews are conducted where employees discuss their work performance, possible career moves, training plans and future aspirations with their supervisors. The annual performance review exercise also serves as a platform to facilitate the:

a) creation of development paths that match our people's strengths and aspirations to develop suitable careers that dovetail with our business needs;

b) identification of promising individuals who can be groomed to take on expanded and/or leadership roles in Perennial.

In a dynamic business environment, it is important that our people's skill sets and expertise remain relevant and are ahead of our industry peers. Our people regularly attend seminars, workshops and skills programmes to enhance their expertise and knowledge in their areas of work. Between 28 October 2014 and 31 December 2015, our people attended seminars and training programmes in areas such as accounting, corporate governance, environmental sustainability in buildings and the green mark scheme, fire safety and taxation.

In Singapore, in-house training programmes were conducted by internal specialists on topics such as 'Interested Party Transactions' and 'Tenancy Design Trends and Guidelines on Kiosks and Shop-fronts'. In China, external 'Grooming and Makeup' training courses were organised for our front-line Customer Service Officers. Sponsorships were also awarded to eligible employees to pursue diploma or professional certification programmes.

Singapore-based team's study trip to China in 2015

We continued to invest in our signature learning and development programme, an annual overseas learning trip which provides our people from different markets with an opportunity to network and gain insights into emerging trends and interesting concepts for large scale integrated projects beyond their country of operation. For the period from 28 October 2014 to 31 December 2015, study trips were organised for the Singapore-based team to visit China and the China-based team to visit Singapore.

REWARDING PERFORMANCE

To promote a high-performing workforce, we embrace a performance-based system that provides competitive compensation and benefits. To ensure that we continue to attract and retain talent, regular salary reviews, benchmarked against other peers and industries that are relevant to the markets that we operate in, are conducted to ensure that the annual remuneration package remains competitive.

In 2015, Perennial implemented the Employee Share Option Scheme 2014 which is designed to motivate our people to strive for sustained long-term growth and better align our people's incentives with shareholders' interests.

ALIGNING PROCESSES TO REGULATORY CHANGES

We continuously strive to raise the standards of efficiency, governance and service excellence for the benefit of our employees. In 2015, our human resource processes and policies were reviewed and aligned to the latest changes in the Employment Act, Employment Fair Practices guidelines and Personal Data Protection Act.

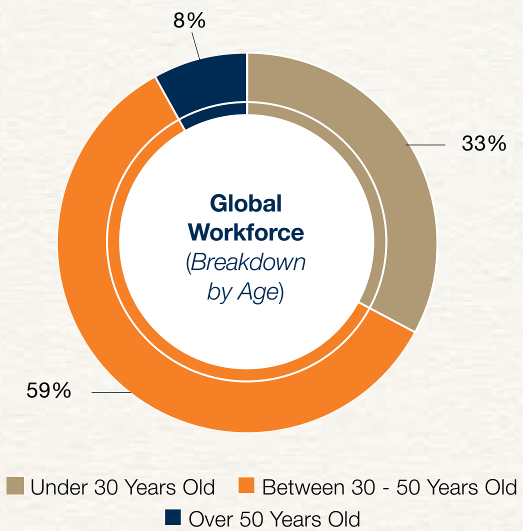
PROMOTING EQUALITY AND DIVERSITY

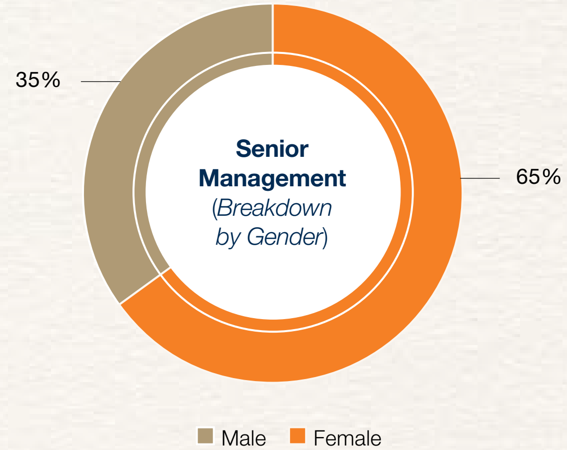
We believe in providing equal employment opportunities, upholding fair employment practices, and ensuring that all job applicants are treated fairly regardless of ethnicity, age or gender.

While Perennial's operations span different countries where labour laws, regulations and practices differ widely, we are committed to a high standard of human resource management globally. We abide by local laws in the countries that we operate, including abiding by and exceeding minimum wage requirements where such laws exist.

In 2015, 59% of our global workforce was between the age of 30 and 50, 33% under 30 years old and 8% over 50 years old.

Our workforce comprises an almost equal proportion of male and female employees. The female employees are well represented at the middle and senior management levels. As at 31 December 2015, female executives comprised about 65% of senior management[1].





1 Senior management comprises those holding Vice President positions and above.

Off-site team building retreat at Sichuan Kangding

ENGAGING OUR PEOPLE

We practise an open-door policy, where employees are encouraged to provide their feedback and raise concerns relating to any aspects of employment directly to management or the human resources department. This open line of communication is essential as it allows employees to obtain a fair review and prompt response so that any issues are addressed expediently.

We believe that a positive workplace environment helps bring out the best in our people. Regular recreational and team building events, such as lunch time talks, bowling tournaments and year-end staff gatherings, were organised to foster organisational cohesiveness and teamwork. An off-site team building retreat was also conducted for more than 30 team members of the Shanghai Headquarters and Perennial International Health and Medical Hub at Sichuan Kangding (四川康定).


All smiles after a fun-filled evening pitting their skills over bowling

STATUTORY ACCOUNTS

Period from 1 July 2014 to 31 December 2015

CONTENTS

We are pleased to submit this annual report to the shareholders of the Company together with the audited financial statements for the financial period from 1 July 2014 to 31 December 2015.

In our opinion:

(a) the financial statements set out on pages 186 to 256 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the period from 1 July 2014 to 31 December 2015 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kuok Khoon Hong	(Appointed on 27 October 2014)
Ron Sim	(Appointed on 27 October 2014)
Chua Phuay Hee	(Appointed on 27 October 2014)
Eugene Paul Lai Chin Look	(Appointed on 27 October 2014)
Lee Suan Hiang	(Appointed on 27 October 2014)
Pua Seck Guan	(Appointed on 27 October 2014)
Ooi Eng Peng	(Appointed on 28 July 2015)

CHANGE OF COMPANY NAME

During the financial period, the Company changed its name from St. James Holdings Limited to Perennial Real Estate Holdings Limited.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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 is expected to be completed on or about 27 July 2016.

Except for the above and the disclosure under the "directors' interests in shares or debentures" and "share options" sections of this report, neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares, debentures of, and share options in the Company and in related corporations are as follows:

	Direct interest		Deemed interest	
Name of director and corporation in which interests are held	Holdings at beginning of the financial period/ date of appointment	Holdings at end of the financial period	Holdings at beginning of the financial period/ date of appointment	Holdings at end of the financial period
The Company				
Ordinary shares				
Kuok Khoon Hong (1)	–	–	635,421,952	978,270,066
Ron Sim (2)	118,832,730	252,365,164	–	2,059,035
Lee Suan Hiang (3)	–	200,000	–	200,000
Pua Seck Guan (4)	524,225	824,225	482,129,774	808,111,302
Ooi Eng Peng	78,634	78,634	–	–
Perennial Employee Share Option Scheme 2014				
Chua Phuay Hee	–	500,000	–	–
Eugene Paul Lai Chin Look	–	500,000	–	–
Lee Suan Hiang	–	500,000	–	–
Pua Seck Guan	–	5,100,000	–	–
$300 million 4.65% per annum Retail Bonds due 2018				
Kuok Khoon Hong	–	–	–	20,500,000

Notes:

(1) Mr. Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd., Perennial (Capitol) Holdings Pte. Ltd., HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited through Madam Yong Lee Lee (spouse of Mr. Kuok Khoon Hong) and through Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.

(2) Mr. Ron Sim's direct interests include the Shares held through bank nominees. Mr. Ron Sim is deemed interested in the Shares held by Madam Teo Sway Heong (spouse of Mr. Ron Sim).

(3) Mr. Lee Suan Hiang's deemed interest in the Shares arises from the Shares held through bank nominees.

(4) Mr. Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd. and Perennial (Capitol) Holdings Pte. Ltd.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr. Kuok Khoon Hong, Mr. Ron Sim and Mr. Pua Seck Guan are deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

Except as disclosed in this statement, no director who held office at the end of the financial period had interests in shares or debentures of or share options of the Company, either at the beginning of the financial period, or date of appointment if later, and at the end of the financial period.

There was no change in the directors' interest in the shares or debentures of or share options of the Company between the end of the financial period and 21 January 2016.

SHARE OPTIONS

St. James Share Option Scheme (the "Scheme")

The Scheme which was approved by shareholders of the Company on 28 January 2003 and 22 October 2013, was cancelled on 21 October 2014 following the adoption of Perennial Employee Share Option Scheme 2014. The Scheme had 360,000 outstanding options with expiry date on 25 October 2014. As at 31 December 2015, all the outstanding options under the Scheme have lapsed.

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 2014, of which the rules were set out in a circular to shareholders dated 18 September 2014, was approved by shareholders of the Company at an EGM held on 10 October 2014.

Under the rules of the Perennial ESOS 2014, all directors (including non-executive and independent directors) and employees of the Company and its subsidiaries are eligible to participate in the Perennial ESOS 2014. Controlling shareholders are also eligible to participate in the Perennial ESOS 2014 subject to the approval of independent shareholders in the form of separate resolutions for each participant.

Under the Perennial ESOS 2014, the option entitles eligible participants to subscribe for ordinary share in the Company at a price equal to the volume-weighted average price of the Company's shares on Singapore Exchange Securities Trading Limited ("SGX-ST") for the three consecutive trading days immediately preceding the Date of Grant of that Option ("Market Price") or at a discount to the Market Price (up to a maximum 20%).

The maximum number of shares (in respect of the options) that may be granted under the Perennial ESOS 2014, after taking into account of (i) the total number of new shares allotted and issued and/or to be allotted and issued (exclude treasury shares) pursuant to options granted under the Perennial ESOS 2014; and (ii) the total number of shares subject to any other share option or share incentive schemes of the Company, shall not exceed 15% of the total number of issued shares, provided always that all number of shares available to each controlling shareholder or each of their associates shall not exceed 10% of the shares available under the Perennial ESOS 2014.

The Remuneration Committee ("RC") is charged with the administration of the Perennial ESOS 2014 in accordance with the rules of the Perennial ESOS 2014. The number of options to be awarded to a participant is dependent on job grade level, performance and criticality to the long-term growth and profitability of the Group.

On 15 May 2015, the Company granted options to certain directors and employees of the Group to subscribe for a total of 15,590,000 shares at $1.07 per share (based on Market Price). All options granted under the Perennial ESOS 2014 are valid for a term of 5 years from the date of their grants and are exercisable in the following manner for eligible participants who have been in employment with more than 12 months services as at date of grant:

- After 1st anniversary of the date of grant – 25% of options granted
- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted

SHARE OPTIONS (continued)

For eligible participants who have been in employment with less than 12 months services as at date of grant:

- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted
- After 4.5th anniversary of the date of grant – 25% of options granted

On 8 October 2015, the Company also granted 5,100,000 options at $0.95 per share (based on Market Price) to Mr. Pua Seck Guan with the same validity and vesting periods. As at 31 December 2015, the total number of outstanding options under the grant was 20,590,000.

At the end of the financial period, details of the options granted on the unissued ordinary shares of the Company are as follows:

Unissued Shares under the Scheme

Date of grant	As at 1/7/2014 '000	No. of options granted during the period '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2015 '000	Exercise price per share $	Validity period
26/10/2009	360	–	(360)	–	–	0.15	26/10/2010 – 25/10/2014

Unissued Shares under the Perennial ESOS 2014

Date of grant	As at 1/7/2014 '000	No. of options granted during the period '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2015 '000	Exercise price per share $	Validity period
15/5/2015	–	15,590	(100)	–	15,490	1.07	16/5/2016 – 15/5/2020
8/10/2015	–	5,100	–	–	5,100	0.95	9/10/2016 – 8/10/2020
Total	–	20,690	(100)	–	20,590		

The number of options granted during the period represents 1.25% of the total number of shares issued as at 31 December 2015.

During the financial period, except as disclosed in the statement, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries;

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and

(iii) no options that entitle the holders to participate, by virtue of the options, in any share issue of any other corporation have been granted.

SHARE OPTIONS (continued)

The information on directors participating in the Perennial ESOS 2014 is as follows:

Name of directors	Aggregate options granted during the financial period '000	Aggregate options granted since commencement of the option scheme to 31/12/2015 '000	Aggregate options exercised since commencement of the option scheme to 31/12/2015 '000	Aggregate options lapsed since commencement of the option scheme to 31/12/2015 '000	Aggregate options outstanding as at 31/12/2015 '000
Chua Phuay Hee	500	500	–	–	500
Eugene Paul Lai Chin Look	500	500	–	–	500
Lee Suan Hiang	500	500	–	–	500
Pua Seck Guan	5,100	5,100	–	–	5,100
Total	6,600	6,600	–	–	6,600

AUDIT COMMITTEE

The Audit and Risk Committee ("ARC") comprises four independent directors. The members of the ARC during the period and at the date of this statement are:

Ooi Eng Peng (Chairman)	(Appointed as Member on 28 July 2015)
	(Appointed as Chairman on 5 February 2016)
Chua Phuay Hee	(Appointed as Chairman on 28 October 2014)
	(Stepped down as Chairman and remains as Member with effect from 5 February 2016)
Eugene Paul Lai Chin Look	(Appointed as Member on 28 October 2014)
Lee Suan Hiang	(Appointed as Member on 28 October 2014)

The ARC carried out its functions in accordance with Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance 2012.

The ARC has held four meetings since the completion of the proposed initial acquisition (as defined in the Company's circular dated 18 September 2014). In performing its functions, the Audit Committee has met with the Company's external and internal auditors.

The ARC also reviewed the following:

- annual audit plans and scope of work of the internal and external auditors;
- results of the internal and external audit procedures;
- evaluation of the Group's internal accounting control system;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

AUDIT COMMITTEE (continued)

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The ARC also recommends the appointment and re-appointment of the external auditors and reviews the level of audit and non-audit fees.

The ARC has conducted an annual review of the non-audit services provided by KPMG LLP and is satisfied that such services did not affect their independence as external auditors of the Company.

The ARC has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

At the Annual General Meeting held on 21 October 2014, KPMG LLP was appointed in place of Ernst & Young LLP as auditors of the Company on the completion of the proposed initial acquisition (as defined in the Company's circular dated 18 September 2014).

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Pua Seck Guan
Director

8 March 2016

Members of the Company
Perennial Real Estate Holdings Limited
(formerly known as St. James Holdings Limited)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the period from 1 July 2014 to 31 December 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 186 to 256.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the period from 1 July 2014 to 31 December 2015.

Other matter

The financial statements of Perennial Real Estate Holdings Limited and its subsidiaries for the year ended 30 June 2014 were audited by another auditor whose report dated 25 September 2014 expressed an unmodified opinion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 March 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	Note	Group 31/12/2015 $'000	Group 30/6/2014 $'000	Company 31/12/2015 $'000	Company 30/6/2014 $'000
Non-current assets					
Plant and equipment		2,106	1,685	–	–
Investment properties	5	2,290,806	–	–	–
Subsidiaries	31	–	–	2,414,374	172
Associates and joint ventures	6	1,975,113	–	–	–
Intangible assets and goodwill	7	88,104	–	–	–
Other financial assets	8	53,956	–	48,037	–
Trade and other receivables	9	15,401	1,840	–	–
		4,425,486	3,525	2,462,411	172
Current assets					
Properties under development	10	1,756,442	–	–	–
Inventories		–	885	–	–
Trade and other receivables	9	106,310	1,581	52,511	1,303
Cash and cash equivalents	11	162,030	2,730	26,545	1,167
		2,024,782	5,196	79,056	2,470
Total assets		6,450,268	8,721	2,541,467	2,642
Non-current liabilities					
Loans and borrowings	12	1,741,404	–	297,326	–
Junior bonds	13	143,924	–	–	–
Redeemable preference shares	14	47,613	–	–	–
Trade and other payables	16	35,374	2,076	–	–
Deferred tax liabilities	17	59,394	–	–	–
		2,027,709	2,076	297,326	–
Current liabilities					
Loans and borrowings	12	170,256	–	–	–
Trade and other payables	16	364,693	5,201	21,455	1,083
Current tax liabilities		5,217	95	–	–
		540,166	5,296	21,455	1,083
Total liabilities		2,567,875	7,372	318,781	1,083
Net assets		3,882,393	1,349	2,222,686	1,559
Equity					
Share capital	18	2,195,373	27,803	2,195,373	63,995
Other reserves	19	448,658	251	1,623	215
Foreign currency translation reserve	19	70,766	–	–	–
Retained earnings/(Accumulated losses)		79,402	(26,973)	25,690	(62,651)
Equity attributable to owners of the Company		2,794,199	1,081	2,222,686	1,559
Non-controlling interests	20	1,088,194	268	–	–
Total equity		3,882,393	1,349	2,222,686	1,559

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Period from 1 July 2014 to 31 December 2015

	Note	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Revenue	21	139,429	19,316
Cost of sales		(51,935)	(6,342)
Gross profit		87,494	12,974
Other income	22	112,613	3,235
Administrative expenses		(42,190)	(15,791)
Other operating expenses		(825)	(6,089)
Results from operating activities		157,092	(5,671)
Finance income		5,688	5
Finance costs		(74,141)	(84)
Net finance costs	23	(68,453)	(79)
Share of results of associates and joint ventures, net of tax		39,789	(221)
Profit/(Loss) before tax		128,428	(5,971)
Tax (expense)/credit	25	(17,294)	52
Profit/(Loss) for the period/year	24	111,134	(5,919)
Profit/(Loss) for the period/year attributable to:			
Owners of the Company		79,040	(6,044)
Non-controlling interests		32,094	125
		111,134	(5,919)
Earnings/(Loss) per share (cents)			
Basic	27	6.85	(1.58)
Diluted	27	6.85	(1.58)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 July 2014 to 31 December 2015

	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Profit/(Loss) for the period/year	111,134	(5,919)
Other comprehensive income for the period/year, net of tax		
Items that are or may be reclassified subsequently to profit of loss		
Net change in fair value of available-for-sale financial assets	(134)	–
Foreign currency translation gains relating to foreign operations, net of tax	78,022	–
Foreign currency translation gains on monetary item forming part of net investment in foreign operations, net of tax	276	–
	78,164	–
Total comprehensive income for the period/year	189,298	(5,919)
Total comprehensive income attributable to:		
Owners of the Company	149,672	(6,044)
Non-controlling interests	39,626	125
	189,298	(5,919)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 July 2014 to 31 December 2015

	Attributable to owners of the Company						
	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 July 2013	27,803	251	–	(20,929)	7,125	143	7,268
Total comprehensive income for the year							
(Loss)/Profit for the year	–	–	–	(6,044)	(6,044)	125	(5,919)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	(6,044)	(6,044)	125	(5,919)
At 30 June 2014	27,803	251	–	(26,973)	1,081	268	1,349

The accompanying notes form an integral part of these financial statements.

	Attributable to owners of the Company						
	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	(Accumulated losses)/ Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 July 2014	27,803	251	–	(26,973)	1,081	268	1,349
Total comprehensive income for the period							
Profit for the period	–	–	–	79,040	79,040	32,094	111,134
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	–	(134)	–	–	(134)	–	(134)
Foreign currency translation gains relating to foreign operations, net of tax	–	–	70,490	–	70,490	7,532	78,022
Foreign currency translation gains on monetary item forming part of net investment in foreign operations, net of tax	–	–	276	–	276	–	276
Total other comprehensive income	–	(134)	70,766	–	70,632	7,532	78,164
Total comprehensive income for the period	–	(134)	70,766	79,040	149,672	39,626	189,298

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 July 2014 to 31 December 2015

	Attributable to owners of the Company						
	Share capital $'000	Other reserves $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners, recognised directly in equity							
Contributions and distributions to owners							
Acquisition of investments	2,192,617	459,807	–	–	2,652,424	1,036,308	3,688,732
Share-based payment transactions	–	1,398	–	215	1,613	120	1,733
Dividends to non-controlling shareholders of subsidiaries	–	–	–	–	–	(1,030)	(1,030)
Distribution to owners of the Company	(27,803)	(36)	–	27,120	(719)	(184)	(903)
Non-reciprocal capital contribution made to a non-wholly owned subsidiary	–	(12,780)	–	–	(12,780)	12,780	–
Capital injection by non-controlling interests	–	–	–	–	–	3,214	3,214
Total contributions and distributions to owners	2,164,814	448,389	–	27,335	2,640,538	1,051,208	3,691,746
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without changes of control	2,756	152	–	–	2,908	(2,908)	–
Total transactions with owners	2,167,570	448,541	–	27,335	2,643,446	1,048,300	3,691,746
At 31 December 2015	2,195,373	448,658	70,766	79,402	2,794,199	1,088,194	3,882,393

The accompanying notes form an integral part of these financial statements.

	Note	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Cash flows from operating activities			
Profit/(Loss) for the period/year		111,134	(5,919)
Adjustments for:			
Depreciation of plant and equipment		1,117	1,957
Bad debts written-off		37	9
Inventories written-off		–	26
Impairment loss on plant and equipment		–	570
Plant and equipment written-off		–	2,126
Finance revenue on rental deposits		–	(32)
Amortisation of intangible assets	7	3,295	–
Change in fair value of investment properties	5	(90,870)	–
Foreign currency exchange gain (net)	22	(6,416)	–
Net finance costs	23	68,453	79
Share of results of associates and joint ventures, net of tax		(39,789)	221
Impairment loss on investment in joint venture		–	106
Allowance for doubtful receivables		676	218
Equity-settled payment transactions		1,275	–
Equity-settled share-based payment transactions		1,733	–
Tax expense/(credit)	25	17,294	(52)
		67,939	(691)
Changes in:			
– inventories		(885)	498
– properties under development		(26,699)	–
– trade and other receivables		27,969	(7)
– trade and other payables		(153,632)	361
Cash (used in)/generated from operations		(85,308)	161
Tax paid		(2,932)	–
Net cash (used in)/from operating activities		(88,240)	161

The accompanying notes form an integral part of these financial statements.

	Note	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Cash flows from investing activities			
Interest received		360	5
Acquisition of subsidiaries, net of cash acquired	4	110,054	–
Acquisition of plant and equipment		(1,554)	(241)
Proceeds from disposal of plant and equipment		–	260
Development expenditure – investment properties		(136,636)	–
Loan to associates		(38,586)	–
Investment in an associate		(113,818)	–
Acquisition of other financial assets		(48,645)	–
Net cash (used in)/from investing activities		(228,825)	24
Cash flows from financing activities			
Distribution paid to unitholders of a subsidiary		(10,884)	–
Proceeds from loans and borrowings		1,250,126	–
Payment of upfront debt arrangement costs		(12,352)	–
Repayment of loans and borrowings		(680,734)	(1,306)
Repayment of finance lease liabilities		–	(252)
Repayment from related parties (non-trade)		–	69
Capital injection by non-controlling interests		3,214	–
Dividends paid to non-controlling shareholders of subsidiaries		(1,030)	–
Interest paid		(72,665)	(32)
Net cash from/(used in) financing activities		475,675	(1,521)
Net increase/(decrease) in cash and cash equivalents		158,610	(1,336)
Cash and cash equivalents at beginning of the period/year		2,730	4,066
Effect of exchange rate fluctuations on cash held		690	–
Cash and cash equivalents at end of the period/year	11	162,030	2,730

Significant non-cash transactions

During the period ended 31 December 2015, the Company:

- issued 1,644,878,000 ordinary shares in relation to the initial acquisition (see note 4).
- issued 2,932,000 ordinary shares to acquire non-controlling interest for a consideration of $3.9 million.
- disposed the entertainment businesses in its entirety to Citybar Holdings Pte. Ltd. (the "NewCo"), in exchange for shares issued and allotted by the NewCo to the Group. Thereafter the Group made distribution in specie of the shareholders by way of a capital reduction.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised by the Board of Directors on 8 March 2016.

1 DOMICILE AND ACTIVITIES

Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) (the "Company") is a company incorporated in the Republic of Singapore and has its registered address at 8 Shenton Way, #45-01, AXA Tower, Singapore 068811.

The financial statements of the Group as at and for the period ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

During the financial period, the Company changed its name from St. James Holdings Limited to Perennial Real Estate Holdings Limited following the completion of the acquisition of the equity interests in certain real estate and management businesses, and the disposal of the entertainment business (see note 4).

Following the completion of the acquisition, the principal activities of the Group are those of investment holding, real estate investment and development, asset and property management services.

The Company also changed its financial year end from 30 June to 31 December. Consequently, the reporting period for 2015 covered a period of 18 months from 1 July 2014 to 31 December 2015 which reflected mainly the operating results of the real estate business of the Company and its subsidiaries which commenced on completion of the acquisition on 28 October 2014. The comparative period covered a period of 12 months for the financial year ended 30 June 2014 which pertained to the operating results of disposed entertainment business.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2 BASIS OF PREPARATION (continued)

2.4 Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 – Acquisition of equity interest: business combination and asset acquisition
Note 10 – Classification of properties under development

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included in note 7 – Impairment test: key assumptions underlying recoverable amounts.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. Third party information, such as property valuations, broker quotes or pricing services, that is used to measure fair values, is assessed and documented to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability is categorised into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 4 – Acquisitions
Note 5 – Investment properties
Note 15 – Share-based payment arrangements
Note 26 – Financial instruments

3 SIGNIFICANT ACCOUNTING POLICIES

The Group adopted new or revised financial reporting standards and interpretations which became effective from financial period beginning 1 July 2014. The initial adoption of these standards and interpretations did not have a material impact on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisition of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(v) Investments in associates and joint ventures (equity-accounted investees) (continued)

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss), which are recognised in OCI.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either other income or other operating expenses depending on whether foreign currency movements are in a net gain or net loss position.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the end of the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the date of acquisition.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or if neither transfers or retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, excluding prepayments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the date of acquisition. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, junior bonds, redeemable preference shares and trade and other payables, excluding deferred income and advance rental received.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as financial liability if it is redeemable on specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(iv) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.4 Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Plant and equipment (continued)

(i) Recognition and measurement (continued)

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives used for the current period and comparative years are as follows:

- Furniture, fittings and office equipment — 3 – 5 years
- Renovation — 3 years or lease term whichever is shorter
- Computer equipment and software — 1 – 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

- Asset management agreements — 10 years
- Property management agreements — 10 years

Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties acquired through interests in subsidiaries, are accounted for as an acquisition of asset. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property that is being constructed for future use as investment property is accounted for at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties (continued)

Transfer to, or from, investment properties are made where there is a change in use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification become its cost for subsequent accounting.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Properties under development

Properties under development are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and any other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity. Properties under development acquired through interests in subsidiaries, are accounted for as an acquisition of asset.

Borrowing costs that are directly attributable to the acquisition and development of the property under development are capitalised as part of the development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Properties under development, the sales of which are recognised using the percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as properties under development in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as deferred income.

Other properties under development

The aggregated costs incurred are presented as properties under development while progress billings are presented separately as deferred income in the statement of financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. In a subsequent period, the fair value of an impaired available-for-sale equity security increases and the increase can be related objectively to an event occuring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in OCI.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment (continued)

(i) Non-derivative financial assets (continued)

Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.9(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment properties, properties under development, and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which entities pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised as employee benefits expense in profit or loss.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Revenue

(i) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned.

(ii) Sale of properties under development

Revenue from sales of properties under development is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that (a) control and the significant risks and reward of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) the sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

The percentage of completion is measured by reference to the work performed, based on the ratio of construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(iv) Acquisition fee and divestment fee

Acquisition and divestment fee are recognised in profit or loss when acquisition or divestment of real estate or equity interests of any vehicle holding directly or indirectly the real estate are completed.

(v) Fee income from real estate management services

Fee income from real estate management services is recognised in profit or loss when services are rendered.

(vi) Leasing fee

Leasing fee is recognised in profit or loss when a new lease is secured and/or when an existing lease is renewed.

3.13 Finance income and finance costs

Finance income comprises interest income on loans and receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and directors.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the Group's Chief Executive Officer ("CEO") who is responsible for making decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire investment properties and properties under development.

3.17 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group.

In addition, Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: *First-time adoption of IFRS* when transitioning to the new reporting framework.

The Group does not plan to adopt these standards early and is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

4 ACQUISITIONS

(A) Initial acquisition

On 10 October 2014, the Company obtained shareholders' approvals on the resolutions for the following, *inter alia*:

- the acquisition of equity interests in certain real estate assets ("Target Assets") and management businesses from the vendors;
- the disposal of the entertainment business in the Company in its entirety to NewCo via a capital reduction and the distribution in specie of NewCo shares to the shareholders of the Company prior to the completion of the acquisition; and
- the share consolidation on the basis of 50 shares to one consolidated share ("Share Consolidation").

The equity interest acquired are:

- interests ranging from 20% to 51% in integrated real estate development projects located in Beijing, Chengdu, Xi'an and Zhuhai in the People's Republic of China ("PRC");
- interests ranging from 1.46% to 51.61% in real estate projects located in Singapore, being CHIJMES, TripleOne Somerset, Capitol Singapore, House of Tan Yeok Nee, Chinatown Point and 112 Katong;
- approximately 28.03% interest in Perennial China Retail Trust ("PCRT");
- management businesses; and
- other entities, including an entity with investments into a proposed development project in Myanmar.

On 27 October 2014, the Company completed the acquisition of all the above equity interests, save for the followings:

- Beijing Tongzhou Integrated Development Phase 1;
- Beijing Tongzhou Integrated Development Phase 2; and
- 51% of Perennial Real Estate Pte. Ltd.

Acquisition of Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 were completed on 10 April 2015 upon obtaining the land use rights certificate issued by the PRC government for the land plots held by the investees.

On 27 October 2014, the Company announced a voluntary conditional general offer for all the issued units of PCRT, other than those already owned, controlled or agreed to be acquired by the Company, its related corporations and their respective nominees.

At the close of the offer on 22 December 2014, the Company together with parties acting in concert with the Company, owned, controlled, acquired or agreed to acquire approximately 96.32% of the issued units in PCRT. Accordingly, the Company exercised its right of compulsory acquisition to acquire all the remaining units of PCRT. The compulsory acquisition was completed on 3 February 2015 and PCRT was consequently delisted on 5 February 2015.

The acquisition is to preserve and enhance shareholders' value by transforming the Group into an integrated real estate owner, developer and manager.

4 ACQUISITIONS (continued)

(A) Initial acquisition (continued)

The Group acquired equity interests in entities that own real estate assets. At the time of acquisition, the Group considered whether each acquisition represents the acquisition of a business or acquisition of an asset. The Group accounted for the acquisition as a business combination when an integrated set of activities is acquired in addition to the real estate assets, and together, have ability to provide returns to the Group. When the acquisition does not represent a business combination, it is accounted for as an acquisition of assets.

The consideration transferred for the Target Assets are based on the fair value of the Target Assets acquired. The consideration transferred for the management businesses are based on the fair value of the shares issued.

The following entities were acquired:

	Country of incorporation	Ownership interest acquired %
Perennial Treasury Pte. Ltd.	Singapore	100.0
Perennial China Retail Trust	Singapore	98.6
– Shenyang Summit Real Estate Development Co., Ltd.	PRC	50.0
– Perennial (Chengdu) Industries Co., Ltd.	PRC	100.0
– Perennial Foshan Retail Co., Ltd.	PRC	100.0
– Chengdu Ruifeng Real Estate Development Co., Ltd.	PRC	80.0
Perennial Xi'an Development Holding 1 Pte. Ltd.	Singapore	100.0
– Xi'an Perennial Cheng Tou West Real Estate Co., Ltd.	PRC	51.0
Perennial Xi'an Development Holding 2 Pte. Ltd.	Singapore	100.0
– Xi'an Perennial Cheng Tou East Real Estate Co., Ltd.	PRC	51.0
Perennial Chenghua C Pte. Ltd.	Singapore	100.0
– Chengdu Huifeng Commercial Real Estate Co., Ltd.	PRC	50.0
Perennial Chenghua D Pte. Ltd.	Singapore	100.0
– Chengdu Changfeng Real Estate Development Co., Ltd.	PRC	50.0
Perennial Hengqin Investment Pte. Ltd.	Singapore	100.0
– Perennial Hengqin Investment Group Pte. Ltd.	Singapore	66.7
– Nation Mind Development Limited and its subsidiaries	PRC	30.0
Perennial Tongzhou Development Pte. Ltd.	Singapore	52.6
– Perennial Mei Rong Jia 1 Real Estate (Beijing) Company Limited	PRC	76.0
– Perennial Mei Rong Jia 2 Real Estate (Beijing) Company Limited	PRC	76.0
– Perennial Mei Rong Jia 3 Real Estate (Beijing) Company Limited	PRC	76.0
Perennial Tongzhou Holdings Pte. Ltd.	Singapore	46.6
– Perennial Mei Rong Jia 4 Real Estate (Beijing) Company Limited	PRC	50.0
– Perennial Mei Rong Jia 5 Real Estate (Beijing) Company Limited	PRC	50.0
– Perennial Mei Rong Jia 6 Real Estate (Beijing) Company Limited	PRC	50.0
Perennial Real Estate Pte. Ltd.	Singapore	49.0
– Perennial China Retail Trust Management Pte. Ltd.	Singapore	82.5
PRE 2 Investments Pte. Ltd.	Singapore	100.0
– Katong AMC Pte. Ltd.	Singapore	23.0

4 ACQUISITIONS (continued)

(A) Initial acquisition (continued)

	Country of incorporation	Ownership interest acquired %
Perennial (China) Retail Management Pte. Ltd.	Singapore	100.0
– Perennial (Shanghai) Retail Management Co., Ltd.	PRC	100.0
Perennial (Singapore) Asset Management Pte. Ltd.	Singapore	100.0
Perennial (Singapore) Retail Management Pte. Ltd.	Singapore	100.0
PRE 1 Investments Pte. Ltd.	Singapore	1.5
– Perennial Katong Retail Trust	Singapore	100.0
PRE 3 Investments Pte. Ltd.	Singapore	10.6
– Perennial Chinatown Point LLP	Singapore	13.8
Perennial (CHIJMES) Pte. Ltd.	Singapore	51.6
– PRE 8 Investments Pte. Ltd.	Singapore	100.0
Perennial TYN Investment Pte. Ltd.	Singapore	100.0
TYN Investment Pte. Ltd.	Singapore	50.0
New Capitol Pte. Ltd.	Singapore	100.0
Perennial (Capitol) Pte. Ltd.	Singapore	100.0
– Capitol Investment Holdings Pte. Ltd. and its subsidiaries	Singapore	50.0
Perennial Somerset Investors Pte. Ltd.	Singapore	50.2
– Perennial (Somerset) Pte. Ltd.	Singapore	100.0
Perennial EM Holdings Pte. Ltd.	Singapore	100.0

Details of the consideration transferred, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, were as follows:

(i) Consideration transferred

	$'000
Equity instruments issued	2,656,220

(ii) Effect of cash flows of the Group

	$'000
Cash and cash equivalents in subsidiaries acquired, representing net cash inflow on acquisition	130,937

4 ACQUISITIONS (continued)

(A) Initial acquisition (continued)

(iii) Fair value of identifiable assets acquired and liabilities assumed

	Note	$'000
Plant and equipment		1,614
Investment properties	5	2,051,712
Management contracts	7	28,244
Associates and joint ventures		1,694,629
Other financial assets		5,445
Properties under development		1,683,260
Trade and other receivables		182,018
Cash and cash equivalents		130,937
Loans and borrowings		(1,491,399)
Junior bonds		(143,863)
Redeemable preference shares		(47,613)
Deferred tax liabilities	17	(43,627)
Trade and other payables		(679,833)
Current tax liabilities		(5,730)
Non-controlling interests		(1,018,897)
Total identifiable net assets		2,346,897

The valuation techniques used for measuring the fair value of investment properties and other financial assets acquired are similar to those disclosed in note 5 and note 8 respectively.

(iv) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Fair value of total identifiable net assets	(2,346,897)
Shareholders loan assumed	(246,168)
	(2,593,065)
Total consideration transferred	2,656,220
Goodwill (note 7)	63,155

The goodwill is mainly attributable to the management businesses. Management businesses are engaged primarily in real estate and real estate-related activities, including fund management, asset management, retail management, project development, project and design management and investment advisory services. The Group has a retail skillset and expertise for mixed-use development supported by a management team with strong capabilities and proven track record.

(v) Legal and professional fees

Legal and professional fees in relation to the structuring of the business of $11.4 million were included in administrative expenses in the profit or loss for the period ended 31 December 2015.

4 ACQUISITIONS (continued)

(B) Other acquisition

On 20 August 2015, the Group acquired a 55% stake in Skillplus Investments Ltd. ("Skillplus"). Skillplus, through its subsidiary, holds a property under development in Ghana.

(i) Consideration transferred

The consideration for the acquisition was $21.3 million and was settled in cash. No contingent consideration was recognised at the acquisition date.

(ii) Effect of cash flows of the Group

	$'000
Cash and cash equivalents in subsidiaries acquired, representing net cash outflow on acquisition	20,883

(iii) Assets acquired and liabilities assumed

	$'000
Property under development	38,957
Cash and cash equivalents	397
Trade and other payables	(663)
Non-controlling interests	(17,411)
Total identifiable net assets	21,280

(C) Acquisition of an associate

During the period, the Group acquired 31.2% of stapled securities of Perennial Shenton Investors Pte. Ltd. which include shares and junior bonds, for a cash consideration of $113.8 million. Perennial Shenton Investors Pte. Ltd., through its subsidiary, holds an investment property in Singapore.

(D) Acquisition of non-controlling interests

Subsequent to the initial acquisition, the Group acquired an additional 17.5% of Perennial China Retail Trust Management Pte. Ltd. by issuing 2.9 million ordinary shares, increasing the ownership from 82.5% to 100%.

5 INVESTMENT PROPERTIES

	Group	
	31/12/2015 $'000	30/6/2014 $'000
At beginning of the period/year	–	–
Additions	117,267	–
Acquisitions (note 4)	2,051,712	–
Change in fair value	90,870	–
Translation differences	30,957	–
At end of the period/year	2,290,806	–

During the period, the Group acquired investment properties as part of the acquisition of Target Assets and the considerations were satisfied by the issuance of ordinary shares (see note 4).

Contingent rental, representing income based sales turnover by the tenants, recognised in profit or loss amounted to $5.8 million.

The investment properties comprise 4 completed commercial properties which are leased to third parties and 1 investment property under development. The leases contain initial lease terms ranging from 1 year to 20 years. Subsequent renewals are negotiated with the lessees.

During the period, borrowing costs capitalised in investment property under development amounted to $8.5 million. These borrowing costs were incurred at interest rates of 2.31% – 6.38% per annum.

The fair value of investment properties of the Group as at 31 December 2015 are based on valuation as at 31 December 2015 carried out by external independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuer has considered valuation techniques including the direct comparison method, capitalisation approach and discounted cash flows method in arriving at the open market value as at the reporting date. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales prices to that, reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

In deriving residual method of valuation, the estimated gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of the valuation.

Changes in fair values are recognised as gains in profit or loss and included in other income. All gains are unrealised.

5 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The fair value measurement for the investment properties of $2,290.8 million as at 31 December 2015 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 2.4).

Level 3 fair values

The Level 3 fair value table which shows a reconciliation from the opening to the ending balance hierarchy are set out in the table above.

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable input and fair value measurement
Investment properties – Singapore	Capitalisation approach	• Capitalisation rate (4.40% – 5.00%)	The estimated fair value increases with decreases in the capitalisation rate.
Investment properties – PRC	Discounted cash flow method	• Discount rate (8.75%) • Terminal yield rate (6.50%)	The estimated fair value increases with decreases in the discount rate and terminal yield rate.
Investment property under development – PRC	Capitalisation approach	• Capitalisation rate (6.50%)	The estimated fair value increases with decreases in the capitalisation rate.
	Direct comparison	• Average value of RMB13,107 per square metre	The estimated fair value increases with increases in average value of a similar class of assets.

Security

As at 31 December 2015, investment properties with a total carrying amount of $2,290.8 million were pledged as security for loans and borrowings (see note 12).

6 ASSOCIATES AND JOINT VENTURES

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Interests in associates	530,783	–
Interests in joint ventures	1,298,386	–
Loan to an associate	74,841	–
Loans to joint ventures	71,103	–
	1,975,113	–

The loans to associate and joint ventures are unsecured, interest-free and settlement of the amount was neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Group's net investment in the entities, they are stated at cost less accumulated impairment loss.

The Group's interests in the associate included an investment in junior bonds of $49.9 million which are stapled together with the equity investment of the associate. The junior bonds bear interest of lower of 10% per annum and excess fund (determined based on the profits for the period before interest on junior bonds).

Associates

The Group has 3 associates that are material and a number of associates that are individually immaterial to the Group. The material associates own and develop commercial, retail, hospitality and residential related real estate assets which are aligned to the Group's principal activities. All are equity accounted. The following are material associates:

	Principal activities	Country of incorporation	Ownership interest held by the Group %
Nation Mind Development Limited and its subsidiaries [a] ^ ("Nation Mind")	Investment holding and property development	Hong Kong	30.0
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries [b] ("Perennial Tongzhou Holdings")	Investment holding and property development	Singapore	46.6
Perennial Shenton Investors Pte. Ltd. and its subsidiaries [b] ("Perennial Shenton")	Investment holding and property holding	Singapore	31.2

[a] Audited by other auditor
[b] Audited by KPMG LLP, Singapore
^ This associate is not considered significant to the Group as defined under the Singapore Exchange Limited ("SGX") Listing Manual. For this purpose, an associated company is considered significant as defined under SGX Listing Manual if the Group's share of its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

6 ASSOCIATES AND JOINT VENTURES (continued)

Associates (continued)

The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and OCI of the remaining individually immaterial associates.

	Nation Mind $'000	Perennial Tongzhou Holdings $'000	Perennial Shenton $'000	Immaterial associates $'000	Total $'000
31/12/2015					
Revenue	–	–	39,208		
Profit from continuing operations	12,758	955	56,637		
OCI	18,603	(4,243)	–		
Total comprehensive income	31,361	(3,288)	56,637		
Attributable to NCI	–	–	–		
Attributable to investee's shareholders	31,361	(3,288)	56,637		
Non-current assets	47	627,333	1,247,025		
Current assets	594,800	12,248	20,552		
Non-current liabilities	–	–	(822,077)		
Current liabilities	(255,283)	(1,480)	(24,062)		
Net assets	339,564	638,101	421,438		
Attributable to NCI	–	–	–		
Attributable to investee's shareholders	339,564	638,101	421,438		
Group's interest in net assets of investee at beginning of the period	–	–	–	–	–
Group's share of:					
– profit from continuing operations	3,831	445	17,670	27	21,973
– OCI	5,577	(1,977)	–	–	3,600
Total comprehensive income	9,408	(1,532)	17,670	27	25,573
Acquisitions/Additions during the period	92,461	298,896	113,818	35	505,210
Carrying amount of interest in investee at end of the period	101,869	297,364	131,488	62	530,783

6 ASSOCIATES AND JOINT VENTURES (continued)

Joint ventures

The Group has 4 joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. The material joint ventures own and develop commercial, retail, hospitality and residential related real estate assets which are aligned to the Group's principal activities. All are equity accounted. The following are material joint ventures:

	Principal activities	Country of incorporation	Ownership interest held by the Group %
Capitol Investment Holdings Pte. Ltd. and its subsidiaries [b] ("Capitol")	Investment holding	Singapore	50.0
Chengdu Huifeng Commercial Real Estate Co., Ltd. [a] ("Chengdu Huifeng")	Property development	PRC	50.0
Chengdu Changfeng Real Estate Development Co., Ltd. [a] ("Chengdu Changfeng")	Property development	PRC	50.0
Shenyang Summit Real Estate Development Co., Ltd. [a] ("Shenyang Summit")	Investment holding and property holding	PRC	50.0

(a) Audited by other member firms of KPMG International
(b) Audited by other auditor

The following summarises the financial information of each of the Group's material joint ventures based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and OCI of the remaining individually immaterial joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

6 ASSOCIATES AND JOINT VENTURES (continued)

Joint ventures (continued)

	Capitol $'000	Chengdu Huifeng $'000	Chengdu Chengfeng $'000	Shenyang Summit $'000	Immaterial joint ventures $'000	Total $'000
31/12/2015						
Revenue	46,313	–	–	51,467		
Profit/(Loss) from continuing operations [a]	8,955	(49)	(487)	25,656		
OCI	–	14,560	11,540	–		
Total comprehensive income	8,955	14,511	11,053	25,656		

(a) Includes:
- depreciation and amortisation of $223,000
- interest expense of $10,000
- income tax expense of $6,741,000

	Capitol $'000	Chengdu Huifeng $'000	Chengdu Chengfeng $'000	Shenyang Summit $'000	Immaterial joint ventures $'000	Total $'000
Non-current assets	727,651	–	177	1,843,924		
Current assets [b]	344,435	381,510	359,306	113,232		
Non-current liabilities [c]	(16,946)	–	–	(315,914)		
Current liabilities [d]	(773,133)	–	(57,642)	(41,474)		
Net assets	282,007	381,510	301,841	1,599,768		

(b) Includes cash and cash equivalents of $69,294,000.
(c) Includes non-current financial liabilities (excluding trade and other payables and provisions) of $4,168,000.
(d) Includes current financial liabilities (excluding trade and other payables and provisions) of $609,701,000.

	Capitol $'000	Chengdu Huifeng $'000	Chengdu Chengfeng $'000	Shenyang Summit $'000	Immaterial joint ventures $'000	Total $'000
Group's interest in net assets of investee at beginning of the period	–	–	–	–	–	–
Group's share of:						
– profit/(loss) from continuing operations	4,576	(24)	(244)	12,828	680	17,816
– OCI	–	7,280	5,770	29,846	(781)	42,115
Total comprehensive income	4,576	7,256	5,526	42,674	(101)	59,931
Acquisitions/Additions during the period	136,497	183,499	145,394	757,210	15,855	1,238,455
Carrying amount of interest in investee at end of the period	141,073	190,755	150,920	799,884	15,754	1,298,386

7 INTANGIBLE ASSETS AND GOODWILL

	Goodwill $'000	Management contracts $'000	Total $'000
Group			
Cost			
At 1 July 2013, 30 June 2014 and 1 July 2014	–	–	–
Acquisitions (note 4)	63,155	28,244	91,399
At 31 December 2015	63,155	28,244	91,399
Accumulated amortisation			
At 1 July 2013, 30 June 2014 and 1 July 2014	–	–	–
Amortisation charge for the period	–	(3,295)	(3,295)
At 31 December 2015	–	(3,295)	(3,295)
Carrying amounts			
At 30 June 2014	–	–	–
At 31 December 2015	63,155	24,949	88,104

Amortisation

The amortisation of management contracts is included in administrative expenses.

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGU as follows:

	31/12/2015 $'000	30/6/2014 $'000
Management business	63,155	–

The recoverable amount of this CGU was determined based on value-in-use, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see note 2.4).

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	31/12/2015 %	30/6/2014 %
Discount rate	9.6 – 11.4	–
Terminal value growth rate	3.0 – 5.0	–
Budgeted EBITDA growth rate	3.0 – 5.0	–

7 INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment testing for CGUs containing goodwill (continued)

These assumptions were used for the analysis of the management business segment. Management determined budgeted growth rate based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry. The discount rate used was pre-tax and reflected specific risks relating to the relevant segments. The cash flow projections included specific estimates for the years and terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted by revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated revenue growth for the next five years.

The estimated recoverable amount of the CGU exceeded its carrying amount. Management has identified that a reasonably possible change in a key assumption could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this assumption would need to change for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	31/12/2015 %	30/6/2014 %
Discount rate	0.24	–

8 OTHER FINANCIAL ASSETS

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
Available-for-sale				
Quoted equity securities	48,537	–	48,037	–
Unquoted equity securities	5,419	–	–	–
	53,956	–	48,037	–

The fair value of the quoted equity securities are based on quoted bid price and unquoted equity securities are estimated based on the net asset values of the investee entities, which takes into consideration the fair value of the underlying investments and properties held by these entities.

Information about the Group and the Company's exposures to market risks and fair value measurement is included in note 26.

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
Trade receivables	10,226	121	–	–
Deposit	5,833	1,405	–	–
Trade amounts due from:				
– subsidiaries	–	–	2,964	–
– associates	386	2	–	–
Non-trade amounts due from:				
– subsidiaries	–	–	46,029	–
– related corporations	2,247	36	–	1,303
– an associate	37,168	–	–	–
– joint ventures	2,103	464	–	–
– non-controlling interests	34,645	–	–	–
Other receivables	14,143	1,239	3,481	–
	106,751	3,267	52,474	1,303
Prepayments	14,960	154	37	–
	121,711	3,421	52,511	1,303
Non-current	15,401	1,840	–	–
Current	106,310	1,581	52,511	1,303
	121,711	3,421	52,511	1,303

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Non-trade amounts due from an associate and joint ventures are unsecured and repayable on demand. In respect of interest-bearing amounts owing by an associate with carrying amounts of $37.2 million (2014: Nil), interest is charged at 7.64% (2014: Nil) per annum.

Non-trade amounts due from related corporations and non-controlling interests are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 26.

10 PROPERTIES UNDER DEVELOPMENT

	Group	
	31/12/2015 $'000	30/6/2014 $'000
Properties in the course of development, at cost	1,756,442	–

The properties in the course of development are mainly land bank that the Group has intention to develop and sell upon completion.

During the period, borrowing cost capitalised in properties under development amounted to $7.6 million. These borrowing costs were incurred at interest rates ranging from 4.68% – 7.64% per annum.

The Group has acquired properties under development of approximately $1,722.2 million during the period (see note 4 part (A)(iii) and (B)(iii)).

NOTES TO THE FINANCIAL STATEMENTS

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
Cash at bank and in hand	124,801	2,730	2,871	1,167
Short-term deposits	37,229	–	23,674	–
Cash and cash equivalents in the statements of financial position	162,030	2,730	26,545	1,167

Cash and cash equivalents amounting to $82.6 million is charged or assigned by way of security for credit facilities granted to the Group (see note 12).

12 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
Non-current liabilities				
Bank loans (secured)	1,146,424	–	–	–
Bank loans (unsecured)	198,274	–	–	–
Medium term notes (unsecured)	99,380	–	–	–
Retail bonds (unsecured)	297,326	–	297,326	–
	1,741,404	–	297,326	–
Current liabilities				
Bank loans (secured)	70,376	–	–	–
Bank loans (unsecured)	50,000	–	–	–
Medium term notes (unsecured)	49,880	–	–	–
	170,256	–	–	–

The Group and the Company's exposure to interest rate, foreign currency and liquidity risk are disclosed in note 26.

12 LOANS AND BORROWINGS (continued)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
31/12/2015					
Bank loans (secured)	RMB	5.40 – 6.98	2017 – 2021	78,312	78,207
Bank loans (secured)	SGD	2.16 – 3.63	2016 – 2018	1,147,902	1,138,593
Bank loans (unsecured)	SGD	3.12 – 3.97	2016 – 2018	250,000	248,274
Medium term notes (unsecured) (1)	SGD	4.25	2018	100,000	99,380
Medium term notes (unsecured) (2)	SGD	5.25	2016	50,000	49,880
Retail bonds (unsecured)	SGD	4.65	2018	300,000	297,326
				1,926,214	1,911,660
Company					
31/12/2015					
Retail bonds (unsecured)	SGD	4.65	2018	300,000	297,326

(1) Medium term notes issued by Perennial Treasury Pte. Ltd., a subsidiary of the Group, under its $2 billion multicurrency debt issuance programme established on 22 January 2015. The notes are unconditionally and irrevocably guaranteed by the Company.

(2) Medium term notes issued by PCRT, a subsidiary of the Group, under its $500 million multicurrency medium term note programme. All sums payable in respect of the notes are unconditionally and irrevocably guaranteed by the Company and Perennial China Retail Pte. Ltd., a subsidiary of the Group.

Securities

As at 31 December 2015, the bank loans are secured on the following:

- First legal mortgage over the investment properties and land use rights held by investment property under development (see note 5);
- First fixed charge over the bank accounts and other assets of certain subsidiaries (see note 11);
- An assignment of all the rights, benefit, title and interest of the Group in relation to the sale and purchase agreements and tenancy agreements (including sale proceeds and rental proceeds) relating to investment properties;
- Assignments of rights under all material agreements and contracts (including tenancy agreements and construction agreements), property management agreement, insurance policies (as applicable);
- First legal mortgage over receivables from investment properties including all rights under, and all proceeds arising from tenancy agreements, sales agreements and property management agreement; and
- Share charges over all the shares in certain subsidiaries and joint venture.

13 JUNIOR BONDS

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Junior bonds (secured)	143,924	–

The junior bonds were issued by certain subsidiaries of the Group (the "Subsidiaries").

Term and debt repayment schedule

	Currency	Nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000
31/12/2015					
Junior bonds (secured)	SGD	Lower of 10% per annum and excess fund*	2018 – 2020	144,042	143,924

* Excess fund is determined based on the profits of the Subsidiaries for the period before interest on junior bonds.

The junior bonds are secured on the following but subordinated to senior borrowings of the Subsidiaries:

(i) a legal mortgage over the investment properties (see note 5);

(ii) an assignment of the insurance policy relating to the investment properties; and

(iii) an assignment of all the rights, benefit, title and interest of the Subsidiaries in relation to the sale and purchase agreements and tenancy agreements (including sale proceeds and rental proceeds) relating to investment properties.

14 REDEEMABLE PREFERENCE SHARES

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Redeemable preference shares	47,613	–

2,290,000 redeemable preference shares were issued by a subsidiary of the Group (the "Subsidiary") at $41.75 per share. All issued shares are fully paid. The Subsidiary may, at any time, by way of a directors' resolution, redeem the whole or some of the redeemable preference shares, by payment of $41.75 per share ("Redemption Amount") upon giving to each holder whose redeemable preference shares to be redeemed a redemption notice. The Subsidiary is obliged to pay, subject to the recommendation of the asset manager, the balance of any distributable profits, after all relevant interest on the secured bank loans and the secured junior bonds have been fully paid and setting aside any amounts that may be required to be reserved for capital expenditure.

14 REDEEMABLE PREFERENCE SHARES (continued)

The holders of the redeemable preference shares shall not be entitled to vote at any general meeting other than under the following circumstances:

(i) the resolution in question varies the rights attached to the redeemable preference shares; and

(ii) the resolution in question is for the winding up of the Subsidiary.

The redeemable preference shares shall, in a winding-up of or reduction of capital by the Subsidiary, entitle the holders to full repayment of the Redemption Amount, in priority to any payment to the holders of the ordinary shares in the capital of the Subsidiary.

15 SHARE-BASED PAYMENT ARRANGEMENTS

St. James Share Option Scheme (the "Scheme")

The Scheme which was approved by shareholders of the Company on 28 January 2003 and 22 October 2013, was cancelled on 21 October 2014 following the adoption of Perennial Employee Share Option Scheme 2014. The Scheme has 360,000 outstanding options with expiry date on 25 October 2014. As at 31 December 2015, all the outstanding options under the Scheme have lapsed.

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 2014, of which the rules were set out in a circular to shareholders dated 18 September 2014, was approved by shareholders of the Company at an Extraordinary General Meeting held on 10 October 2014.

Under the rules of the Perennial ESOS 2014, all directors (including non-executive and independent directors) and employees of the Company and its subsidiaries are eligible to participate in the Perennial ESOS 2014. Controlling shareholders are also eligible to participate in the Perennial ESOS 2014 subject to the approval of independent shareholders in the form of separate resolutions for each participant.

Under the Perennial ESOS 2014, the option entitles eligible participants to subscribe for ordinary share in the Company at a price equal to the volume-weighted average price of the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three consecutive trading days immediately preceding the Date of Grant of that Option ("Market Price") or at a discount to the Market Price (up to a maximum 20%).

The maximum number of shares (in respect of the options) that may be granted under the Perennial ESOS 2014, after taking into account of (i) the total number of new shares allotted and issued and/or to be allotted and issued (exclude treasury shares) pursuant to options granted under the Perennial ESOS 2014; and (ii) the total number of shares subject to any other share option or share incentive schemes of the Company, shall not exceed 15% of the total number of issued shares, provided always that all number of shares available to each controlling shareholder or each of their associates shall not exceed 10% of the shares available under the Perennial ESOS 2014.

The Remuneration Committee ("RC") is charged with the administration of the Perennial ESOS 2014 in accordance with the rules of the Perennial ESOS 2014. The number of options to be awarded to a participant is dependent on job grade level, performance and criticality to the long-term growth and profitability of the Group.

15 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014") (continued)

On 15 May 2015, the Company granted options to certain directors and employees of the Group to subscribe for a total of 15,590,000 shares at $1.07 per share (based on Market Price). All options granted under the Perennial ESOS 2014 are valid for a term of 5 years from the date of their grants and are exercisable in the following manner for eligible participants who have been in employment with more than 12 months services as at date of grant:

- After 1st anniversary of the date of grant – 25% of options granted
- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted

For eligible participants who have been in employment with less than 12 months services as at date of grant:

- After 2nd anniversary of the date of grant – 25% of options granted
- After 3rd anniversary of the date of grant – 25% of options granted
- After 4th anniversary of the date of grant – 25% of options granted
- After 4.5th anniversary of the date of grant – 25% of options granted

On 8 October 2015, the Company also granted 5,100,000 options at $0.95 per share (based on Market Price) to Mr. Pua Seck Guan with the same validity and vesting periods. As at 31 December 2015, the total number of outstanding options under the grant was 20,590,000.

At the end of the financial period, details of the options granted on the unissued ordinary shares of the Company are as follows:

Unissued Shares under the Scheme

Date of grant	As at 1/7/2014 '000	No. of options granted during the period '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2015 '000	Exercise price per share $	Validity period
26/10/2009	360	–	(360)	–	–	0.15	26/10/2010 – 25/10/2014

Unissued Shares under the Perennial ESOS 2014

Date of grant	As at 1/7/2014 '000	No. of options granted during the period '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2015 '000	Exercise price per share $	Validity period
15/5/2015	–	15,590	(100)	–	15,490	1.07	16/5/2016 – 15/5/2020
8/10/2015	–	5,100	–	–	5,100	0.95	9/10/2016 – 8/10/2020
Total	–	20,690	(100)	–	20,590		

The number of options granted during the period represents 1.25% of the total number of shares issued as at 31 December 2015.

15 SHARE-BASED PAYMENT ARRANGEMENTS (continued)

Measurement of fair values – Equity-settled share-based payment arrangement

The fair value of the share options is measured using the Black Scholes Simulation Model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

31/12/2015	
Fair value at grant date ($)	0.226 – 0.247
Share price at grant date ($)	0.96 – 1.09
Exercise price ($)	0.95 – 1.07
Expected volatility	27.2% – 27.5%
Expected life (years)	5.0
Expected dividends	1.50%
Risk-free interest rate	1.50% – 1.85%

Expense recognised in profit or loss

	31/12/2015 $'000	30/6/2014 $'000
Share options granted	1,733	–

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price per share 31/12/2015 $	Number of options 31/12/2015 '000	Weighted average exercise price per share 30/6/2014 $	Number of options 30/6/2014 '000
Outstanding at the beginning of the period/year	0.15	360	0.15	385
Granted during the period/year	1.04	20,690	–	–
Lapsed/cancelled during the period/year	0.35	(460)	0.15	(25)
Outstanding at end of the period/year	1.04	20,590	0.15	360
Exercisable at end of the period/year	–	–	0.15	360

The options outstanding at 31 December 2015 have a weighted average exercise price of $1.04 (2014: $0.15) per share and a contractual life of 5 years.

16 TRADE AND OTHER PAYABLES

	Group 31/12/2015 $'000	Group 30/6/2014 $'000	Company 31/12/2015 $'000	Company 30/6/2014 $'000
Trade payables	2,149	1,717	–	11
Investment properties development expenditures	78,724	–	–	–
Accrued operating expenses	14,313	1,546	3,429	228
Interest payable	18,339	–	3,659	–
Other payables	28,411	2,136	988	224
Security deposits	18,490	1,139	–	–
Non-trade amounts due to:				
– joint venture	31,889	–	–	–
– subsidiaries	–	–	13,379	–
– related corporations	34,836	119	–	–
– affiliated company	130,599	–	–	–
– non-controlling interests	38,118	620	–	620
	395,868	7,277	21,455	1,083
Deferred income	337	–	–	–
Advance rental received	3,862	–	–	–
	400,067	7,277	21,455	1,083
Non-current	35,374	2,076	–	–
Current	364,693	5,201	21,455	1,083
	400,067	7,277	21,455	1,083

Non-trade amounts due to joint venture are unsecured, bears interest at 0.01% per annum and repayable on demand.

Non-trade amounts due to subsidiaries and related corporations are unsecured, interest-free and repayable on demand.

Non-trade amounts due to an affiliated company are unsecured, bears interest at 7.64% per annum and repayable in 2016.

As at 31 December 2015, the non-trade amounts due to non-controlling interests consist of the followings:

(i) The loan of $25.8 million was unsecured, interest-free and repayable on demand from 2017; and

(ii) The remaining loan of $12.3 million was unsecured, interest-free and repayable on demand.

The Group and the Company's exposures to liquidity and market risks relating to trade and other payables are disclosed in note 26.

17 DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Movements in temporary differences during the year are as follows:

	Balance as at 1/7/2013 $'000	Recognised in profit or loss $'000	Balance as at 30/6/2014 $'000	Acquisition during the period (note 4) $'000	Recognised in profit or loss (note 25) $'000	Exchange differences $'000	Balance as at 31/12/2015 $'000
Group							
Investment properties	–	–	–	42,358	13,402	1,695	57,455
Undistributed profits of joint venture	11	(11)	–	1,269	669	1	1,939
	11	(11)	–	43,627	14,071	1,696	59,394

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Tax losses	20,889	–

The tax losses with expiry dates are as follows:

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Within 5 years	10,978	–

The remaining tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

18 SHARE CAPITAL

	Ordinary shares 31/12/2015 '000	Ordinary shares 30/6/2014 '000
Company		
In issue at beginning of the period/year	382,871	382,871
Issuance of shares for initial acquisition	40,027,010	–
Share consolidation	(39,601,683)	–
	808,198	382,871
Issuance of shares for subsequent adjustments and acquisition	844,338	–
Issuance of shares for acquisition of non-controlling interest without change of control	2,932	–
In issue at end of the period/year	1,655,468	382,871

All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company.

19 RESERVES

Other reserves

	Group 31/12/2015 $'000	Group 30/6/2014 $'000	Company 31/12/2015 $'000	Company 30/6/2014 $'000
Capital reserve	447,179	–	–	–
Fair value reserve	(134)	–	(109)	–
Equity compensation reserve	1,613	215	1,732	215
Premium on disposal to non-controlling interests	–	36	–	–
	448,658	251	1,623	215

Capital reserve comprises mainly the difference between the paid up capital of the shares issued and the fair value of the Target Assets acquired (see note 4) and reserve arising from the non-reciprocal capital contribution made to a non-wholly owned subsidiary.

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Equity compensation reserve comprises the cumulative value of employee services received for the issue of the options and shares under the share options.

19 RESERVES (continued)

Foreign currency translation reserve

Foreign currency translation reserve comprises exchange differences arising from the translation of financial statements of foreign operations, share of currency translation reserve of foreign equity-accounted investees and exchange differences on monetary items which form part of the Group's net investment on foreign operations, provided certain conditions are met.

Dividends

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and the Company	
	31/12/2015 $'000	30/6/2014 $'000
0.4 Singapore cents per qualifying ordinary share	6,622	–

20 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group:

Name of subsidiary	Country of incorporation	Ownership interest held by the NCI	
		31/12/2015 %	30/6/2014 %
Chengdu Ruifeng Real Estate Development Co., Ltd. ("Chengdu Ruifeng")	PRC	20.0	–
Xi'an Perennial Cheng Tou West Real Estate Co., Ltd. ("Xi'an West")	PRC	49.0	–
Xi'an Perennial Cheng Tou East Real Estate Co., Ltd. ("Xi'an East")	PRC	49.0	–
Perennial Somerset Investors Pte. Ltd. and its subsidiaries ("Perennial Somerset")	Singapore	49.8	–
Perennial (CHIJMES) Pte. Ltd. and its subsidiaries ("Perennial CHIJMES")	Singapore	48.4	–
Perennial Tongzhou Development Pte. Ltd. and its subsidiaries ("Perennial Tongzhou Development")	Singapore	47.4	–
Perennial Hengqin Investment Group Pte. Ltd. ("Perennial Hengqin")	Singapore	33.3	–

20 NON-CONTROLLING INTERESTS (continued)

The following summarises the financial information for the above subsidiaries prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Chengdu Ruifeng $'000	Xi'an West $'000	Xi'an East $'000	Perennial Somerset $'000	Perennial CHIJMES $'000	Perennial Tongzhou Development $'000	Perennial Hengqin $'000	Other immaterial NCI $'000	Total $'000
31/12/2015									
Revenue	–	–	–	57,589	14,156	–	–		
Profit/(Loss) after tax	38,707	(224)	(535)	(4,958)	33,183	107	3,806		
OCI	6,142	9,102	7,594	–	–	(1,604)	5,576		
Total comprehensive income	44,849	8,878	7,059	(4,958)	33,183	(1,497)	9,382		
Attributable to NCI:									
– Profit/(Loss) after tax	15,302	(110)	(262)	(2,469)	16,056	(7)	1,256	2,328	32,094
– OCI	1,516	4,460	3,721	–	–	(3,952)	1,859	(72)	7,532
Total comprehensive income	16,818	4,350	3,459	(2,469)	16,056	(3,959)	3,115	2,256	39,626
Non-current assets	516,312	202	152	988,009	334,369	15	178,158		
Current assets	20,203	245,968	200,506	45,735	9,954	1,339,011	1,837		
Non-current liabilities	(110,536)	–	–	(1,001,910)	(251,946)	–	(77,368)		
Current liabilities	(69,785)	(1,403)	(924)	(31,223)	(13,946)	(162,715)	(5)		
Net assets	356,194	244,767	199,734	611	78,431	1,176,311	102,622		
Net assets attributable to NCI	71,233	119,936	97,870	305	37,851	703,661	33,704	23,634	1,088,194
Cash flows from operating activities	(698)	(8,036)	(3,915)	16,835	7,015	581	93		
Cash flows from investing activities	(31,417)	(119)	(90)	(2,695)	(11,271)	(3)	(20,056)		
Cash flows from financing activities	50,081	7,193	3,740	(16,141)	5,810	(22)	20,033		
Net increase/(decrease) in cash and cash equivalents	17,966	(962)	(265)	(2,001)	1,554	556	70		

21 REVENUE

	Group Period from 1/7/2014 to 31/12/2015 $'000	Group Year ended 30/6/2014 $'000
Property rental and related income	102,735	–
Fee income from real estate management services	18,197	–
Acquisition fee	11,700	–
Entertainment business income	6,797	19,316
	139,429	19,316

22 OTHER INCOME

	Group Period from 1/7/2014 to 31/12/2015 $'000	Group Year ended 30/6/2014 $'000
Fair value gain on revaluation of investment properties	90,870	–
Amounts drawn down under the earn-out deeds	7,270	–
Foreign currency exchange gain (net)	6,416	–
Others	8,057	3,235
	112,613	3,235

During the period, the Group received $7.3 million in pursuant of earn-out deeds entered by a subsidiary of the Group as the net property income of properties held by a joint venture of the Group fell below a certain pre-determined amount. The earn-out deed expired on 31 December 2014.

23 NET FINANCE COSTS

	Group Period from 1/7/2014 to 31/12/2015 $'000	Group Year ended 30/6/2014 $'000
Interest income on loan to an associate	2,109	–
Interest income on junior bonds from an associate	3,111	–
Interest income on bank deposits	468	5
Finance income	5,688	5
Interest expense on financial liabilities measured at amortised cost	90,299	84
Less borrowing costs capitalised in:		
– investment properties	(8,537)	–
– properties under development	(7,621)	–
Finance cost	74,141	84
Net finance costs recognised in profit or loss	68,453	79

24 PROFIT/(LOSS) FOR THE PERIOD/YEAR

The following items have been included in arriving at profit/(loss) for the period/year:

	Group Period from 1/7/2014 to 31/12/2015 $'000	Group Year ended 30/6/2014 $'000
Audit fees paid/payable to:		
– auditors of the Company	623	152
Non-audit fees paid/payable to:		
– auditors of the Company #	958	37
– other auditors	121	19
Operating lease expense	595	–
Direct operating expenses arising from rental of investment properties	40,157	–
Depreciation and amortisation expense	4,412	1,957
Employee benefits expense (see below)	22,482	7,005
Employee benefits expense		
Salaries, bonuses and other costs	20,027	5,888
Contribution to defined contribution plans	722	1,117
Equity-settled share-based payment transactions	1,733	–
	22,482	7,005

Includes non-audit fees of $757,000 paid to KPMG LLP as reporting accountants for the initial acquisition before they were appointed as the Company's auditors.

25 TAX EXPENSE/(CREDIT)

	Note	Group Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Tax recognised in profit or loss			
Current tax expense			
Current year		3,223	38
Adjustment for prior years		–	(79)
		3,223	(41)
Deferred tax expense			
Origination and reversal of temporary differences		14,071	–
Adjustment for prior years		–	(11)
	17	14,071	(11)
Total tax expense/(credit)		17,294	(52)
Reconciliation of effective tax rate			
Profit/(Loss) before tax		128,428	(5,971)
Share of results of associates and joint ventures, net of tax		(39,789)	221
		88,639	(5,750)
Tax using Singapore tax rate of 17% (2014: 17%)		15,069	(977)
Effect of tax rates in foreign jurisdictions		5,292	–
Non-deductible expenses		2,741	683
Tax exempt income		(9,358)	(38)
Deferred tax recognised in respect of undistributed profits of joint venture		669	–
Changes in temporary differences		2,929	394
Overprovision in prior years		–	(90)
Others		(48)	(24)
		17,294	(52)

26 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee ("ARC") oversees the effectiveness of the compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc review of risk management controls and procedures, the results of which are reported to the ARC.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's receivables from customers and investment securities. Trade and other receivables related mainly to the tenants from its operating assets and balances with related parties.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

Risk management policy

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Management has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by management before lease agreements are entered into with tenants. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

26 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables [1] at the reporting date by geographical region and type of counterparty was:

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
By geographical areas				
Singapore	50,525	3,267	52,474	1,303
PRC	51,218	–	–	–
Others	5,008	–	–	–
	106,751	3,267	52,474	1,303
By type of counterparty				
Related parties	76,549	502	48,993	1,303
Non-related parties	30,202	2,765	3,481	–
	106,751	3,267	52,474	1,303

[1] *Excludes prepayments*

As at 31 December 2015, the Group's most significant counterparty, an associate of the Group, accounts for $37.2 million of trade and other receivables carrying amount. Other than balances with related parties, there is no concentration of customer risk at the Company level.

Impairment

The ageing of trade receivables that were not impaired at the reporting date was:

	Group		Company	
	31/12/2015 $'000	30/6/2014 $'000	31/12/2015 $'000	30/6/2014 $'000
Neither past due nor impaired	9,200	123	2,964	–
Past due 1 – 30 days	350	–	–	–
Past due 31 – 60 days	410	–	–	–
Past due over 60 days	652	–	–	–
	10,612	123	2,964	–

Trade and other receivables that are neither past due nor impaired are mainly related to companies with a good payment track record with the Group.

The Group and the Company believe that the unimpaired amounts that are past due are still collectible based on historical payment behaviour.

26 FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Impairment *(continued)*

Movement in the allowance for impairment of trade and other receivables is as follows:

	Group	
	31/12/2015 $'000	30/6/2014 $'000
Individual impairments		
At beginning of the period/year	209	–
Distribution to owners of the Company	(209)	–
Impairment loss recognised	676	218
Amounts written-off	(37)	(9)
At end of the period/year	639	209

Cash and cash equivalents

The Group and Company held cash and cash equivalents of $162.0 million and $26.5 million respectively at 31 December 2015 (2014: $2.7 million and $1.2 million respectively), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with banks with high credit ratings.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group has contractual commitments to incur capital expenditure with regard to its investment properties under development and properties under development (note 32).

26 FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

		Cash flows				
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	No contractual maturity $'000
Group						
31/12/2015						
Non-derivative financial liabilities						
Loans and borrowings	1,911,660	(2,088,237)	(238,212)	(1,841,864)	(8,161)	–
Trade and other payables [1]	395,868	(398,415)	(363,041)	(35,374)	–	–
Junior bonds	143,924	(175,705)	(12,907)	(162,798)	–	–
Redeemable preference shares	47,613	(47,613)	–	–	–	(47,613)
	2,499,065	(2,709,970)	(614,160)	(2,040,036)	(8,161)	(47,613)
30/6/2014						
Non-derivative financial liabilities						
Trade and other payables	7,277	(7,277)	(6,142)	(1,135)	–	–
Company						
31/12/2015						
Non-derivative financial liabilities						
Loans and borrowings	297,326	(339,334)	(13,950)	(325,384)	–	–
Trade and other payables	21,455	(21,455)	(21,455)	–	–	–
	318,781	(360,789)	(35,405)	(325,384)	–	–
30/6/2014						
Non-derivative financial liabilities						
Trade and other payables	1,083	(1,083)	(1,083)	–	–	–

[1] *Excludes advanced rental received and deferred income*

The maturity analyses show the undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

In addition to the above table, the Company has exposure to liquidity risk from financial guarantees issued to certain financial institutions, in respect of banking facilities and securities drawn by subsidiaries of $680.0 million (2014: Nil). At reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantee contracts. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts.

26 FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

When necessary, the Group uses financial instruments such as foreign currency borrowings for the purposes of managing certain financial risks and does not engage in speculation.

Currency risk

Risk management policy

The Group is exposed to foreign currency risk mainly arising from sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk include Chinese Renminbi ("RMB") and United States Dollar ("USD").

The Group management monitors the Group's currency risk exposure and does not hedge foreign currency exposure.

The Group's exposure to foreign currency risk is as follows:

	USD $'000	RMB $'000
Group		
31/12/2015		
Cash and cash equivalents	4,905	1,088
Trade and other receivables	4,396	905
Trade and other payables	(14,093)	(56,321)
	(4,792)	(54,328)

The Group and the Company are not exposed to significant currency risk exposure in the previous year.

Sensitivity analysis

A reasonable possible strengthening (weakening) of the above currencies against the respective functional currencies of Group entities at the reporting date would have increased (decreased) the profit or loss (before any tax effects) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

26 FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

	Group Profit or loss Period from 1/7/2014 to 31/12/2015 $'000	Group Profit or loss Year ended 30/6/2014 $'000
USD (5% strengthening)	(240)	–
RMB (5% strengthening)	(2,716)	–
USD (5% weakening)	240	–
RMB (5% weakening)	2,716	–

Interest rate risk

Risk management policy

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group manages its interest rate exposure by entering into a mixture of fixed rate instruments and variable rate instruments.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Note	Group Nominal amount 31/12/2015 $'000	Group Nominal amount 30/6/2014 $'000	Company Nominal amount 31/12/2015 $'000	Company Nominal amount 30/6/2014 $'000
Fixed rate instruments					
Loans and borrowings	12	(450,000)	–	(300,000)	–
Variable rate instruments					
Loans to subsidiaries	31	–	–	214,541	–
Interest in associates – Junior bonds		49,920	–	–	–
Cash and cash equivalents	11	162,030	2,730	26,545	1,167
Loans and borrowings	12	(1,476,214)	–	–	–
Junior bonds	13	(144,042)	–	–	–
		(1,408,306)	2,730	241,086	1,167

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Exposure to interest rate risk *(continued)*

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 10 basis points in the interest rates at the reporting date would have decreased profit or loss (before any tax effects) by $1.4 million for the Group and increased profit or loss (before any tax effects) by $0.2 million for the Company. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. A decrease of 10 basis points in the interest rates at the reporting date would have had the equal but opposite effect, on the basis that all other variables remain constant. The Group and the Company are not exposed to significant interest rate risk in the previous year.

Other market price risk

Risk management policy

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Equity price risk arises from available-for-sale financial assets. Management monitors its investment portfolio based on its fair value and responds to fluctuation in market prices as and when necessary to optimise the Group's return.

Sensitivity analysis

The Group and the Company are exposed to price changes from its quoted equity securities. If the fair value of the investments were to increase/decrease by 10% at the reporting date, fair value reserve would increase/decrease by approximately $4.9 million.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure so as to maximise shareholders' value. Capital consists of all equity.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

Management monitors capital based on a set of financial ratios with the primary focus on gearing ratio.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
31/12/2015									
Financial assets measured at fair value									
Other financial assets	8	–	53,956	–	53,956	48,537	–	5,419	53,956
Financial assets not measured at fair value									
Interest in associates									
– Junior bonds		49,920	–	–	49,920				
Trade and other receivables [(1)]	9	106,751	–	–	106,751				
Cash and cash equivalents	11	162,030	–	–	162,030				
		318,701	–	–	318,701				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Secured and unsecured bank loans	12	–	–	(1,465,074)	(1,465,074)				
– Medium term notes	12	–	–	(149,260)	(149,260)	(149,675)	–	–	(149,675)
– Retail bonds	12	–	–	(297,326)	(297,326)	(303,600)	–	–	(303,600)
Trade and other payables [(2)]	16	–	–	(381,577)	(381,577)				
Security deposits	16	–	–	(18,490)	(18,490)	–	–	(17,759)	(17,759)
Junior bonds	13	–	–	(143,924)	(143,924)				
Redeemable preference shares	14	–	–	(47,613)	(47,613)				
		–	–	(2,503,264)	(2,503,264)				
30/6/2014									
Financial assets not measured at fair value									
Trade and other receivables [(1)]	9	3,267	–	–	3,267				
Cash and cash equivalents	11	2,730	–	–	2,730				
		5,997	–	–	5,997				
Financial liabilities not measured at fair value									
Trade and other payables [(2)]	16	–	–	(6,138)	(6,138)				
Security deposits	16	–	–	(1,139)	(1,139)	–	–	(1,055)	(1,055)
		–	–	(7,277)	(7,277)				

[(1)] *Excludes prepayments*
[(2)] *Excludes security deposits*

26 FINANCIAL INSTRUMENTS (continued)

Accounting classifications and fair values (continued)

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company									
31/12/2015									
Financial assets measured at fair value									
Other financial assets	8	–	48,037	–	48,037	48,037	–	–	48,037
Financial assets not measured at fair value									
Trade and other receivables [(1)]	9	52,474	–	–	52,474				
Cash and cash equivalents	11	26,545	–	–	26,545				
		79,019	–	–	79,019				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Retail bonds	12	–	–	(297,326)	(297,326)	(303,600)	–	–	(303,600)
Trade and other payables	16	–	–	(21,455)	(21,455)				
		–	–	(318,781)	(318,781)				
30/6/2014									
Financial assets not measured at fair value									
Trade and other receivables [(1)]	9	1,303	–	–	1,303				
Cash and cash equivalents	11	1,167	–	–	1,167				
		2,470	–	–	2,470				
Financial liabilities not measured at fair value									
Trade and other payables	16	–	–	(1,083)	(1,083)				

[(1)] *Excludes prepayments*

26 FINANCIAL INSTRUMENTS (continued)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other financial assets – unquoted equity	The fair value is calculated using the net asset value of the investee entity, adjusted for the fair value of the underlying assets and liabilities, where applicable	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Security deposits	Discounted cash flows [1]	Not applicable

[1] *It is assumed that inputs considered observable used in the valuation technique are significant to the fair value measurement.*

(ii) Transfers between the levels

There were no transfers between the levels during the period/year.

(iii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group Available-for-sale financial assets $'000
At 1 July 2014	–
Additions	5,445
Change in fair value recognised in OCI	(26)
At 31 December 2015	5,419

26 FINANCIAL INSTRUMENTS (continued)

Measurement of fair values (continued)

(iii) Level 3 fair values (continued)

Sensitivity analysis

For the fair value of equity securities – available-for-sale, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Equity securities – available-for-sale

	Group OCI, net of tax Increase $'000	Decrease $'000
31/12/2015		
Net asset values of the investee entities (10% movement)	542	(542)

27 EARNINGS PER SHARE

	Group Period from 1/7/2014 to 31/12/2015	Year ended 30/6/2014
Earnings/(Loss) per share (cents)		
Basic	6.85	(1.58)
Diluted	6.85	(1.58)

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary shareholders and a weighted average number of units outstanding, calculated as follows:

Profit/(Loss) attributable to ordinary shareholders

	Group Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Profit/(Loss) attributable to ordinary shareholders for the period/year	79,040	(6,044)

27 EARNINGS PER SHARE (continued)

Weighted average number of ordinary shares

	Group Period from 1/7/2014 to 31/12/2015 Number of shares '000	Year ended 30/6/2014 Number of shares '000
At the beginning of the period/year	382,871	382,871
Effects of share consolidation	(375,214)	–
Effect of units issued during the period/year	1,146,333	–
Weighted average number of ordinary shares during the period/year	1,153,990	382,871

Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as 20,590,000 (2014: 360,000) share options were not included in the calculation of diluted earnings per share. Those options were anti-dilutive for the periods presented.

28 OPERATING SEGMENTS

Management determines the operating segments based on the reports reviewed and used by the Group's CEO for strategic decisions making and resources allocation. For management purposes, the Group is organised into Singapore, China, management businesses and corporate and others.

The China segment comprises mainly large scale integrated mixed use projects which are under development, 2 operational retail malls and 1 operational integrated development. The Singapore segment comprises mainly income producing projects located in downtown civic district, central business district and Orchard Road precinct. Management businesses include asset and retail management, project development, project and design management, as well as investment advisory services. Other developing markets together with corporate function are included under corporate and others.

Management monitors the operating results of each of its business units for the purpose of making decisions on resource allocation and performance assessment. Performance is measured based on segment earnings before interest and tax ("EBIT"). EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Tax expenses are managed on a group basis and are not allocated to operating segments. Inter-segment pricing is determined on arm's length basis.

28 OPERATING SEGMENTS (continued)

Information about reportable segments

	Singapore $'000	China $'000	Management businesses $'000	Corporate and others $'000	Eliminations $'000	Total $'000
31/12/2015						
Revenue:						
Sales to external customers	71,745	31,242	27,920	8,522	–	139,429
Inter-segment	–	–	13,084	11,837	(24,921)	–
Total revenue	71,745	31,242	41,004	20,359	(24,921)	139,429
Results:						
Segment results	84,004	73,066	5,854	28,155	(33,987)	157,092
Share of results of associates and joint ventures, net of tax	22,196	17,619	27	(53)	–	39,789
Net finance cost	(40,298)	(22,483)	14	(2,630)	(3,056)	(68,453)
Profit before tax						128,428
Tax expense						(17,294)
Profit for the period						111,134
Assets and liabilities:						
Segment assets	1,387,186	3,277,920	301,324	3,068,626	(3,561,040)	4,474,016
Associates and joint ventures	351,975	1,615,633	62	7,443	–	1,975,113
Unallocated assets						1,139
Total assets						6,450,268
Segment liabilities	1,675,765	2,047,021	324,572	355,015	(2,303,803)	2,098,570
Unallocated liabilities						469,305
Total liabilities						2,567,875
Capital expenditure	22,559	120,449	776	–	–	143,784

29 FINANCIAL GUARANTEE CONTRACTS

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities and securities drawn by subsidiaries. The maximum exposure of the Company is $680.0 million. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantees. The period in which the financial guarantees will expire are as follows:

	Company	
	31/12/2015 $'000	30/6/2014 $'000
Within one year	170,000	–
After one year but within five years	510,000	–
	680,000	–

30 RELATED PARTIES

Key management personnel remuneration

Key management personnel compensation comprised:

	Group	
	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Salaries, bonuses and other costs	3,018	515
Contribution to defined contribution plans	71	26
Directors' fees	447	157
	3,536	698

During the financial period, other than as disclosed elsewhere in the financial statements, the following were significant related party transactions based on agreed terms:

Other related party transactions

	Group	
	Period from 1/7/2014 to 31/12/2015 $'000	Year ended 30/6/2014 $'000
Associates and joint venture		
Acquisition fee	11,700	–
Property and asset management fees	3,588	–
Leasing fee	1,653	–

31 SUBSIDIARIES

	Company	
	31/12/2015 $'000	30/6/2014 $'000
Equity investments at cost	783,269	172
Loans to subsidiaries		
– Interest-bearing	214,541	–
– Interest-free	1,416,564	–
	2,414,374	172

The loans to subsidiaries form part of the Company's net investment in the subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future. They are stated at cost less accumulated impairment losses.

As at 31 December 2015, the effective interest rates ranged from 4.68% to 5.24% per annum.

	Country of incorporation	Ownership interests	
		% 31/12/2015	% 30/6/2014
Directly held by the Company			
Perennial Treasury Pte. Ltd. [1]	Singapore	100.0	–
Perennial China Retail Trust [1] [5]	Singapore	100.0	–
Perennial China Investment Holdings Pte. Ltd. [1]	Singapore	100.0	–
Perennial Singapore Investment Holdings Pte. Ltd. [1]	Singapore	100.0	–
Perennial Management Investment Holdings Pte. Ltd. [1]	Singapore	100.0	–
Perennial EM Holdings Pte. Ltd. [1]	Singapore	100.0	–
Perennial Healthcare Pte. Ltd. [1]	Singapore	100.0	–
Directly or indirectly held by Perennial China Retail Trust			
Perennial China Retail Pte. Ltd. [1]	Singapore	100.0	–
– Shenyang Retail 1 (BVI) Limited [3]	British Virgin Islands	100.0	–
– Shenyang Retail 2 (BVI) Limited [3]	British Virgin Islands	100.0	–
– Perennial (Chengdu) Industries Co., Ltd. [1]	PRC	100.0	–
– Perennial Foshan Retail Co., Ltd. [1]	PRC	100.0	–
– Chengdu Ruifeng Real Estate Development Co., Ltd [1]	PRC	80.0	–

31 SUBSIDIARIES (continued)

	Country of incorporation	Ownership interests % 31/12/2015	Ownership interests % 30/6/2014
Directly or indirectly held by Perennial China Investment Holdings Pte. Ltd.			
Perennial Xi'an Development Holding 1 Pte. Ltd. [(1)]	Singapore	100.0	–
– Xi'an Perennial Cheng Tou West Real Estate Co., Ltd. [(1)]	PRC	51.0	–
Perennial Xi'an Development Holding 2 Pte. Ltd. [(1)]	Singapore	100.0	–
– Xi'an Perennial Cheng Tou East Real Estate Co., Ltd. [(1)]	PRC	51.0	–
Perennial Hengqin Investment Pte. Ltd. [(1)]	Singapore	100.0	–
– Perennial Hengqin Investment Group Pte. Ltd. [(1)]	Singapore	66.7	–
Perennial Tongzhou Development Pte. Ltd. [(1)(6)]	Singapore	52.6	–
– Perennial Mei Rong Jia 1 Real Estate (Beijing) Company Limited [(1)]	PRC	76.0	–
– Perennial Mei Rong Jia 2 Real Estate (Beijing) Company Limited [(1)]	PRC	76.0	–
– Perennial Mei Rong Jia 3 Real Estate (Beijing) Company Limited [(1)]	PRC	76.0	–
Perennial Chenghua C Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial Chenghua D Pte. Ltd. [(1)]	Singapore	100.0	–
Directly or indirectly held by Perennial Singapore Investment Holdings Pte. Ltd.			
Perennial (CHIJMES) Pte. Ltd. [(1)]	Singapore	51.6	–
– PRE 8 Investments Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial Somerset Investors Pte. Ltd. [(1)]	Singapore	50.2	–
– Perennial (Somerset) Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial (Capitol) Pte. Ltd. [(1)]	Singapore	100.0	–
New Capitol Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial TYN Investment Pte. Ltd. [(1)]	Singapore	100.0	–
Directly or indirectly held by Perennial Management Investment Holdings Pte. Ltd.			
Perennial Real Estate Pte. Ltd. [(1)(2)]	Singapore	49.0	–
– Perennial China Retail Trust Management Pte. Ltd. [(1)]	Singapore	100.0	–
PRE 2 Investments Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial (Singapore) Asset Management Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial (Singapore) Retail Management Pte. Ltd. [(1)]	Singapore	100.0	–
Perennial (China) Retail Management Pte. Ltd. [(1)]	Singapore	100.0	–
– Perennial (Shanghai) Retail Management Co., Ltd. [(1)]	PRC	100.0	–

31 SUBSIDIARIES (continued)

	Country of incorporation	Ownership interests % 31/12/2015	Ownership interests % 30/6/2014
Directly or indirectly held by Perennial EM Holdings Pte. Ltd.			
Skillplus Investments Ltd. [(3)]	British Virgin Islands	55.0	–
– Perennial Ghana Development Ltd. (formerly known as Shangri-La Hotel (Ghana) Ltd.) [(4)]	Ghana	100.0	–
Perennial Penang Pte. Ltd. [(1)]	Singapore	100.0	–

(1) KPMG LLP is the auditor of all significant Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the SGX Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net assets, or if its pre-tax profits account for 20% of more of the Group's consolidated pre-tax profits.

(2) Although the Group owns less than 51% equity interest in the investee and consequently, less than half of the voting power of this entity, management has determined that the Group controls the entity. The Group controls Perennial Real Estate Pte. Ltd. by virtue of an agreement with its other investor.

(3) Not subject to audit by law of country of incorporation.

(4) Audited by other auditor.

(5) Includes 2.3% interest indirectly held through Perennial China Retail Trust Management Pte. Ltd. as at 31 December 2015.

(6) Includes 13.1% interest indirectly held through Perennial China Retail Trust as at 31 December 2015.

The following subsidiaries have been disposed during the period.

	Country of incorporation	Ownership interests % 31/12/2015	Ownership interests % 30/6/2014
Held by the Company			
The St. James Pte. Ltd. #	Singapore	–	100.0
Shanghai Dolly Pte. Ltd. #	Singapore	–	100.0
Butterfly Entertainment Pte. Ltd. #	Singapore	–	100.0
Bar Street Pte. Ltd. #	Singapore	–	100.0
Held through The St. James Pte. Ltd.			
Firefly @ Bar None (S) Pte. Ltd. #	Singapore	–	70.0

Audited by Ernst & Young LLP, Singapore.

32 COMMITMENTS

At the reporting date, the Group has the following commitments:

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
(a) Capital expenditure commitments contracted but not provided for in relation to investment properties under development and properties under development	580,551	–

(b) The Group leases out its investment properties (see note 5). The future minimum lease receivables under non-cancellable leases are as follows:

	Group 31/12/2015 $'000	Group 30/6/2014 $'000
Within 1 year	64,563	–
After 1 year but within 5 years	113,120	–
After 5 years	117,034	–
	294,717	–

33 EVENTS OCCURRING AFTER THE REPORTING DATE

On 17 January 2016, the Group announced that it has disposed its 1.46% economic interests in PRE 1 Investments Pte. Ltd. for a consideration of approximately $3.4 million subject to certain agreed adjustments. PRE 1 Investments Pte. Ltd. owns 112 Katong Mall. The divestment allows the Group to consolidate its position in Singapore and calibrate its resources to focus on its core developments.

On 4 March 2016, the Group announced that it has acquired an additional 3,345,324 ordinary shares in PRE 3 Investments Pte. Ltd. ("PRE 3") for a consideration of $5.8 million. The Group currently holds a 10.6% equity interest in PRE 3 which owns a 13.8% equity interest in Perennial Chinatown Point LLP ("PCP LLP"), which in turn owns the investment property known as Chinatown Point. Upon completion of the acquisition, the Group's effective interest in PRE 3 will increase to 37.2% and PRE 3 will become an associate of the Group. The Group's effective interest in PCP LLP will increase from 1.47% to 5.15%.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial period which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

	Period from 1/7/2014 to 31/12/2015 S$'000
Transactions with associates of Mr. Kuok Khoon Hong	
Establishment of a joint venture and subscription of retail bonds issued by the Company	116,677

USE OF PROCEEDS FROM ISSUE OF RETAIL BONDS

On 22 October 2015, the Company issued S$300 million 4.65% per annum retail bonds due 23 October 2018. The net proceeds from the issue of the bonds have been fully utilised as at 31 December 2015 to refinance certain borrowings, financing of working capital, investments and capital requirements of the Group.

Class of Shares	:	Ordinary Shares ("Shares")
No. of Ordinary Shares issued	:	1,655,468,453
No. of Ordinary Shareholders	:	6,100
Voting Rights	:	1 vote for 1 ordinary share

There are no treasury shares held in the issued share capital of the Company.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	349	5.72	12,711	0.00
100 – 1,000	690	11.31	345,852	0.02
1,001 – 10,000	3,113	51.03	13,533,983	0.82
10,001 – 1,000,000	1,915	31.40	86,054,486	5.20
1,000,001 and above	33	0.54	1,555,521,421	93.96
Total	**6,100**	**100.00**	**1,655,468,453**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	Perennial Real Estate Holdings Pte. Ltd.	735,354,269	44.42
2	DB Nominees (Singapore) Pte Ltd	164,003,249	9.91
3	Raffles Nominees (Pte) Limited	161,869,098	9.78
4	Citibank Nominees Singapore Pte Ltd	121,881,392	7.36
5	DBS Nominees (Private) Limited	88,813,720	5.36
6	Perennial (Capitol) Holdings Pte. Ltd.	72,757,033	4.39
7	DBSN Services Pte. Ltd.	47,228,611	2.85
8	Ron Sim*	34,066,464	2.06
9	Wii Pte. Ltd.	25,016,182	1.51
10	DBS Vickers Securities (Singapore) Pte Ltd	14,615,819	0.88
11	Longhlin Asia Limited	11,747,349	0.71
12	Piermont Holdings Limited	11,127,020	0.67
13	United Overseas Bank Nominees (Private) Limited	8,014,599	0.48
14	Hong Lee Holdings (Pte) Ltd	5,873,412	0.35
15	HSBC (Singapore) Nominees Pte Ltd	5,456,964	0.33
16	BNP Paribas Securities Services Singapore Branch	4,827,423	0.29
17	CIMB Securities (Singapore) Pte. Ltd.	4,775,927	0.29
18	UOB Kay Hian Private Limited	4,751,875	0.29
19	Phillip Securities Pte Ltd	4,523,060	0.27
20	OCBC Securities Private Limited	4,371,607	0.26
	Total	**1,531,075,073**	**92.46**

SHAREHOLDING HELD BY THE PUBLIC

Based on information available to the Company as at 3 March 2016, approximately 19.23% of the issued ordinary shares of the Company is held by the public, and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

* The above shareholding of Mr. Ron Sim did not include Shares registered in the name of bank nominees for his account.

INTEREST OF SUBSTANTIAL SHAREHOLDERS

(Recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total Interest	%
Mr. Kuok Khoon Hong [(1)]	–	978,270,066	978,270,066	59.09
HPRY Holdings Limited [(2)]	–	958,585,118	958,585,118	57.90
Perennial Real Estate Holdings Pte. Ltd. [(3)]	735,354,269	72,757,033	808,111,302	48.81
Mr. Ron Sim [(4)]	253,370,564	2,059,035	255,429,599	15.43
Mr. Pua Seck Guan [(5)]	824,225	808,111,302	808,935,527	48.86

Notes:

(1) Mr. Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd., Perennial (Capitol) Holdings Pte. Ltd., HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited through Madam Yong Lee Lee (spouse of Mr. Kuok Khoon Hong) and through Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.

(2) HPRY Holdings Limited's deemed interest in the Shares arises from its shareholdings in Perennial Real Estate Holdings Pte. Ltd. and Perennial (Capitol) Holdings Pte. Ltd. as well as the Shares registered in the name of bank nominees for the account of HPRY Holdings Limited.

(3) Perennial Real Estate Holdings Pte. Ltd.'s deemed interest in the Shares arises from its shareholding in Perennial (Capitol) Holdings Pte. Ltd.

(4) Mr. Ron Sim's direct interests include the Shares held through bank nominees. Mr. Ron Sim is deemed interested in the Shares held by Madam Teo Sway Heong (spouse of Mr. Ron Sim).

(5) Mr. Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd. and Perennial (Capitol) Holdings Pte. Ltd.

PERENNIAL REAL ESTATE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 200210338M

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of Perennial Real Estate Holdings Limited (the "**Company**") will be held at Capitol Theatre, 17 Stamford Road Singapore 178907 on Monday, 25th April 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the financial period ended 31 December 2015 and the auditors' report thereon. (Ordinary Resolution 1)

2. To approve a final tax-exempt (one-tier) dividend of 0.4 Singapore cents per share in respect of the financial period ended 31 December 2015. (Ordinary Resolution 2)

3. To re-elect the following Directors retiring pursuant to Articles 91 and 92 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   (a) Mr. Kuok Khoon Hong; and (Ordinary Resolution 3a)

   (b) Mr. Pua Seck Guan. (Ordinary Resolution 3b)

4. To re-elect Mr. Ooi Eng Peng, a Director retiring pursuant to Article 97 of the Company's Articles of Association and who, being eligible, offer himself for re-election. (Ordinary Resolution 4)

5. To re-appoint KPMG LLP as the Company's auditors for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

6. To approve the payment of Directors' fees of S$447,151 for the financial period ended 31 December 2015. (Ordinary Resolution 6)

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions, with or without modifications:

7. **General authority to allot and issue shares in the capital of the Company**

   That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to: (Ordinary Resolution 7)

   (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company, excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares in the capital of the Company, excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company, excluding treasury shares, at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. **Authority to allot and issue shares under the Perennial Employee Share Option Scheme 2014**

That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of options under the Perennial Employee Share Option Scheme 2014 (the "**Scheme**"), provided always that the aggregate number of shares to be issued pursuant to the Scheme when added to: (Ordinary Resolution 8)

(i) the total number of new shares allotted and issued and/or to be allotted and issued (which for the avoidance of doubt shall exclude treasury shares) pursuant to options granted under the Scheme; and

(ii) the total number of shares subject to any other share option or share incentive schemes of the Company,

shall not exceed 15 per cent. of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company on the date preceding the date of grant of any option under the Scheme.

9. **Renewal of Share Buyback Mandate**

That:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of: (Ordinary Resolution 9)

(a) market purchase(s) on the SGX-ST; and/or

(b) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(a) the date on which the next Annual General Meeting of the Company is held;

(b) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(c) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(3) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share, 110% of the Average Closing Price of the Shares,

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

10. **Approval of the Proposed Alterations to the Articles of Association of the Company**

    That the Articles of Association of the Company be amended in the manner set out in the Appendix to the Notice of Annual General Meeting dated 31 March 2016 (the "**Appendix**"). (Special Resolution 10)

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016 at 5.00 p.m. for the preparation of the proposed final dividend ("**dividend**").

Duly completed transfers of ordinary shares ("**Shares**") received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 6 May 2016 will be registered to determine shareholders' entitlement to the dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's Shares at 5.00 p.m. on 6 May 2016 will be entitled to the dividend.

The dividend, if approved at the Annual General Meeting to be held on 25 April 2016, will be paid on 20 May 2016.

By Order of the Board

Sim Ai Hua
Company Secretary

31 March 2016
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. **Ordinary Resolutions 3 and 4**

   Mr. Kuok Khoon Hong will, upon his re-election, continue to serve as the Chairman of the Board of Directors and a member of the Remuneration Committee.

   Mr. Pua Seck Guan will, upon his re-election, continue to serve as the Director and Chief Executive Officer and Member of the Corporate Disclosure Committee.

   Mr. Ooi Eng Peng will, upon his re-election, continue to serve as the Chairman of the Audit and Risk Committee and is considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited. Mr. Ooi will continue to serve as a Member of the Corporate Disclosure Committee.

2. **Ordinary Resolution 7**

   Ordinary Resolution 7 is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares in the capital of the Company, excluding treasury shares, with a sub-limit of 20% for issues other than on a pro rata basis, calculated as described in the Resolution.

3. **Ordinary Resolution 8**

   Ordinary Resolution 8 is to authorise the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of such options under the Scheme up to an amount not exceeding 15 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time. This 15% limit is calculated by including (1) the shares which have been allotted and issued pursuant to the exercise of options under the Scheme since the implementation of the Scheme and (2) the total number of shares subject to any other share option or share incentive schemes of the Company.

4. **Ordinary Resolution 9**

   The Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company, from the date of the Annual General Meeting until the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to purchase or acquire up to 5% of the total number of issued Shares (excluding treasury shares), at prices up to but not exceeding the Maximum Price (as defined above), as at the date of the passing of this Ordinary Resolution 9. Details of the proposed renewal of the Share Buyback Mandate are set out in the Appendix.

   As at the date of this notice, the Company has not purchased or acquired its Shares.

   The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as this will depend on the number of the Shares purchased or acquired and the price at which such Shares were purchased or acquired.

   The financial effects of the purchase or acquisition of Shares by the Company pursuant to the proposed renewal of the Share Buyback Mandate on the Group's audited financial statements for the financial period ended 31 December 2015 are set out in the Appendix and are for illustration purposes only.

5. **Special Resolution 10**

The Special Resolution 10 proposed above is to amend the Articles of Association of the Company to be in line with phase two of the changes to the Companies Act, Chapter 50 of Singapore which came into force on 3 January 2016. Please refer to the Appendix for details of the changes.

A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

A proxy need not be a member of the Company.

The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

PROXY FORM

PERENNIAL REAL ESTATE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 200210338M

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in Perennial Real Estate Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 March 2016.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

I/We, ____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of ____ (Address)

being a Member/Members of Perennial Real Estate Holdings Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/ them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at Capitol Theatre 17 Stamford Road Singapore 178907 on Monday, 25th April 2016, at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the AGM as indicated hereunder. If no specified direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

No.	Resolutions Relating to:	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1	To receive and adopt the Directors' statement and audited financial statements for the financial period ended 31 December 2015 and the auditors' report thereon.		
2	To approve a final tax-exempt (one-tier) dividend of 0.4 Singapore cents per share in respect of the financial period ended 31 December 2015.		
3	(a) To re-elect Director: Mr. Kuok Khoon Hong.		
	(b) To re-elect Director: Mr. Pua Seck Guan.		
4	To re-elect Director: Mr. Ooi Eng Peng.		
5	To re-appoint KPMG LLP as the Company's auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
6	To approve the payment of Directors' fees of S$447,151 for the financial period ended 31 December 2015.		
	SPECIAL BUSINESS		
7	To authorise Directors to issue shares and to make or grant convertible instruments.		
8	To authorise Directors to issue shares pursuant to the exercise of options under the Perennial Employee Share Option Scheme 2014.		
9	To approve the proposed renewal of the Share Buyback Mandate.		
10	To approve the proposed alterations to the Articles of Association of the Company.		

* *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.*

Dated this ________ day of ______________________ 2016

Total number of Shares held (Note 1)

____
Signature(s)/Common Seal of Members

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Note:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

Perennial Real Estate Holdings Limited
c/o The Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kuok Khoon Hong
Chairman and Non-Independent Non-Executive Director

Mr. Ron Sim
Vice-Chairman and Non-Independent Non-Executive Director

Mr. Eugene Paul Lai Chin Look
Lead Independent Non-Executive Director

Mr. Ooi Eng Peng
Independent Non-Executive Director

Mr. Lee Suan Hiang
Independent Non-Executive Director

Mr. Chua Phuay Hee
Independent Non-Executive Director

Mr. Pua Seck Guan
Chief Executive Officer and Executive Director

BOARD COMMITTEES

Audit and Risk Committee
Mr. Ooi Eng Peng (*Chairman*)
Mr. Eugene Paul Lai Chin Look
Mr. Chua Phuay Hee
Mr. Lee Suan Hiang

Remuneration Committee
Mr. Eugene Paul Lai Chin Look (*Chairman*)
Mr. Kuok Khoon Hong
Mr. Lee Suan Hiang

Nomination Committee
Mr. Lee Suan Hiang (*Chairman*)
Mr. Ron Sim
Mr. Eugene Paul Lai Chin Look

Executive Committee
Mr. Kuok Khoon Hong
Mr. Ron Sim
Mr. Pua Seck Guan

Corporate Disclosure Committee
Mr. Ooi Eng Peng
Mr. Pua Seck Guan

JOINT COMPANY SECRETARIES

Ms. Sim Ai Hua
Ms. Khong Mee Hong

INDEPENDENT AUDITOR

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Audit Partner-in-Charge: Ms. Karen Lee Shu Pei
(Appointed from 27 October 2014)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel : (65) 6536 5355
Fax : (65) 6536 1360
Website : www.boardroomlimited.com

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bangkok Bank Public Company Limited
DBS Bank Ltd.
Hong Leong Finance Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

REGISTERED OFFICE

8 Shenton Way
#45-01, AXA Tower
Singapore 068811
Tel : (65) 6602 6800
Fax : (65) 6602 6801
Website : www.perennialrealestate.com.sg

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Ms. Tong Ka-Pin
Tel : (65) 6602 6828
Email : tong.ka-pin@perennialrealestate.com.sg

PLACE OF INCORPORATION

Singapore
Company Registration Number: 200210338M

DATE OF LISTING ON MAINBOARD OF SGX-ST

26 December 2014

Perennial Real Estate Holdings Limited
8 Shenton Way
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info@perennialrealestate.com.sg

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