



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016**

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Introduction

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

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

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

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1(a)(i) Consolidated Income Statement

		3 months ended 30.06.2016	3 months ended 30.06.2015	Change	6 months ended 30.06.2016	6 months ended 30.06.2015	Change
	Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	24,088	39,297	(38.7)	53,574	66,351	(19.3)
Cost of services		(6,936)	(9,589)	(27.7)	(14,980)	(18,706)	(19.9)
Gross Profit		17,152	29,708	(42.3)	38,594	47,645	(19.0)
Other income	2	3,427	1,158	195.9	6,688	2,882	132.1
Administrative expenses	3	(6,866)	(8,839)	(22.3)	(15,847)	(13,407)	18.2
Other operating expenses		(3)	(9)	(66.7)	(9)	(14)	(35.7)
Results from operating activities		13,710	22,018	(37.7)	29,426	37,106	(20.7)
Finance income	4	1,329	45	Nm	2,476	148	Nm
Finance costs	5	(16,140)	(14,304)	12.8	(29,948)	(27,724)	8.0
Net finance costs		(14,811)	(14,259)	3.9	(27,472)	(27,576)	(0.4)
Share of results of associates and joint ventures, net of tax	6	4,916	3,066	60.3	15,230	5,221	191.7
Profit before tax		3,815	10,825	(64.8)	17,184	14,751	16.5
Tax expense	7	(1,418)	(2,317)	(38.8)	(2,718)	(2,865)	(5.1)
Profit for the period		2,397	8,508	(71.8)	14,466	11,886	21.7
Profit for the period attributable to:-							
Owners of the Company		594	8,772	(93.2)	9,066	12,190	(25.6)
Non-controlling interests		1,803	(264)	Nm	5,400	(304)	Nm
		2,397	8,508	(71.8)	14,466	11,886	21.7

Nm: denotes not meaningful

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

Explanatory Notes to the Consolidated Income Statement

(1) Revenue

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

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

Revenue from real estate investments comprised mainly rental income from CHIJMES and TripleOne Somerset in Singapore and Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China.

The decrease in revenue in this quarter was mainly due to the absence of one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015 and lower rental revenue from TripleOne Somerset as expiring leases were not renewed in preparation for the asset enhancement works and strata sale. (Please see item 8 for details.)

(2) Other income

	3 months ended 30.06.2016	3 months ended 30.06.2015	Change	6 months ended 30.06.2016	6 months ended 30.06.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income comprises:						
Investment income	1,008	-	Nm	2,861	-	Nm
Foreign exchange gain	2,141	1,150	86.2	3,029	2,703	12.1
Other income	278	8	Nm	798	179	345.8
Total	<u>3,427</u>	<u>1,158</u>		<u>6,688</u>	<u>2,882</u>	

The increase in other income was mainly from the receipt of investment income from quoted securities and higher foreign exchange gain mainly arising from revaluation of RMB payables as the RMB weakened against the Singapore dollar.

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

(3) Administrative expenses

	3 months ended 30.06.2016	3 months ended 30.06.2015	Change	6 months ended 30.06.2016	6 months ended 30.06.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Administrative expenses	(6,866)	(8,839)	(22.3)	(15,847)	(13,407)	18.2
<u>Included in administrative expenses:-</u>						
Depreciation and amortisation	(848)	(926)	(8.4)	(1,703)	(1,928)	(11.7)
One-time write-off of intangible assets	-	-	-	(1,947)	-	Nm

Administrative expenses comprised primarily staff costs, amortisation expenses, professional fees, share-based expenses and other expenses. The decrease was mainly attributable to lower professional fees incurred in 2Q 2016 as compared to 2Q 2015 where professional fees were incurred for the acquisition of Tongzhou project. Other general corporate expenses such as travel expense, staff costs and other administrative expenses were also lower this quarter.

(4) Finance income

Finance income comprised mainly interest income received. The increase was mainly due to the interest income on loan to an associate and junior bonds of an associate.

(5) Finance costs

Finance costs comprised mainly interest on bank facilities, MTN and retail bonds. The increase was in line with the increase in loans and borrowings.

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

Share of results of associates and joint ventures is contributed largely by:

- (i) Shenyang Summit which owns the Shenyang Properties;
- (ii) Perennial Shenton Investors Pte. Ltd. which owns the AXA Tower; and
- (iii) Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd and Modern Hospital Limited Liability Company.

For the quarter, contributions from Shenyang and AXA Tower have improved. In addition, new stream of contributions from the group's investment in medical and healthcare services also contributed to the increase.

(7) Tax expense

The decrease in this quarter is mainly attributable to lower chargeable profits compared to 2Q 2015. 2Q 2016's tax also included provision of prior year's taxes of S\$0.4 million.

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

	Note	3 months 30.06.2016 S\$'000	3 months 30.06.2015 S\$'000	Change %	6 months 30.06.2016 S\$'000	6 months 30.06.2015 S\$'000	Change %
Profit for the period		2,397	8,508	(71.8)	14,466	11,886	21.7
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets		3,874	-	Nm	9,247	-	Nm
Foreign currency translation (losses)/gains relating to foreign operations, net of tax	1	(136,760)	(27,718)	393.4	(262,085)	37,687	Nm
Foreign currency translation gains/(losses) on monetary items forming part of net investments in foreign operations, net of tax		1,033	(28)	Nm	(750)	226	(431.9)
Other comprehensive income for the period, net of tax		(131,853)	(27,746)	375.2	(253,588)	37,913	Nm
Total comprehensive income for the period		(129,456)	(19,238)	Nm	(239,122)	49,799	Nm
Total comprehensive income attributable to:							
Owners of the Company		(90,843)	(16,154)	462.4	(175,882)	44,492	(495.3)
Non-controlling interests		(38,613)	(3,084)	Nm	(63,240)	5,307	Nm
Total comprehensive income for the period		(129,456)	(19,238)	Nm	(239,122)	49,799	Nm

Note:

- (1) The movement is in respect of the Group's net assets denominated in RMB, whereby the RMB has depreciated against SGD by approximately 3.5% during the quarter and 6.5% during the 1H 2016.

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

	Note	Group			Company		
		30.06.2016	31.12.2015	Change	30.06.2016	31.12.2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Plant and equipment		1,742	2,106	(17.3)	-	-	-
Investment properties	1	1,287,064	2,290,806	(43.8)	-	-	-
Subsidiaries		-	-	-	2,733,280	2,414,374	13.2
Associates and joint ventures	2	2,288,147	1,975,113	15.8	-	-	-
Intangible assets		84,855	88,104	(3.7)	-	-	-
Other financial assets		71,005	53,956	31.6	71,005	48,037	47.8
Other receivables		13,721	15,401	(10.9)	-	-	-
		3,746,534	4,425,486	(15.3)	2,804,285	2,462,411	13.9
Current assets							
Development properties for sale	1	2,661,725	1,756,442	51.5	-	-	-
Trade and other receivables		108,940	106,310	2.5	60,262	52,511	14.8
Cash and cash equivalents		190,632	162,030	17.7	20,508	26,545	(22.7)
		2,961,297	2,024,782	46.3	80,770	79,056	2.2
Total assets		6,707,831	6,450,268	4.0	2,885,055	2,541,467	13.5
Non-current liabilities							
Loans and borrowings	3	2,222,159	1,741,404	27.6	632,294	297,326	112.7
Junior bonds		143,950	143,924	0.0	-	-	-
Redeemable preference shares		47,613	47,613	-	-	-	-
Trade and other payables		32,439	35,374	(8.3)	-	-	-
Deferred tax liabilities		56,065	59,394	(5.6)	-	-	-
		2,502,226	2,027,709	23.4	632,294	297,326	112.7
Current liabilities							
Loans and borrowings	3	100,795	170,256	(40.8)	-	-	-
Trade and other payables		457,672	364,693	25.5	26,373	21,455	22.9
Current tax liabilities		4,539	5,217	(13.0)	468	-	Nm
		563,006	540,166	4.2	26,841	21,455	25.1
Total liabilities		3,065,232	2,567,875	19.4	659,135	318,781	106.8
Net assets		3,642,599	3,882,393	(6.2)	2,225,920	2,222,686	0.1
Equity							
Share capital		2,195,373	2,195,373	-	2,195,373	2,195,373	-
Other reserves		450,258	448,658	0.4	11,709	1,623	Nm
Foreign currency translation reserve		(123,429)	70,766	(274.4)	-	-	-
Retained earnings		81,846	79,402	3.1	18,838	25,690	(26.7)
Equity attributable to owners of the Company		2,604,048	2,794,199	(6.8)	2,225,920	2,222,686	0.1
Non-controlling interests		1,038,551	1,088,194	(4.6)	-	-	-
Total equity		3,642,599	3,882,393	(6.2)	2,225,920	2,222,686	0.1

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

Explanatory Notes to the Consolidated Statement of Financial Position

(1) Investment properties / Development properties for sale

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

(2) Associates and joint ventures

The increase is mainly attributable to the shareholder's loan to Capitol Singapore of S\$305 million, and the acquisition of equity interest of 20% in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("Aidigong") for a consideration of RMB135.4 million (approximately S\$28.5 million) and acquisition of equity interest of 40% in Modern Hospital Limited Liability Company.

(3) Loans and borrowings

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

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

	Group		
	As at 30.06.2016 S\$'000	As at 31.12.2015 S\$'000	Change %
<u>Amount repayable in one year or less, or on demand:</u>			
Secured	812	70,376	(98.8)
Unsecured ⁽¹⁾	99,983	99,880	0.1
	100,795	170,256	(40.8)
<u>Amount repayable after one year:</u>			
Secured	1,272,912	1,146,424	11.0
Unsecured ⁽¹⁾	949,247	594,980	59.5
	2,222,159	1,741,404	27.6
Total borrowings ⁽²⁾	2,322,954	1,911,660	21.5

Note:

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

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

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

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

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

Details of collaterals for secured borrowings

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

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1 (c) Consolidated Statement of Cash Flows

	3 months 30.06.2016 S\$'000	3 months 30.06.2015 S\$'000	6 months 30.06.2016 S\$'000	6 months 30.06.2015 S\$'000
Cash flows from operating activities				
Profit for the period	2,397	8,508	14,466	11,886
Adjustments for:				
Depreciation of plant and equipment	197	220	401	516
Amortisation of intangible assets	651	706	3,249	1,412
Foreign currency exchange gain (net)	(2,141)	(1,150)	(3,029)	(2,703)
Net finance costs	14,811	14,259	27,472	27,576
Share of results of associates and joint ventures, net of tax	(4,916)	(3,066)	(15,230)	(5,221)
Gain on disposal other financial assets	(67)	-	(273)	-
Loss on disposal of an associate	-	-	62	-
Equity-settled share-based payment transactions	191	493	839	493
Tax expense	1,418	2,317	2,718	2,865
	12,541	22,287	30,675	36,824
Changes in:				
- Properties under development	(26,203)	(1,644)	(29,346)	(2,827)
- Trade and other receivables	(100)	125,610	(1,397)	2,942
- Trade and other payables	27,055	(142,720)	62,083	(42,922)
Cash flows generated from/(used in) operations	13,293	3,533	62,015	(5,983)
Taxes paid	(2,668)	(2,022)	(3,060)	(2,017)
Net cash from/(used in) operating activities	10,625	1,511	58,955	(8,000)
Cash flows from investing activities				
Interest received	4,920	192	5,127	167
Acquisition of subsidiaries, net of cash acquired	-	9,735	-	9,735
Addition of plant and equipment	(109)	-	(124)	(509)
Development expenditure - investment properties	(14,589)	(7,710)	(56,864)	(34,812)
Dividends from an associate	257	-	257	-
Loan to associates	(598)	-	(306,098)	(13,889)
Investment in associates	(20,454)	(113,818)	(37,644)	(113,818)
Acquisition of other investments	-	-	(13,918)	-
Proceeds from disposal of other investments	67	-	3,871	-
Proceeds from disposal of plant and equipment	3	-	3	-
Distribution from other investments	951	-	2,054	-
Net cash used in investing activities	(29,552)	(111,601)	(403,336)	(153,126)
Cash flows from financing activities				
Dividends paid to owners of the Company	(6,622)	-	(6,622)	-
Proceeds from loans and borrowings	367,502	121,963	688,046	280,708
Payment of upfront debt arrangement costs	(3,305)	-	(9,944)	(1,506)
Repayment of loans and borrowings	(266,800)	-	(267,220)	(100,000)
Loan from a joint venture	18,153	-	18,153	-
Capital injection by non-controlling interests	5,099	-	5,099	-
Interest paid	(32,214)	(8,165)	(49,093)	(30,658)
Net cash from financing activities	81,813	113,798	378,419	148,544
Net increase/(decrease) in cash and cash equivalents	62,886	3,708	34,038	(12,582)
Cash and cash equivalents at beginning of the period	131,828	90,519	162,030	106,809
Effect of exchange rate changes on cash balances held in foreign currencies	(4,082)	-	(5,436)	-
Cash and cash equivalents at end of the period	190,632	94,227	190,632	94,227

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

Group	Share capital S\$'000	Other reserves⁽¹⁾ S\$'000	Foreign currency translation reserve⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 31 March 2016	2,195,373	446,256	(28,118)	87,874	2,701,385	1,072,002	3,773,387
Total comprehensive income for the period							
Profit for the period	-	-	-	594	594	1,803	2,397
<u>Other comprehensive income</u>							
Net change in fair value of available-for-sale financial assets	-	3,874	-	-	3,874	-	3,874
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(96,344)	-	(96,344)	(40,416)	(136,760)
Foreign currency translation gains on monetary items, net of tax	-	-	1,033	-	1,033	-	1,033
Total other comprehensive income	-	3,874	(95,311)	-	(91,437)	(40,416)	(131,853)
Total comprehensive income for the period	-	3,874	(95,311)	594	(90,843)	(38,613)	(129,456)
Transactions with owners, recorded directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	128	-	-	128	63	191
Dividends	-	-	-	(6,622)	(6,622)	-	(6,622)
Capital injection by non-controlling interests	-	-	-	-	-	5,099	5,099
Total transactions with owners	-	128	-	(6,622)	(6,494)	5,162	(1,332)
At 30 June 2016	2,195,373	450,258	(123,429)	81,846	2,604,048	1,038,551	3,642,599

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

Company	Share capital S\$'000	Other reserves⁽¹⁾ S\$'000	Retained earnings S\$'000	Total S\$'000
At 31 March 2016	2,195,373	7,644	26,359	2,229,376
Total comprehensive income for the period				
Loss for the period	-	-	(899)	(899)
<u>Other comprehensive income</u>				
Net change in fair value of available-for-sale financial assets	-	3,874	-	3,874
Total other comprehensive income	-	3,874	-	3,874
Total comprehensive income for the period	-	3,874	(899)	2,975
Transactions with owners, recorded directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	191	-	191
Dividends	-	-	(6,622)	(6,622)
Total transactions with owners	-	191	(6,622)	(6,431)
At 30 June 2016	2,195,373	11,709	18,838	2,225,920

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

Group	Share capital S\$'000	Other reserves ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 31 March 2015	1,705,971	244,038	121,258	24,748	2,096,015	347,871	2,443,886
Total comprehensive income for the period							
Profit/(Loss) for the period	-	-	-	8,772	8,772	(264)	8,508
<i>Other comprehensive income</i>							
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(24,898)	-	(24,898)	(2,820)	(27,718)
Foreign currency translation losses on monetary items, net of tax	-	-	(28)	-	(28)	-	(28)
Total other comprehensive income	-	-	(24,926)	-	(24,926)	(2,820)	(27,746)
Total comprehensive income for the period	-	-	(24,926)	8,772	(16,154)	(3,084)	(19,238)
Transactions with owners, recorded directly in equity							
<i>Contributions by and distributions to owners</i>							
Ordinary shares issued	487,799	-	-	-	487,799	-	487,799
Issue expense	(1,145)	-	-	-	(1,145)	-	(1,145)
Acquisition of investments	-	234,132	-	-	234,132	707,620	941,752
Share-based payments transactions	-	460	-	-	460	33	493
Total transactions with owners	486,654	234,592	-	-	721,246	707,653	1,428,899
At 30 June 2015	2,192,625	478,630	96,332	33,520	2,801,107	1,052,440	3,853,547

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

Company	Share capital S\$'000	Other reserves ⁽¹⁾ S\$'000	Retained earnings S\$'000	Total S\$'000
At 31 March 2015	1,705,971	-	(9,950)	1,696,021
Total comprehensive income for the period				
Loss for the period, representing total comprehensive income for the period	-	-	(5,097)	(5,097)
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to owners</i>				
Ordinary shares issued	487,799	-	-	487,799
Issue expense	(1,145)	-	-	(1,145)
Share-based payments transactions	-	493	-	493
Total transactions with owners	486,654	493	-	487,147
At 30 June 2015	2,192,625	493	(15,047)	2,178,071

Notes:

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

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

Issued Share Capital

	No. of Shares ('000)
In issue at 01.04.2016/30.06.2016	1,655,468

On 27 July 2016, the Company issued 9,675,915 new shares as consideration for the acquisition of 51% stake in PRE Pte Ltd under the Deferred Acquisition as approved by the shareholders at the EGM held on 10 October 2014. Accordingly, the issued share capital of the Company is increased to 1,665,144,368 shares.

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Shares ('000)
As at 01.04.2016	19,290
Exercised	-
Lapsed/Cancelled	(940)
As at 30.06.2016	18,350

The number of outstanding options represents 1.11% of the total number of shares issued as at 30 June 2016.

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

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of new/revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2016 as follows:

- Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangibles Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*
- Amendments to FRS 111 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosures of Interests in Other Entities* and FRS 28 *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Improvements to Financial Reporting Standards (November 2014)
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

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

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

Please refer to item 4 above.

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6 Earnings per Share

	Group			
	3 months 30.06.2016	3 months 30.06.2015	6 months 30.06.2016	6 months 30.06.2015
Profit for the period attributable to Owners of the Company (S\$'000)	594	8,772	9,066	12,190
Weighted average number of shares for the period ('000)				
- Basic	1,655,468	1,612,488	1,655,468	1,446,722
- Diluted	1,655,575	1,612,488	1,655,522	1,446,722
EPS (cents)				
- Basic	0.04	0.54	0.55	0.84
- Diluted	0.04	0.54	0.55	0.84

7 Net Asset Value per Share

	Group		Company	
	30.06.2016 S\$/share	31.12.2015 S\$/share	30.06.2016 S\$/share	31.12.2015 S\$/share
Net assets value per share based on issued share capital at the end of the period	1.573	1.688	1.345	1.343

8 Review of the Performance

	3 months ended 30.06.2016	3 months ended 30.06.2015	Change	6 months ended 30.06.2016	6 months ended 30.06.2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	24,088	39,297	(38.7)	53,574	66,351	(19.3)
Share of results of associates and joint ventures, net of tax	4,916	3,066	60.3	15,230	5,221	191.7
Earnings before interest and tax ("EBIT")	18,626	25,084	(25.7)	44,656	42,327	5.5
Net finance costs	(14,811)	(14,259)	3.9	(27,472)	(27,576)	(0.4)
Profit before tax	3,815	10,825	(64.8)	17,184	14,751	16.5
Profit for the period attributable to the owners of the Company ("PATMI")	594	8,772	(93.2)	9,066	12,190	(25.6)

8 Review of the Performance (cont'd)

2Q 2016 vs 2Q 2015

The Group achieved a revenue of S\$24.1 million (2Q 2015: S\$39.3 million) and a PATMI of S\$0.6 million (2Q 2015: S\$8.8 million) for the second quarter ended 30 June 2016.

Revenue

The main revenue contributors are CHIJMES and TripleOne Somerset in Singapore and Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu in China. The decrease in revenue was mainly due to the absence of one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015 and lower rental revenue from TripleOne Somerset as expiring leases were not renewed in preparation for the asset enhancement works and strata sale which commenced in 2Q 2016.

Singapore assets contributed approximately S\$13.4 million, representing 55.8% (2Q 2015: S\$16.0 million, representing 40.7%) of the Group's revenue. The operational assets in China contributed revenue of S\$7.4 million, which represents 30.5% (2Q 2015: S\$6.4 million, representing 16.3%) of the Group's revenue. The remaining 13.7% (2Q 2015: 43.0%, included one-off acquisition fee in respect of AXA Tower) of the Group's revenue came from the fee-based management businesses.

EBIT

The Group achieved S\$18.6 million of EBIT in 2Q 2016 (2Q 2015: S\$25.1 million). The EBIT was largely driven by contributions from operational assets in Singapore and China, fee-based management businesses as well as higher share of results from associates and joint ventures. Excluding the one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015, EBIT for this quarter would be higher. The increase was due to investment income received in 2Q 2016, higher foreign exchange gain arising from revaluation of RMB payables, absence of professional fees incurred in relation to acquisition of Tongzhou project in 2Q 2015 and higher share of results on account of Group's share of results from operational malls and newly acquired medical and healthcare businesses.

PATMI

The decrease in PATMI in this quarter was mainly attributable to the absence of one-off acquisition fee in respect of AXA Tower earned in 2Q 2015.

1H 2016 vs 1H 2015

The Group achieved a revenue of S\$53.6 million and a PATMI of S\$9.1 million for the half year ended 30 June 2016.

Revenue

Revenue for 1H 2016 was comparatively lower than 1H 2015 for the same reasons mentioned above. Singapore assets' revenue was 10.5% lower than 1H 2015, on account of the lower revenue recorded by TripleOne Somerset. China assets, on the other hand, registered 14.0% higher revenue which was mainly attributable to higher revenue recorded by Perennial Qingyang Mall, Chengdu. For the fee-based management business, excluding the one-off acquisition fee from the acquisition of AXA Tower in 2Q 2015, fee revenue improved over the same period last year due to project management fees.

8 Review of the Performance (cont'd)

EBIT

For 1H 2016, the Group achieved S\$44.7 million of EBIT, which was 5.5% higher than 1H 2015 despite the absence of one-off acquisition fee. The EBIT was largely driven by contributions from operational assets in Singapore and China, fee-based management businesses as well as higher share of results from associates and joint ventures which included a fair value gain of S\$7.5 million from the revaluation of Chengdu Plot D2 upon the transfer of the property to investment property.

Net finance costs

Finance costs comprised mainly interest on bank borrowings and medium term notes, and amortisation of transaction costs incurred on financing facilities. Although finance costs were higher with increased borrowings, the increase was offsetted by higher interest income, resulting in lower net finance costs. The interest income came from loan to an associate and junior bonds issued by an associated company. As at 30 June 2016, the Group's net debt-to-equity ratio stood at 0.59.

PATMI

Overall, the Group achieved a PATMI of S\$9.1 million for the half year ended 30 June 2016, comprising operating PATMI of S\$1.6 million and a fair value gain of S\$7.5 million. The decrease in operating PATMI was due to the absence of one-off acquisition fee coupled with the write-off of intangible assets of S\$1.9 million in 1Q 2016

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was previously provided.

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

In light of the current uncertainties in global economy, consumer and business sentiments are expected to remain cautious throughout 2016. The impact of the Brexit decision is likely to be felt through a slowdown in external demand from Europe and heightened volatility in the global markets. In the near to short term, the Group expects challenges given the market volatility. However, the Group's existing properties are expected to remain resilient. The Group remain optimistic about the prospects in the longer term and is confident of our quality portfolio of prime and iconic properties in Singapore and China which are well-connected to public transportation.

Singapore

In Singapore, the GDP grew by an estimated 2.2% in 2Q 2016 which is only marginally higher than last quarter's 2.1%. Growth is expected to be muted for the rest of the year.

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

10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months (cont'd)

China

The Chinese economy advanced 6.7% in the second quarter on continued policy support from the Chinese government. While the Group remains vigilant on the Chinese economic outlook, it is positive about the prospects of healthcare industry. China's healthcare industry growth is expected to be driven by rising demand for better quality private healthcare services and increasing aging population.

The Group's operational malls in China, namely Foshan Jihan Mall, Chengdu Qingyang Mall and Shenyang properties continue to contribute stable income stream. The performance of Chengdu Qingyang Mall has been improving steadily since it commenced operation in April 2014.

11 Dividends

(a) Current financial period

None

(b) Corresponding period of the immediately preceding financial year

None

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No dividend has been declared for the six months ended 30 June 2016.

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

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

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

	Revenue					
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.06.2016	30.06.2015	%	30.06.2016	30.06.2015	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Singapore	13,436	16,019	(16.1)	28,250	31,576	(10.5)
China	7,358	6,377	15.4	14,582	12,796	14.0
Management Businesses	6,558	19,471	(66.3)	16,346	27,029	(39.5)
Corporate and Others	14	2	Nm	27	2	Nm
Eliminations	(3,278)	(2,572)	27.4	(5,631)	(5,052)	11.5
	24,088	39,297	(38.7)	53,574	66,351	(19.3)

	EBIT					
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30.06.2016	30.06.2015	%	30.06.2016	30.06.2015	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Singapore	9,651	9,833	(1.9)	19,888	19,828	0.3
China	8,448	5,747	47.0	22,636	11,044	105.0
Management Businesses	3,568	13,126	(72.8)	7,433	16,973	(56.2)
Corporate and Others	(3,041)	(3,622)	(16.0)	(5,301)	(5,518)	(3.9)
	18,626	25,084	(25.7)	44,656	42,327	5.5

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company (comprising the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows, together with their accompanying notes) as at 30 June 2016 and for the six months ended on that date, to be false or misleading in any material aspect.

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On behalf of the Board

Kuok Khoon Hong
Chairman

Pua Seck Guan
Chief Executive Officer

By Order of the Board

Sim Ai Hua
Company Secretary
5 August 2016

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