鹏瑞利
PERENNIAL

多元实力
协同增长

STRENGTH IN DIVERSITY, GROWTH IN SYNERGY

Perennial Real Estate Holdings Limited
Annual Report 2016

CONTENTS

多元实力
协同增长

STRENGTH IN DIVERSITY, GROWTH IN SYNERGY

The *bamboo* is a timeless symbol of growth, strength, resilience and sustainability. These attributes of the *bamboo* are also intrinsic characteristics of Perennial's development and progress. Built on strong business fundamentals, Perennial has established two synergistic businesses, namely **real estate** and **healthcare**, to achieve sustainable growth and create long-term value for shareholders.

Artist's impression of Perennial International Health and Medical Hub, Chengdu, may differ from the actual view of the completed property.
COVER: *Chengdu East High Speed Railway Integrated Development*

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 about 54 million square feet in gross floor area. Perennial is also a healthcare services owner and operator focused predominantly on China and its healthcare business services include medical, hospital, eldercare and senior housing, and maternal and child health management.

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

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

企业介绍

鹏瑞利置地集团有限公司（"**鹏瑞利置地集团**"）是一家总部位于新加坡，并在新加坡证券交易所主板上市的综合性房地产和医疗保健公司。作为集持有、开发和管理于一体的房地产公司，鹏瑞利置地集团主要投资于大规模的综合性房地产开发项目。投资组合主要分布于中国、新加坡、马来西亚和加纳，物业建筑总面积超过5,400万平方尺。此外，鹏瑞利置地集团的业务也延伸至中国的医疗领域，收购、开发和管理在中国的医疗保健业务、养老服务业务和母婴产后保健管理业务。

鹏瑞利置地集团是一家业界领先的商业地产开发商，在中国持有规模可观的综合开发项目，其中两项更是毗邻中国两个最大高铁站的区域商业枢纽：成都东站综合项目和西安北站综合项目。鹏瑞利置地集团的其它标志性项目包括北京通州综合项目、沈阳龙之梦综合项目和珠海横琴综合项目。

在新加坡，鹏瑞利置地集团投资并管理位于市中心行政区、中央商业区和乌节路核心地段的标志性优质物业，包括赞美广场、首都综合项目、安盛保险大厦、111索美塞、陈旭年宅第和唐城坊。

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.

愿景

成为一家全球领先的综合性房地产和医疗保健公司，致力于丰富我们服务对象的生活，并提供价值给我们所有的利益相关者。

MISSION

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

使命

建立可持续发展业务，树立稳固持久的关系，并为股东创造长期利益增长。

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.

See page 104 for more information on Sustainability

核心价值

团队合作

我们重视我们的人员，接受人员多样性，并以团结一心的态度实现我们共同的企业目标。

廉正

我们相信公平的商业惯例，在与内部和外部各方打交道时秉承高标准的诚信、道德操守和治理。

卓越

我们秉持对工作的热忱，保持创新和进取的精神以突破界限、追求卓越的表现。

可持续性发展

我们对社会、环境和经济负责，并以最尊敬的心对待我们的利益相关者。

参阅页面 104 了解更多关于我司的可持续性发展

FINANCIAL HIGHLIGHTS[1]

S$110.2m

REVENUE

- Revenue declined by 6.4% mainly due to the absence of one-off acquisition fee of AXA Tower earned in 12M 2015 and lower rental revenue from TripleOne Somerset as the property commenced its asset enhancement works for strata sales. This is partially mitigated by strata sales of office units in TripleOne Somerset.

S$111.2m

EARNINGS BEFORE INTEREST AND TAX

- EBIT decreased by 23% mainly due to the absence of one-off acquisition fee of AXA Tower, lower operating results from joint ventures, write-off of intangible assets of S$1.9 million and the impairment provision of Eden Residences Capitol. In addition, the net fair value gain at the EBIT level was lower than the previous year.

S$7.0b

TOTAL ASSETS

- Total assets were 9.2% higher and the increase came from the extension of shareholder loan to Capitol Singapore of S$305 million, the acquisition of an additional stake in Perennial Chinatown Point LLP, increase in development properties as well as cash and other receivables.

S$35.1m

PROFIT AFTER TAX AND MINORITY INTEREST

- PATMI decreased by 39.6% due to lower revenue, impairment provision, write-off of intangible assets and higher financing expenses.

0.66x

GEARING RATIO

- Gearing ratio increased from 31 December 2015's net gearing of 0.45x as more loans and borrowings were drawn down to fund existing and new investments.
- The gearing ratio of 0.66x would have improved to 0.46x if the divestment of a 20.2% stake in TripleOne Somerset was completed as at 31 December 2016.

0.4 cents[2]

DIVIDEND PER SHARE

- Proposed cash dividend is the same as that which was declared in 2015.

2.11 cents[2]

EARNINGS PER SHARE

- EPS decreased 43.6% from 12M 2015's 3.74 cents.
- The movement was due to lower profit as well as an increase in the number of issued shares during the year.

S$1.631

NET ASSET VALUE PER SHARE

- NAV Per Share decreased by 3.4% from 31 December 2015's S$1.688 mainly due to lower foreign exchange translation reserve arising from RMB depreciation.

1 In 2015, the Company changed its financial year end from 30 June to 31 December. Unaudited 12-month results ("**12M 2015**") were presented for comparison purpose in the Financial Review section on page 98.

2 Denominated in Singapore Dollars.

STRENGTHS

基稳力雄

竹子在许多文化中是力量、长寿、和谐与坚韧的经典象征，也是地球上最耐久的植物之一。

STRENGTHS

Perennial's strength is firmly rooted in sound investment principles and a commitment to value creation. Capitalising on a unique business platform, Perennial's strategy is fortified by **quality assets**, **talented people** and **reputable sponsors**.

With a compressive strength higher than concrete and a tensile strength rivalling steel, the bamboo is a classic representation of enduring strength, and has also been known as a durable building material for ages.

OUR MILESTONES

2014

Commenced business on 28 October 2014 as a real estate company with a presence in Singapore and China following the completion of the reverse takeover of St. James Holdings Limited.

Listing transferred from Catalist to the Mainboard of Singapore Exchange Securities Trading Limited on 26 December 2014.

2015

Strategic Move into China Healthcare Business

Established a new vision to become a leading global integrated real estate and healthcare company.

- Entered into first healthcare partnership, a 40-60 Joint Venture ("**JV**") with Guangdong Boai Medical Group Co., Ltd ("**Guangdong Boai**") holding a 60% stake, to expand into the hospital and medical services business in China.
- Repositioned a development retail asset in Chengdu as Perennial International Health and Medical Hub to align with Perennial's integrated real estate and healthcare strategy.

Artist's impression

Strengthened Singapore Portfolio

- Syndicated a consortium of investors to acquire AXA Tower at an agreed property price of S$1.17 billion and acquired a 31.2% equity interest in the property.

Accessed New Growth Markets

Made maiden foray into two new growth markets to set the stage for long-term growth:

- Malaysia – entered into a 50-50 JV with IJM Land Berhad to acquire and develop an over MYR3 billion (approximately S$1 billion) waterfront integrated development in Penang.
- Ghana – entered into a 55-45 JV with Shangri-La Asia Limited holding a 45% stake to develop an over US$250 million (approximately S$352 million) integrated development in Accra.

Proactive Capital Management

- Issued S$100 million 4.25% Notes due 2018 under its S$2 billion Multicurrency Debt Issuance Programme.
- Issued first retail bond via a three-year bond paying 4.65% per annum with a total offering size of S$300 million.

2016

Strengthened Healthcare Business Platform in China

Eldercare and Senior Housing

- Entered into a Memorandum of Understanding to establish a 40-40-20 JV, with Shanghai Summit Property Development Limited holding a 40% stake and Shanghai RST Chinese Medicine Co., Ltd ("**Renshoutang**") holding a 20% stake, to operate Chengdu Xiehe International Eldercare and Retirement Home in Chengdu East High Speed Railway Integrated Development Plot D2.
- Entered into an Investment Agreement to acquire an effective interest of 49.9% in Renshoutang, the largest integrated eldercare services operator in Shanghai, and will become its largest single shareholder.

Artist's impression

Maternal and Child Health Management

- Acquired an effective interest of 20% in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd, a leading maternal and child health management company in China, and became its second largest single shareholder.

Hospital and Medical Services

- Launched St. Stamford International Medical, a new brand for Perennial's hospital and medical services partnership with Guangdong BOAI.
- Commenced marketing of the first Perennial owned-and-managed specialist medical centre concept in China called Perennial International Specialist Medical Centre at Perennial International Health and Medical Hub, Chengdu and successfully secured over 260 specialists to practise at the specialist medical centre.

Reconstituted the Singapore Portfolio

- Divested the entire 1.5% interest in 112 Katong and 23% interest in Katong AMC Pte Ltd, the asset manager of 112 Katong.
- Acquired an additional effective interest of about 43.7% in Chinatown Point thereby increasing Perennial's effective interest in the property from 1.5% to 45.2%. The acquisition further boosts the recurrent income stream for Perennial and strengthens Perennial's foothold in Singapore's Central Business District.

Secured Access to a New Developed Market

- Secured a Call Option to acquire a 20% stake in Aviva Tower, United Kingdom which is set for redevelopment. Named 1 Undershaft post-redevelopment, the new £1 billion office landmark building will be the tallest building in the City of London. This will allow Perennial access into a new developed market and further its growth as an international real estate company.

Artist's impression

Sustainability Efforts

- Capitol Singapore won the URA Architectural Awards 2016, Restoration and Innovation Category, for the integration of 'old' and 'new' developments which demonstrate exemplary restoration of gazetted heritage buildings, innovation and architectural excellence of the new development, further raising Perennial's profile as a specialist for conservation projects.

- Partnered Singapore Association of the Visually Handicapped ("**SAVH**") to host the International White Cane Day 2016 in the city for the first time at CHIJMES and raised over S$268,000 for SAVH's clients. A Mass Heritage Trail Walk with White Canes jointly undertaken by over 250 blind and sighted participants was successfully placed into the Singapore Book of Records.

Proactive Capital Management

- Issued S$125 million 4.9% Notes due 2019 under its S$2 billion Multicurrency Debt Issuance Programme.
- Issued S$280 million four-year retail bonds paying 4.55% per annum.
- Secured loans totalling RMB6.4 billion (approximately S$1.3 billion) from the Bank of China, Beijing Branch to finance the development and project-related costs of Phase 1 and Phase 2 of the Beijing Tongzhou Integrated Development.

2017

Capital Recycling to Maximise Returns

- Partial divestment of a 20.2% stake but retained a 30% stake in TripleOne Somerset, Singapore.
- The divestment was announced on 26 January 2017 and is expected to complete no later than 30 June 2017.

Artist's impression

Artist's impressions on pages 6 and 7 may differ from the actual views of the completed properties.

OUR PRESENCE

Real Estate and Healthcare Businesses with a Presence in Four Countries[1], including Nine Cities across China

REAL ESTATE BUSINESS

Total Gross Floor Area of about

54 million

square feet in four countries[1]

HEALTHCARE BUSINESS

Total of

2,865[2]

In-patient beds in China

6,210[2]

Committed Pipeline of in-patient beds in China

15,400[2]

Potential Pipeline of in-patient beds in China

UNITED KINGDOM[1]

REAL ESTATE

Aviva Tower ■

- Secured a Call Option to acquire a 20% stake
- Named 1 Undershaft post-redevelopment, it will be the tallest building in the City of London

London

GHANA

REAL ESTATE

Accra Integrated Development ■ ■ ■ ■

- First mixed-use integrated development in Ghana

Accra

MALAYSIA

REAL ESTATE

Penang Waterfront Integrated Development ■ ■ ■ ■ ■

- First mega integrated waterfront icon in Penang with Penang's largest convention centre

Penang

SINGAPORE

REAL ESTATE

All six developments are located within the Central Business District, Civic District and Orchard Road Precinct, and directly connected or in close proximity to Mass Rapid Transit Stations

AXA Tower ■ ■ ■

- Iconic Grade 'A' landmark office integrated development in Singapore's Central Business District

TripleOne Somerset ■ ■ ■

- Premium grade landmark office integrated development in Singapore's Orchard Road Precinct

Chinatown Point ■ ■

- Landmark in Singapore's Chinatown Precinct

CHIJMES ■ ■

- Dining and entertainment destination with two Gazetted National Monuments

Capitol Singapore ■ ■ ■ ■

- First luxury integrated development in Singapore with three conservation buildings, including a theatre

House of Tan Yeok Nee ■

- Gazetted National Monument to house a premier Traditional Chinese Medicine centre

Singapore

CHINA

REAL ESTATE

Five large-scale integrated developments connected to major transportation hubs in first-tier and second-tier provincial capitals and two suburban malls

BEIJING

Beijing Tongzhou Integrated Development

Phase 1 ■ ■ ■ | *Phase 2* ■ ■ ■

- Iconic landmark integrated development fronting the Grand Canal in Beijing's new Central Business District

CHENGDU

Chengdu East HSR Integrated Development

Perennial International Health and Medical Hub ■ ■ | *Plot C* ■ ■ | *Plot D1* ■ ■ ■ | *Plot D2* ■ ■ ■

- Landmark integrated development connected to one of the largest[3] transportation hubs in China

Perennial Qingyang Mall, Chengdu ■

- One of the top suburban malls in Qingyang District

SHENYANG

Shenyang Longemont Integrated Development

Shenyang Longemont Shopping Mall ■ | *Shenyang Red Star Macalline Furniture Mall* ■ | *Shenyang Longemont Offices* ■

- One of the largest mixed-use commercial developments in Shenyang

XI'AN

Xi'an North HSR Integrated Development

Plot 4 ■ ■ ■ ■ | *Plot 5* ■ ■ ■

- Landmark integrated development connected to the largest[3] transportation hub in Northwest China

ZHUHAI

Zhuhai Hengqin Integrated Development

■ ■ ■ ■

- Iconic development connected to Hengqin Immigration Plaza

FOSHAN

Perennial Jihua Mall, Foshan ■

- One of the top suburban malls in Foshan

CHINA

HEALTHCARE

Three core lines of business in China spanning four cities[2]

AIDIGONG ■

- One of the first and leading maternal and child health management companies in China
- Second largest single shareholder

RENSHOUTANG[2] ■

- The largest integrated eldercare services operator in Shanghai
- Largest single shareholder

ST. STAMFORD INTERNATIONAL MEDICAL ■

- Operates St. Stamford Modern Hospital, one of the leading private cancer hospitals in Guangzhou and the first China-Singapore joint venture Joint Commission International-accredited hospital in China

PERENNIAL INTERNATIONAL SPECIALIST MEDICAL CENTRE ■

- The first specialist medical centre concept in China
- Will be the majority owner and operator

Legend:

- ■ Retail
- ■ Office/SOHO
- ■ Hotel/Serviced Apartment
- ■ Residential
- ■ Healthcare
- ■ Event Venue/Convention Centre

1 Perennial will hold an effective interest of 20% in Aviva Tower, United Kingdom, if the Call Option is exercised upon confirmation of the execution of redevelopment plans by its owners.

2 The acquisition of Shanghai RST Chinese Medicine Co., Ltd was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.

3 In terms of the number of train tracks.

OUR BUSINESS MODEL

Perennial's business model is the foundation towards achieving its vision to be a leading global integrated real estate and healthcare company committed to enriching the lives of those it serves and to ultimately deliver value to all of its stakeholders.

REAL ESTATE
OWNER | DEVELOPER | MANAGER

HEALTHCARE
OWNER | OPERATOR

SUPPORTED BY REPUTABLE SPONSORS

Reputable Sponsors

Perennial's four major sponsors own an aggregate effective interest of 79%[1] and have extensive knowledge, networks, resources and business experience in China, Singapore and other markets. This facilitates land sourcing, identification of potential business opportunities and on-ground support for Perennial.

Mr Kuok Khoon Hong (36.9%)
- Chairman of Perennial
- Co-Founder, Chairman and Chief Executive Officer of Wilmar International Limited

Mr Ron Sim (15.3%)
- Vice Chairman of Perennial
- Founder, Chairman and Chief Executive Officer of OSIM International Pte Ltd

Wilmar International Limited (16.5%)
- Asia's leading agribusiness group and ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange

Mr Pua Seck Guan (10.3%)
- Chief Executive Officer of Perennial
- Chief Operating Officer and Executive Director of Wilmar International Limited

1 As at 31 December 2016.

LEVERAGING ON THE INTEGRATED PLATFORM

Integrated Real Estate and Healthcare Business Model

Perennial has an established and internalised management team with capabilities spanning across the real estate and healthcare sectors with strong capital management disciplines. Supported by its sponsors and guided by its core values, Perennial is well poised to identify and seize opportunities that maximises the value of the business across the real estate and healthcare platform.

Real Estate Management Capabilities	Healthcare Management Capabilities	Capital Management Capabilities
Design, Development and Project Management	Service and Space Planning	Investment and Asset Management
Pre-operations and Government Relations	Operations, Benchmarking and Quality Practices	Fund Structuring and Management
Property Management	Investment and Asset Management	Strategic Planning, Capital Management and Investor Relations

DELIVERING VALUE TO STAKEHOLDERS

Shareholders
Delivering sustainable returns

Customers/ Tenants/Patients
Quality product and services in a safe environment

Suppliers
Mutually beneficial long-term partnerships

People
Safe and conducive workplace with opportunities cutting across our integrated platform

Regulators
Compliance with quality standards and regulatory requirements, strong governance culture

Community
Accessible and quality healthcare, vibrant environments that are easily accessible

UNDERPINNED BY CORE VALUES TO DELIVER VALUE

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.

OUR INTEGRATED STRATEGY

Our integrated strategy facilitates the maximisation of the value of both the real estate portfolio and healthcare and medical services businesses.

ACQUISITION/INVESTMENT PRINCIPLES		STRATEGIC PRIORITIES	STRATEGIC HIGHLIGHTS	
Strategic Location in High Growth Cities and in Close Proximity to Transportation Nodes	REAL ESTATE	Acquire, own and develop large-scale mixed-use development projects in first-tier and second-tier provincial capitals and major cities which are in close proximity to transportation hubs.	**CHINA** • Target large-scale mixed-use green field development projects strategically positioned in high growth cities and in close proximity to transportation hubs. • Large-scale iconic mixed-use projects provide complementary advantages and enhance Perennial's resilience against any future policies for specific asset classes.	See page 14 for Signature Showcase See page 61 for Chengdu East HSR Integrated Development See page 64 for Beijing Tongzhou Integrated Development
Optimise Cashflow Management with a Strata-Sale/Long-Term Hold or Divestment for Capital Recycling Strategy	REAL ESTATE	Adopt strata-sale/long-term hold strategy to better manage fund flows, while benefitting from operating long-term assets	**CHINA AND SINGAPORE** • Perennial will adopt a strata-sale strategy for parts of the development for capital recycling purposes and to improve the return on equity, with the remaining parts to be held for the long-term. • Tap on an additional source of funds, recycle capital and reduce its external financing requirements. • Retain an interest in long-term assets to enjoy the benefits of potential uplift in assets' valuations as well as recurring future income from these operational assets.	See page 64 for Beijing Tongzhou Integrated Development See page 50 for TripleOne Somerset See page 51 for AXA Tower
Proactive Value Creation through the Execution of Asset Enhancement, Redevelopment or Repositioning Works	REAL ESTATE	Acquire assets which can be repositioned and redeveloped to extract embedded value	**SINGAPORE** • Acquire properties which can be repositioned or redeveloped to create value. • Selectively acquire completed operational assets which will augment the stream of recurring income and provide further income stability.	See page 50 for TripleOne Somerset See page 51 for AXA Tower See page 53 for Chinatown Point
Active Asset Management to Maximise Income and Capital Values	REAL ESTATE	Achieve first-mover advantage in high growth and untapped emerging markets	**OTHER MARKETS** • Leverage on sponsors' extensive network of relationships and experience in the emerging markets. • Focus on acquiring urban renewal or rejuvenation projects which require international expertise. • Optimise capital structure through a combination of onshore and offshore funding.	See page 82 for Accra Integrated Development, Ghana See page 83 for Call Option for Aviva Tower, United Kingdom
Disciplined Acquisitions and Investments by Leveraging on Perennial's Integrated Real Estate and Healthcare Management Capabilities	HEALTHCARE	Introduce healthcare real estate as an asset class in large-scale integrated developments	**CHINA AND SINGAPORE** • Healthcare real estate within large-scale integrated developments creates synergy between the various components, thus enhancing the value of the entire integrated development.	See page 61-63 for Chengdu East HSR Integrated Development – introduction of Perennial International Health and Medical Hub and Chengdu Xiehe Home See page 50-51 for TripleOne Somerset and AXA Tower – Introduction of Medical Suites at both developments
Prudent Capital Management to Optimise Shareholders' Returns	HEALTHCARE	Invest in or form strategic partnerships with established local and foreign healthcare or medical-related operators to scale up the business	**CHINA AND SINGAPORE** • Partner 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 medical and healthcare services.	See page 62 / 96-97 for Investments or Partnerships: • 'Tenant-Landlord Relationship', such as Parkway Pantai Group as an anchor at Perennial International Health and Medical Hub • 'Joint Venture', such as the JV with Guangdong BOAI to establish St. Stamford International Medical • Investment as a 'Significant Shareholder', such as Renshoutang and Aidigong

SIGNATURE SHOWCASE

CHENGDU EAST HSR INTEGRATED DEVELOPMENT

SYNERGISTIC BENEFITS ENHANCE VALUE

Chengdu East High Speed Railway (“**HSR**”) Integrated Development is a large-scale mixed-use project comprising a holistic mix of medical, eldercare and senior housing, office, retail and residential components.

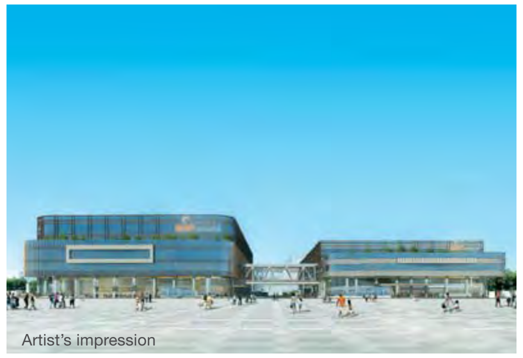
Strategically located at the operational Chengdu East HSR Station, one of the largest[1] HSR Stations in China, the development enjoys unrivalled transportation connectivity and is well-poised to become a regional medical and commercial hub that serves the burgeoning population of Chengdu and its neighbouring cities in Sichuan province.

With our integrated capabilities, we are able to create synergies between the real estate and healthcare components, thus enhancing the value of our integrated developments.

STRATEGIC PRIORITIES

- Strategically located large-scale mixed-use development in second-tier provincial capital city, Chengdu, with direct connectivity to the largest[1] transportation hub in South West China
- Introduce healthcare real estate within large-scale integrated development
- Strategic partnerships with reputable local and foreign healthcare or medical-related operators

1 In terms of the number of train tracks.



Artist's impression

Perennial International Health and Medical Hub

First regional medical cum retail integrated development in Chengdu and Sichuan province. Tenants include a foreign hospital operator as an anchor tenant, three of Perennial's healthcare businesses as mini-anchor tenants, and complementary healthcare and retail trades.

Artist's impression

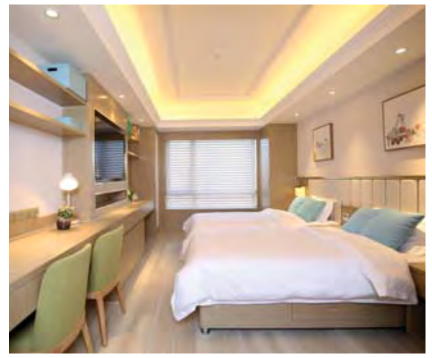
Chengdu Plot C - Offices and Retail[2]

Iconic landmark integrated development with two office towers and a retail podium. The HSR Station serves businesses with a regional presence.

Artist's impression

Chengdu Plot D1 - Apartments and Retail[2]

Designated apartment and retail integrated development to meet potential housing demand from medical staff and visitors of Perennial International Health and Medical Hub and Chengdu Xiehe Home, as well as office workers in Chengdu Plot C.



Chengdu Plot D2 - Eldercare and Senior Housing, Retail and SOHO

Chengdu Xiehe International Eldercare and Retirement Home, a premium private senior housing facility which will comprise a Retirement Home, a Nursing home and a Rehabilitation Home, will be a key tenant.

Artist's impressions on pages 14 and 15 may differ from the actual views of the completed properties.

2 Construction work has not commenced on this plot of land.

Legend:
- Perennial's Healthcare Real Estate (Owner, Developer and Manager)
- Perennial's Healthcare Business (Owner and Operator)
- Perennial's Non-Healthcare Real Estate (Owner, Developer and Manager)

LETTER TO SHAREHOLDERS

Dear Shareholders,

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

STRENGTH IN DIVERSITY, GROWTH IN SYNERGY

In 2015, we made a strategic decision to position ourselves as a leading integrated real estate and healthcare company and embarked on the journey to build our medical and healthcare-related business in China. In 2016, while we continued to focus on our core markets of Singapore and China for our real estate business, we pushed forward with our integrated real estate and healthcare strategy in China and made significant headway through acquisitions and joint ventures with the best healthcare operators in the market.

Within two years, we have established a presence in four countries, being Singapore, China, Malaysia and Ghana, including nine cities across China. For our real estate business, we are invested in and manage 10 large-scale integrated developments and five retail and commercial developments, most of which are either directly connected to or in close proximity to transportation hubs. For our healthcare business, we have three core lines of businesses, being hospital and medical services, eldercare and senior housing, and maternal and child health management services.

As two of our designated healthcare developments within Chengdu East High Speed Railway ("**HSR**") Integrated Development complete construction and commence operations this year, they will become the signature showcase for our integrated real estate and healthcare strategy. The successful execution of our healthcare developments within Chengdu East HSR Integrated Development will bear testament to our belief that the addition of healthcare real estate as an asset class within our large-scale integrated development, coupled with the introduction of our various healthcare business lines as tenants within our healthcare real estate, will allow us to diversify our business and create synergies between the various real estate components, thereby enhancing the value of the entire integrated development.

REAL ESTATE BUSINESS REVIEW

Singapore

In Singapore, we continually review our real estate portfolio to explore capital recycling opportunities to maximise returns for Shareholders, actively manage the operating properties to enhance its value and performance, and seek ways to grow our recurrent income base.

In FY2016, we divested our 1.5% interest in 112 Katong and acquired an additional effective stake of 43.7% in Chinatown Point, resulting in a total effective stake of 45.2%, to become its largest shareholder. Chinatown Point is a strategically located and well-performing asset. The increased stake in Chinatown Point further boosts our recurrent income stream and strengthens our foothold in Singapore's Central Business District.

In January 2017, we announced the partial divestment of a 20.2% stake in TripleOne Somerset, while retaining a 30% stake in the prime office integrated development. The divestment is expected to yield a pre-tax divestment gain of about S$34.3 million with the proceeds to be channeled to fund higher yielding projects. The remaining stake in TripleOne Somerset will continue to provide Perennial with income stability and the opportunity to enjoy the upside from future strata sales and enhancement works.

Separately, we have commenced initial enhancement works at TripleOne Somerset and AXA Tower, both of which are scheduled for major asset enhancement programmes totaling S$270 million. The extensive works, which include the upgrade of the office lobbies and common areas, enhancement of the retail podiums and the introduction of medical suites, are expected to complete in 2018/2019.

In the second half of 2016, we launched the strata sales of the office spaces and medical suites at TripleOne Somerset and AXA Tower and achieved an average pricing of over S$2,680 per square foot ("**sq ft**") and S$2,710 per sq ft respectively, both of which are at an attractive net margin of about 30% to 40% over their acquisition price plus the enhancement cost.

Although strata sales provide good one-off cash flow, we remain mindful not to overly compromise the stable income contribution from the leases at the two properties. We have therefore set aside only about 10% of the total net lettable office space at each building for strata-sale at any one time and prioritise spaces occupied by expiring leases for strata sale.

The positive developments at TripleOne Somerset and AXA Tower are strong testaments to our ability to identify quality assets with embedded value, enhance the worth of our properties through enhancement or redevelopment works, and unlock the value of our assets through capital recycling initiatives, such as strata sale.

China

In FY2016, the key focus was placed on managing the construction of Perennial International Health and Medical Hub ("**PIHMH**") and Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**") ahead of its handover to tenants for fitting out in 2Q/3Q 2017. PIHMH and Chengdu Plot D2, which form part of Chengdu East HSR Integrated Development, will be Perennial's first integrated real estate and healthcare signature showcase when its tenants commence operations progressively from 3Q 2017.

PIHMH, positioned as the first regional medical cum retail integrated development in Chengdu and Sichuan province, secured a committed occupancy of about 60% as at 31 December 2016. Other than Chengdu ParkwayHealth Hospital, which will be the anchor tenant, three of Perennial's healthcare businesses, namely Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("**Aidigong**"), St. Stamford International Medical Pte Ltd ("**St. Stamford**") and Perennial International Specialist Medical Centre ("**Perennial Specialist Centre**"), have taken up space as mini-anchor tenants at PIHMH. In addition, we have secured Gulian Rehabilitation and Nursing Centre as a mini-anchor tenant. Leasing efforts are now focused on signing up complementary medical, healthcare-related and retail tenants.

In relation to Chengdu Plot D2, one tower will be handed over to Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**") for its Phase 1 operations. Perennial has a 40% stake in Chengdu Xiehe Home, and Shanghai RST Chinese Medicine Co., Ltd ("**Renshoutang**") is a joint operator of

"... the addition of healthcare real estate... and the introduction of healthcare business lines within our healthcare real estate, will allow us to diversify our business and create synergies... thereby enhancing the value of the entire integrated development."

Chengdu Xiehe Home with a 20% stake. Perennial will be the largest single shareholder in Renshoutang post-completion of the acquisition of a 49.9% stake in 1H 2017.

In Beijing Tongzhou District where our Beijing Tongzhou Integrated Development is located, the entire precinct is abuzz with activities given the designation of the district as the new sub-centre of Beijing. The first batch of the Beijing municipal government administrative offices is expected to move to Tongzhou District by the end of 2017[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 square metre. We have received construction permits for two plots of land and the permits for the remaining four plots are expected to be received by 2Q 2017. We have also put in place the financing for the development by securing 7-year term loans and 15-year development loans from the Bank of China, Beijing Branch totaling RMB6.4 billion (approximately S$1.3 billion). Beijing Tongzhou Integrated Development is well-positioned to benefit from the enhanced infrastructure and connectivity[2], and the escalating property values in the up and coming regional centre of Beijing.

At Xi'an North HSR Integrated Development, construction is progressing well. We plan to replicate our integrated real estate and healthcare strategy at this prime development, which is adjacent to the largest HSR station[3] in Northwest China.

For Shenyang, the overall operating environment remains challenging. To keep up with the evolving consumer trends and to strengthen the positioning of the mall, the tenant mix at the Shenyang Longemont Shopping Mall had to be continually refreshed. We are pleased that the mall is now widely recognised as one of the most popular one-stop shopping, dining and leisure destinations in Shenyang. For Shenyang Red Star Macalline Furniture Mall ("**Shenyang Furniture Mall**"), there was a change in one of the two master-lease tenants occupying the property, presenting us with an opportunity to implement our integrated real estate and healthcare strategy. Plans are now underway to potentially introduce a medical and healthcare centre as a replacement tenant, following the receipt of an in-principle approval from the local authorities.

For Shenyang Longemont Offices, the committed occupancy grew to about 63% from 50% a year ago. Similarly, adaptability was key to stay relevant to cater to the various office tenants' profiles and their unique work space requirements. A new 'co-working space' concept is currently being implemented at the twin towers so as to provide greater leasing flexibility to local entrepreneurs. The opening of the new Subway Line 10 towards the end of 2017, in addition to the existing operational Subway Line 1, is expected to further enhance the attractiveness of the office towers and bring higher footfall to the two malls.

Separately, our two prime suburban malls, being Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu, continued to perform well, with both registering about 99% committed occupancy as at 31 December 2016, annual rental growth of 20%, and growing shopper traffic year-on-year.

Other Markets

During the year, we focused on finalising the respective development plans and securing the necessary approvals for the Penang Waterfront Integrated Development in Malaysia and Accra Integrated Development in Ghana. For both projects, which are expected to complete construction in 2021, we intend to strata-sale the residential and office components to minimise the capital outlay.

In late FY2016, we secured an attractive Call Option to acquire a 20% stake in Aviva Tower in United Kingdom ("**UK**"), presenting Perennial with an exceptional opportunity to gain access into a new developed market. Aviva Tower, called 1 Undershaft post-redevelopment, will be a new £1 billion landmark standing at a height of 304.94 metres, making it the tallest building in the City of London. The redevelopment scheme is expected to deliver significant value which Perennial will be able to enjoy via the exercise of the Call Option. As this exceptional opportunity was offered to Perennial by one of our largest sponsors who own a significant stake in Aviva Tower, the grant of the Call Option further demonstrates the strong support and commitment by our sponsors to grow Perennial into an international real estate company.

The quality portfolio of projects in Malaysia, Ghana and UK thus lay the foundation for Perennial to build sustainable long-term growth.

HEALTHCARE BUSINESS REVIEW

FY2016 was an extremely busy year for us on the healthcare business front in China.

Following the establishment of the 40-60 joint venture ("**JV**") in 2015 with Guangdong Boai Medical Group Co., Ltd, one of the largest private hospital and medical services operators in China,

1 USChinaPress.com article dated 23 February 2017.
2 Beijing Daily Group article dated 7 March 2017.
3 In terms of the number of train tracks.

we launched the St. Stamford brand in 2016 to operate all of our JV medical and hospital projects.

St. Stamford operates the St. Stamford Modern Hospital in Guangzhou and will soon operate the St. Stamford Plastic Surgery and Aesthetic Hospital in PIHMH in Chengdu. In FY2016, considerable efforts were spent on planning and rolling out initiatives to elevate the local and international standing of St. Stamford Modern Hospital, and to provide better quality care for our patients. Other than the progressive upgrade of the medical facilities and hospital wards with refreshed rooms and new beds, and the introduction of new VIP rooms in the existing building, a new two-storey extension block was built and the total number of in-patient beds was increased. The JV has also identified a number of pipeline projects which it intends to actively pursue this year.

As an extension of our hospital and medical business, we ventured into setting up the first premier specialist medical concept in China. Branded as Perennial Specialist Centre, the first facility will commence operations at PIHMH in 3Q 2017. To-date, we have successfully secured over 260 medical specialists from various renowned hospitals across China who will attend to patients on allocated days of the week at PIHMH, while continuing with their existing practice at public hospitals on the other days of the week.

In FY2016, Perennial acquired a 20% interest in Aidigong, a leading maternal and child health management operator in China, to become its second largest single shareholder. Aidigong currently operates three maternal and child health management centres and one post-natal centre in Shenzhen and Beijing. A new centre in Shenzhen will be opening in March 2017 and the largest centre in Chengdu at PIHMH will commence operations by 4Q 2017. With an existing portfolio of 140 in-patient beds and a committed pipeline of 216 beds, Aidigong is set to grow its presence in the core cities of Shenzhen, Beijing and Chengdu.

In early FY2016, Perennial entered into a JV with Shanghai Summit Property Development Limited and Renshoutang to establish a 40-40-20 JV management company to operate Chengdu Xiehe Home. Renshoutang is the largest integrated eldercare operator in Shanghai. To expand our healthcare business platform in China so as to ride on the fast growing eldercare and senior housing market, we made an acquisition of a 49.9% stake in Renshoutang towards the end of FY2016[4].

The opening of Chengdu Xiehe Home in 3Q 2017 at Chengdu Plot D2 would mark Renshoutang's first facility outside of its stronghold Shanghai market. Chengdu Xiehe Home, which will comprise a retirement home, a rehabilitation home and a nursing home, is expected to have a bed capacity of about 960 beds in the first phase. Renshoutang has an existing portfolio of 2,425 beds and access to a committed pipeline and pipeline under negotiation of over 6,210 beds and 15,400 beds respectively. With an extensive pipeline of opportunities, Renshoutang is set to be one of the largest eldercare services operators in the affluent and populous Yangtze River Delta Region in the next few years.

FINANCIAL REVIEW

For FY2016, Perennial registered a revenue of S$110.2 million, which was 6.4% lower than 12M 2015 of S$117.7 million, mainly due to the absence of the one-off acquisition fee earned for AXA Tower and lower rental revenue from TripleOne Somerset as expiring leases were not renewed to make way for the extensive asset enhancement works, but was partially mitigated by strata sales of office units in TripleOne Somerset.

Earnings Before Interest and Tax ("**EBIT**") for FY2016 was S$111.2 million, which was 23% lower than 12M 2015 of S$144.5 million. The decrease was mainly due to the absence of the one-off acquisition fee of AXA Tower, lower operating results from JVs, write-off of intangible assets and impairment provision. The main contributors to FY2016's EBIT were income from operating properties in Singapore and China, and net fair value gain from the revaluation of PIHMH and Chengdu Plot D2, which was offset by revaluation loss of Shenyang Furniture Mall and the retail and hotel components of Capitol Singapore.

Overall, Singapore operating assets were the main contributor to Revenue while operating assets and revaluation of investment properties in China were the main drivers for EBIT in FY2016, accounting for 53.5% and 73.7% of Revenue and EBIT respectively. Profit After Tax and Minority Interest ("**PATMI**") for FY2016 stood at S$35.1 million, which was lower than 12M 2015 PATMI of S$58.1 million.

As at 31 December 2016, our Net Asset Value per share was S$1.631, lower than S$1.688 as at 31 December 2015, due to translation losses arising from the depreciation of RMB against SGD during the year.

For the financial year ended 31 December 2016, a first and final dividend of 0.4 Singapore cents per share was proposed.

CAPITAL MANAGEMENT

In FY2016, Perennial issued S$125 million 4.9% Notes due 2019 under its S$2 billion Multicurrency Debt Issuance Programme. We also successfully launched our second retail bond offering by issuing four-year 4.55% per annum fixed returns retail bonds with a total issue size which had to be increased from S$200 million to S$280 million to meet the strong demand from the public and placement tranches.

As at 31 December 2016, Perennial's net debt to equity ratio stood at 0.66 times. This figure would have improved significantly to 0.46 times, assuming that the partial divestment of TripleOne Somerset was completed on the same date. It is imperative in this current uncertain global economic environment to exercise prudent capital management and we will continue to proactively manage our foreign currency exposure and liquidity position, while maximising our capital efficiency.

SUSTAINABILITY

Perennial has been a strong advocate of sustainability practices since we commenced trading on the Mainboard of the Singapore Exchange in end 2014. To embed sustainability into our company culture, sustainability was included as part of our vision and core value statements when they were established.

In end 2016, we conducted our first formal materiality assessment, guided by the internationally-recognised Global Reporting Initiative ("**GRI**") sustainability reporting framework. Out of 21 potential environmental, social and governance ("**ESG**") factors, we identified five material ESG factors and selected another three factors for reporting in view of their relevance in the industry context. We will commence formal sustainability reporting under the GRI framework for FY2017, starting with our Singapore operations, and expand to other countries of operations over time.

In FY2016, we are pleased that Capitol Singapore won Urban Redevelopment Authority's Architectural Awards 2016 under the Restoration and Innovation Category, further raising our profile as a specialist for conservation projects. Separately, we held our very own corporate social responsibility event by partnering with the Singapore Association of the Visually Handicapped ("**SAVH**") to host the International White Cane Day 2016 at CHIJMES and raised over S$268,000 for SAVH's clients.

LOOKING FORWARD

Although the global economic outlook is increasingly uncertain, we believe that our quality portfolio of real estate with strong fundamentals, coupled with our growing healthcare business in China in selected growth areas with robust demand, will enable us to remain resilient amid the tough operating environment.

This year, we will build on the momentum to further strengthen our position in the core markets of Singapore and China. In Singapore, our immediate priorities are to accelerate the strata sales and execute the asset enhancement programmes planned at TripleOne Somerset and AXA Tower. Concurrently, we will continue to drive the performance of our operating assets to deliver a stable stream of recurrent income.

Separately, we are completing the renovation works at the House of Tan Yeok Nee to operate a premier Traditional Chinese Medicine ("**TCM**") centre with a JV partner. When it opens in 2Q 2017, the TCM centre will be Perennial's first healthcare business in Singapore.

In China, land prices in many cities, particularly prime land in close proximity to transportation hubs, have escalated significantly. As China's HSR network expands[5] and the HSR gains further acceptance as an expedient and affordable mode of transport, our large-scale integrated developments which are adjacent to HSRs or subway interchange stations, such as Chengdu East HSR Integrated Development, Xi'an North HSR Integrated Development, and Beijing Tongzhou Integrated Development, will increasingly become more valuable. As these integrated developments complete construction over time, we will be able to progressively unlock their inherent value.

This year, our primary focus is to prepare our integrated real estate and healthcare showcase in Chengdu for the commencement of business in 3Q 2017. Its success is set to pave the way for many more similar opportunities in other growth cities across China.

Specifically on the healthcare business front in China, we will continue to scale up our three lines of businesses, particularly in integrated eldercare and medical care where demand is rapidly growing due to the ageing population, but quality facilities with professional services, such as rehabilitative and critical care services, are still acutely lacking in many cities. Consequently, local governments across China have instituted supportive measures and favourable policies to accelerate the provision of integrated eldercare and medical services to cope with the impending challenges[6], which bode well for our long-term growth.

We have had a good head start in the integrated real estate and healthcare space in China and intend to actively explore the acquisition of more prime integrated real estate and healthcare projects this year. Our distinctive competitive edge lies in our ability to execute large-scale mixed-use developments, syndicate capital to invest in physical real estate, understand the mechanics of the local markets, and establish good networks and relations with local partners and authorities. We have also built up a professional team with strong management capabilities in both the real estate and healthcare businesses.

For each of our large-scale integrated developments, we have drawn up a clear plan that sets out how we intend to harness its value through the execution of our mixed-use real estate strategy. Concurrently, our healthcare businesses, which are able to provide appropriate content for our large-scale integrated developments, are also by themselves sound management businesses on a strong growth trajectory. Together, we are well-poised to create synergistic value across the entire real estate and healthcare value chain and drive long-term growth for Shareholders.

ACKNOWLEDGEMENT

We would like to thank our Board of Directors for their invaluable guidance and commitment. On behalf of the Board of Directors, we would also like to thank our Shareholders, tenants, patients, business partners, customers, and the analyst and media community for their continued support. Last but not least, we would like to extend our sincere appreciation to all Perennials for their dedication and teamwork as we grow our integrated real estate and healthcare business from strength to strength.

Mr Kuok Khoon Hong
Chairman

Mr Pua Seck Guan
Chief Executive Officer

8 March 2017

4 The acquisition of Shanghai RST Medicine Co., Ltd was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.

5 The State Council of China: White paper on "China Transport Development" dated 29 December 2016 (http://english.gov.cn/news/top_news/2016/12/29/content_281475528039662.htm).

6 Deloitte Report 2015.

致股东函

尊敬的各位股东，

我们很荣幸地向您呈现鹏瑞利置地集团有限公司(“**鹏瑞利置地**”)的第二届年度报告。

多元实力，协同增长

在2015年，我们做出了一个策略性决定，那就是把鹏瑞利置地打造为全球领先的集房地产与医疗服务业务为一体的公司，并在中国开始建立我们的医疗和医疗保健相关的业务。在2016年，我们继续专注在以新加坡和中国为核心市场的房地产业务的同时，我们也在中国大力推动综合房地产与医疗保健业务，并通过收购市场最佳的医疗运营商与合资的方式成功获得了显著的进展。

两年内，公司的业务成功遍布新加坡、中国、马来西亚和加纳四个国家，其中包括了在中国的九个城市。在我们的房地产业务方面，我们投资并管理着十个大型综合项目及五个零售商业项目，其中大部分都直接通往或毗邻主要的交通枢纽。在我们的医疗保健业务方面，我们拥有三个核心业务，即医院与医疗服务、老年护理与养老住房，以及母婴产后保健管理服务。

我们在成都东站综合项目中的两项医疗保健项目将在年内竣工并开业，这将成为我们综合房地产和医疗保健策略的标志性展示。其成功执行将验证我们的信念，即我们在大型综合项目中添加医疗地产的资产类别，并在医疗地产中以租户的方式注入我们的各条医疗保健业务线，使我们的业务更多元化，并在各种房地产组合之间创造协同效应，从而提高整个综合体的价值。

房地产业务概览

新加坡

在新加坡，我们不断检阅我们的房地产投资组合，探索资本循环再用的机会，最大可能地提高股东回报，并积极管理经营项目以提高其价值和业绩，同时寻求可增加循环性收入的各种方式。

在2016财年，我们脱售了112加东的1.5%权益，并追加收购了唐城坊43.7%的有效权益，继而我们持有该物业的有效权益提高到45.2%，成为该物业的最大股东。作为一个地点优越和表现良好的资产，唐城坊权益的提高将进一步增强我们的循环性收入流，并巩固我们在新加坡中央商业区的立足点。

在2017年1月，我们宣布将脱售111索美塞的20.2%权益，并保留在该优质写字楼综合项目的30%权益。这项脱售预计将带来大约3,430万新元的税前脱售盈利，所得资金将用于投资更高收益的项目。保留持有的111索美塞权益则将继续为鹏瑞利置地提供稳定的收入，并在未来的单元产权销售和资产增值计划中盈利。

另外，我们也启动了在111索美塞和安盛保险大厦的初步资产增值计划，并会陆续投入2.7亿新元。计划将涵盖写字楼的接待处及公共区域、加强商业裙楼及引进医疗套间，并预计在2018/19年竣工。

在2016年的下半年，我们开始推出了111索美塞和安盛保险大厦的办公空间和医疗套间的单元产权销售，每平方英尺的均价分别超过了2,680新元和2,710新元，两者比收购价格加增值成本后，皆取得相当可观的30%至40%净利润率。

虽然单元产权销售提供良好的一次性现金流，但我们也意识到不能忽视两个物业通过租赁提供的稳定收入。因此，我们在任何时候都只预留每栋大楼可出租面积中约10%的空间来进行单元产权销售，并优先售出那些租约即将到期的单位。

111索美塞和安盛保险大厦的良好发展，充分显示了我们识别优质资产潜在价值的能力，通过资产增值计划或重新开发来提高物业的价值，并通过资本循环再用计划如单元产权销售来实现我们资产的价值。

中国

在2016财年，主要重点是鹏瑞利国际医疗健康中心和成都东站综合项目D2地块(“**成都D2地块**”)的建筑工程管理，并确保在2017年第二/第三季转交给租户。鹏瑞利国际医疗健康中心和成都D2地块是成都东站综合项目的一部分，随着租户在2017年第三季逐步开业，这将成为鹏瑞利置地的首个房地产与医疗保健综合项目的标志性展示。

鹏瑞利国际医疗健康中心定位为成都和四川的首个区域性医疗保健兼零用综合项目，并于2016年12月31日取得了约60%的承租率。除了成都百汇医疗医院作为主力租户，鹏瑞利置地旗下的三个医疗服务业务，包括深圳爱帝宫母婴健康管理公司(“**爱帝宫**”)、圣丹福国际医疗(“**圣丹福**”)和鹏瑞利国际医疗健康中心也将作为鹏瑞利国际医疗健康中心的次主力租户。此外，我们也签下了顾连康复护理中心作为次主力租户。接下来的租赁工作将专注于补充医疗、保健相关和零售的租户。

“…添加医疗地产的资产类别，并在医疗地产中以租户的方式注入我们的各条医疗保健业务线，使我们的业务更多元化，并在各种房地产组合之间创造协同效应，从而提高整个综合体的价值。”

关于成都D2地块，其中一栋楼将转交给成都协和国际颐养院(“**协和颐养院**”)作为首阶段的营运部分。鹏瑞利置地拥有协和颐养院的40%权益，而上海人寿堂国药有限公司(“**人寿堂**”)作为协和颐养院的联合营运公司，也拥有20%权益。鹏瑞利置地在2017年上半年完成人寿堂的49.9%权益收购后，将成为人寿堂的最大单一股东。

我们北京通州综合项目所处于的北京通州区，被指定为北京的城市副中心，整个区域的活动十分繁忙。第一批北京市政府行政办公室预计将于2017[1]年底前迁至通州区。毗邻该项目的新公寓和写字楼推出的价格最近都上涨至每平方米4万至5万元人民币。我们已获取两幅地块的施工许可证，而其余四幅地块的许可证也预计会在2017年第二季获得。我们也从中国银行北京分行获得了总值64亿元人民币（约13亿新元）的贷款，包括7年期贷款与15年期的开发贷款。北京通州综合项目将受益于基础设施与通达性的改善[2]，以及北京区域中心不断上涨的房地产价值。

在西安北站综合项目，建设工程正在顺利进展中。我们计划在这项毗邻中国西北部最大[3]的高铁站的项目中，复制我们综合房地产和医疗服务业务的策略。

对于沈阳而言，整体经营环境仍然具有挑战性。为了跟上不断变化的消费趋势，并加强商场的定位，沈阳龙之梦购物中心的租户组合必须不断更新。我们很高兴该商场现在被广泛认为是沈阳最受欢迎的一站式购物、餐饮和休闲目的地之一。关于沈阳红星美凯龙家居广场(“**沈阳家居广场**”)，占据该物业的两个整租租户的其中一个进行了转变，为我们提供了实施综合房地产和医疗服务策略的机会。在我们取得该地方有关当局的原则性批准后，目前正在计划引入医疗和保健中心作为替代租户。

关于沈阳龙之梦写字楼，承租率从一年前的50%增长到约63%。同样的，应变能力将是维持竞争力的关键因素，并适应各种写字楼租户的背景和他们独特的工作空间要求。

目前双塔楼正在实施一个新的“共用工作空间”概念，以便为当地创业人士提供更大的租赁灵活性。除了现有的地铁1号线之外，新的地铁10号线在2017年年底开通，预计将进一步提高写字楼的吸引力，并为两个商场带来更大的人流量。

另外，我们的两座优质市郊购物中心—佛山的鹏瑞利季华广场和成都的鹏瑞利青羊广场继续其良好表现，截至2016年12月31日享有约99%的承租率，年租金同比增长20%，而人流量也同比上升。

其他市场

在过去一年里，我们专注完成各个发展项目，并获取槟城滨海湾综合项目和加纳阿克拉综合项目的各项批准。这两个项目都预计在2021年竣工，我们有意将项目中的住宅和写字楼部分进行单元产权销售以减少我们的资本支出。

在2016财年末，我们获得了一项很优越的认购期权，使我们可选购英国的英杰华大楼20%权益，这让鹏瑞利置地拥有可进军一个新的发达市场的独特机会。英杰华大楼在重新发展后将命名为1 Undershaft，这将是一个总值10亿英镑、楼高304.94米的全新地标，成为伦敦市的最高建筑。这项重新发展计划预计将带来庞大的价值，而鹏瑞利置地可通过行使认购期权而享有该价值。这个独特的机会是由公司最大的发起人所提供的，并也是英杰华大楼的主要股东之一。获得这项认购期权进一步显示了我们的发起人对于发展鹏瑞利置地成为一家国际房地产公司做出的支持和承诺。

在马来西亚、加纳和英国的优质资产组合为鹏瑞利置地未来的可持续发展提供了稳定的基础。

医疗保健业务概览

2016财年对我们在中国的医疗保健业务而言是非常忙碌的一年。

1 侨报网2017年2月23日的文章。
2 北京日报2017年3月7日的文章。
3 以火车轨数量计算。

致股东函

我们在2015年和中国最大私人医院和医疗服务运营商之一，中国博爱医疗集团按照40-60投资比例设立了合资公司("**合资公司**")，而后在2016财年推出了圣丹福品牌来运营我们所有的合资医疗和医院项目。

圣丹福负责运营广州的圣丹福现代医院，近期内也会于成都鹏瑞利国际医疗健康中心的圣丹福整形美容医院开始运营。在2016财年，我们致力于规划和推出各类举措，以提高圣丹福现代医院在当地与国际的地位，并为我们的病人提供更高品质的医疗服务。除了逐步升级医疗设施、翻新医院的病房与床，以及在现有建筑中引入新的贵宾室，我们也建造一个新的两层楼延伸建筑，并增加了医院的病床数量。合资公司也确定了一些潜在的项目，计划在今年积极进行。

作为我们医院和医疗业务的延伸，我们进一步在中国设立了首个优质专业医疗理念。这个理念将冠以鹏瑞利专业医疗中心品牌，第一家设施将在2017年第三季于鹏瑞利国际医疗健康中心开始运营。迄今为止，我们已经成功从中国各家著名医院招揽了260多名医疗专家，每周定期在鹏瑞利国际医疗健康中心为病人服务，而其余时间会如常在公立医院坐诊。

在2016财年，鹏瑞利置地收购了中国领先的母婴产后保健管理运营商爱帝宫的20%实际权益，成为其第二大单一股东。爱帝宫目前在深圳和北京设有三家母婴月子会所和一家产后护理中心。深圳的新项目将于2017年3月开业，以及成都最大的月子会所将于2017年第四季在鹏瑞利国际医疗健康中心开始运营。目前爱帝宫旗下已开设140张床位，建设中及即将开设的床位有216张，爱帝宫将继续在深圳、北京和成都这些的核心城市扩张业务。

在2016财年初，鹏瑞利置地与上海长峰房地产开发有限公司和上海人寿堂国药有限公司成立了一家40-40-20的合资公司以运营协和颐养院。人寿堂是上海市最大的综合养老服务机构。我们为了扩张我们在中国的医疗保健业务平台，在2016财年末收购了人寿堂的49.9%权益[4]。

协和颐养院在2017年第三季于成都D2地块开业后，将标志着人寿堂首次走出上海大本营。协和颐养院将包括一个养老院、一个康复中心和一个疗养院，预计会在第一阶段开设约960个床位。人寿堂旗下目前拥有正在运营的2,425个床位，并将拥有已规划中的6,210个床位和正在商谈中的15,400个床位。凭借广泛的机会，人寿堂在未来几年将成为富裕和人口稠密的长江三角洲地区最大的养老服务运营商之一。

财务回顾

在2016财年，鹏瑞利置地取得了1.102亿新元收入，比起2015年12个月业绩期内的1.177亿新元低了6.4%，主要是因为少了安盛保险大厦的一次性收购收入，并且111索美塞过期的租约并没有被更新，以为全面的资产增值计划作出准备，而导致了租金收入降低。然而111索美塞写字楼的单元产权销售在一定程度上抵消了租金收入的减少。

2016财年的的息税前利润为1.112亿新元，比起2015年12个月业绩期内的1.445亿新元低了23%。该减少主要是因为少了安盛保险大厦的一次性收购收入、合资公司较低的运营业绩、注销无形资产及减值准备。2016财年息税前利润主要来自新加坡和中国的运营物业，以及来自鹏瑞利国际医疗健康中心和成都D2地块重估的公允价值收益净额，其中部分被沈阳家居广场和新加坡首都综合项目的商用与酒店部分的重估损失所抵消。

整体上而言，2016财年收入主要来自新加坡的运营资产，而息税前利润的主要来自中国的运营资产和投资资产的重估，分别提供了53.5%和73.7%的收入和息税前利润。2016财年的纳税及少数股东权益后盈利为3.510万新元，较低于2015年12个月的5.810万新元。

截至2016年12月31日，每股净资产值达到1.631新元，较低于截至2015年12月31日的1.688新元，主要是因为人民币兑新元的贬值所导致的折算损失。

截至2016年12月31日的财年，公司建议向股东派发每股0.4新加坡分的首期及末期股息。

资本管理

在2016财年，鹏瑞利置地通过其20亿新元的多币种债券发行计划，发行了1.25亿新元、满期于2019年，发行年利率为4.9%的债券。我们也成功发行了第二批零售债券，发行期为四年、每年4.55%固定收益，并且发行量从2亿新元提高到2.8亿新元，以满足公开发行和配售的强烈需求。

截至2016年12月31日，鹏瑞利置地的净负债权益比率为0.66倍。若111索美塞的部分出售也在同日完成，该比率会显著改善至0.46倍。在目前全球经济不稳定的环境中，我们将审慎地实施资本运营，并且也会继续积极管理我们的外汇曝险和流动资金，最大化我们的资本效益。

4 上海人寿堂国药有限公司的收购案于2016年9月13日发布，预计在2017年上半年完成收购。

可持续发展

鹏瑞利置地自从在2014年底于新加坡交易所主板上市交易以来，就一直大力推动可持续发展的各种方法。为了把可持续发展的理念植入我们的企业文化，公司的愿景和核心价值宣言在一开始设立时就已包括了可持续发展在内。

在2016年底，我们根据国际认可的GRI可持续发展报告框架，进行了我们首次正式的实质评估。在21个潜在的环境、社会与企业治理因素("**ESG**")当中选出了五个关键的ESG因素，并另外选出了三个与行业相关的因素来进行申报。我们将在201财年由我们的新加坡业务开始，依据GRI框架发布可持续发展报告，并逐步延伸到我们其他市场的业务。

在2016财年，新加坡首都综合项目荣获了市区重建局的2016建筑奖项中的旧建筑修复工程优异奖，进一步提高我们作为文物遗产项目改造与保护专家的知名度。另外，我们也举办了企业社会责任活动，通过与新加坡视障人士协会("**SAVH**")合作，在赞美广场举行了2016年国际白手杖节，为SAVH的客户筹集了超过26.8万新元。

展望未来

尽管全球的经济展望变得越来越不确定，我们相信基于我们稳健的房地产资产，加上在中国拥有强劲需求的特定市场中迅速增长的医疗保健业务，将让我们能够在这个艰难的运营环境中保持坚韧。

今年，我们将善用我们的增长势头，在新加坡和中国这两个核心市场进一步巩固我们的市场地位。在新加坡，我们的首要关注是要加速我们的单元产权销售，并执行已规划的111索美塞和安盛保险大厦资产增值计划。同时，我们将继续推动我们运营资产的业绩，以促使一个稳定的循环性收入流。

另外，我们将与合作伙伴在即将完成装修工程的陈旭年宅第一起运营一家首屈一指的中医馆。在其2017年第二季开业后，将会是鹏瑞利置地在新加坡的首个医疗保健业务。

在中国，很多城市的地价，尤其是那些毗邻交通枢纽的优质地块，已经显著上涨。随着中国高铁网络的扩张[5]，高铁作为一个快速与可付担的交通工具也逐渐被大家认可。我们那些毗邻高铁站或地铁转换站的大型综合项目，如成都东站综合项目、西安北站综合项目，以及北京通州综合项目，都将变得更有价值。随着这些综合项目开发完成，我们也将能够逐步实现项目的潜在价值。

今年，我们的主要焦点是筹备成都的综合房地产与医疗保健项目，以便在2017年第三季开始营业。这个项目的成功今后将为中国其他增长型城市的类似商机铺平道路。

在中国的医疗保健业务方面，我们将持续扩大我们的三个业务线，特别是综合老年护理和医疗保健服务方面。基于人口老龄化而促使需求快速增长，但许多城市仍然严重缺乏优质设施与专业服务，如康复和重要护理服务。因此，中国各地的地方政府制定了支持性措施和优惠政策，以加快提供综合性老年护理和医疗服务，以应对即将来临的挑战[6]，这是有利于我们的长远发展。

我们在中国的综合房地产和医疗保健领域取得了良好的开端，并计划今年积极探索取得更多优质的综合房地产和医疗保健项目。我们独特的竞争优势在于我们能够执行大型综合项目、联合资本投资房地产、了解当地的市场运作，并与当地合作伙伴和有关当局建立良好的关系。我们也建立了一个在房地产和医疗保健业务方面都具有强大管理能力的专业团队。

对于每一个大型综合项目，我们都制定了清晰的计划，阐明了如何通过执行我们的综合房地产策略来善用其价值。同时，我们的医疗保健业务不仅能够在我们的大型综合项目中提供恰当的内容，并且其自身也是正在强劲增长的优良管理业务。结合两者，我们有望在整个房地产和医疗保健价值链中创造协同价值，并为股东带来长期增长。

鸣谢

感谢我们的董事会英明的领导和付出。谨代表董事会，我们向全体股东、租户、医疗消费者、商业伙伴、客户、分析师和媒体的持续支持表示感谢。最后，我们希望向全体职员致以真诚的谢意，感谢大家在我们大力发展综合房地产和医疗保健业务时的奉献和团队精神。

郭孔丰先生
主席

潘锡源先生
首席执行官

2017年3月8日

5 中国国务院《中国交通运输发展》白皮书 (2016年12月)。
6 德勤2015年报告。

Q

Will Perennial's core markets remain as Singapore and China in the near term? How should we see Perennial's involvement in the single project in each of Malaysia and Ghana, and most recently the Call Option that was secured in the United Kingdom?

Singapore and China will remain as our core markets in the next five years.

Singapore is our home base and we know the market well. The country's real estate capital values are expected to remain strong as Singapore continues to be favoured as an attractive location for businesses and foreign investors to access the Asian market. Singapore's political and social stability, skilled workforce, efficient tax policies and robust regulatory environment will continue to underpin foreign investment interests.

With abundant foreign capital chasing after limited projects in Singapore, we will remain disciplined to selectively acquire attractively priced completed projects across different asset classes which will allow us to enhance or redevelop to create value. We are also prepared to explore greenfield projects, or even merger and acquisition opportunities to grow our existing platform.

China is a huge market and we are committed to grow our footprint in first-tier and second-tier provincial capital cities. Location, proximity to transportation hub and pricing will continue to be fundamental considerations for acquisitions and investments. Economies of scale would have a bearing on our decision as well, so if we already have a presence in a city, we will be able to leverage on our existing resources to further expand our business there. In addition, the success of our integrated real estate and healthcare business model will open up greater opportunities for us to pursue large-scale mixed-use developments in many of China's high growth cities.

Our projects in Penang and Accra are opportunistic projects which present attractive investment return potential with minimal capital outlay required. Having said that, both are one-of-a-kind landmark developments in their respective cities which we are executing with highly reputable partners.

For our project in Accra, the acquisition land price is extremely attractive as compared to its current value. In addition, we are able to leverage on our sponsor's, Wilmar International Limited, extensive knowledge, network and resources to achieve first mover advantage, and build on the success of the Accra Integrated Development to access other African markets in the longer term.

Separately, the Call Option secured by Perennial to acquire a 20% stake in Aviva Tower in London was an exceptional investment opportunity presented to Perennial by one of our largest sponsors and Chairman of the Board, Mr Kuok Khoon Hong. Perennial only paid US$4 to enter into the call option and has the right to exercise the call option only if the existing owners of Aviva Tower proceed with its redevelopment plans.

Q

With a number of developments still under construction and undergoing enhancement, how will Perennial manage its cash flow and capital expenditures?

For TripleOne Somerset and AXA Tower in Singapore which are undergoing asset enhancement works, both developments have secured their respective enhancement loans at the property level.

As for our China development projects, the land costs have been fully equity funded. For each project, we typically work with our partner and construction company to fund the construction works up to a certain level, and after which, a local project loan will be obtained to fund the rest of the construction to completion. Alternatively, if there are strata sale opportunities at the development, the project may also be funded via the strata sales of the residential, office or retail components.

Perennial International Health and Medical Hub in Chengdu was purchased on a completed basis and the purchase price, payable based on construction milestones, is financed via loans. As for Chengdu East High Speed Railway ("**HSR**") Integrated Development Plot D2 and Xi'an North HSR Integrated Development, we intend to fund these projects via local project loans. For Beijing Tongzhou Integrated Development, we have already secured loans totalling RMB6.4 billion from the Bank of China, Beijing Branch to finance the development and project related costs.

For the Penang Waterfront Integrated Development, we intend to fund the development via a project loan at the joint venture level and sale proceeds from the sale of the residential units which will be launched at the appropriate time. For the Accra Integrated Development, which will only be completed four years down the road, we will adopt a strata sale strategy to finance funding requirements so as to minimise the capital outlay.

We are mindful of our funding requirements and will optimise our cash flow and manage our overall liquidity position as we lay the foundation for long-term growth. This year, we expect proceeds from the sale of our 20.2% stake in TripleOne Somerset, additional income contribution from the strata sales at TripleOne Somerset and AXA Tower, higher contribution from Chinatown Point, new revenue streams from PIHMH and Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**") when they commence operations progressively from 3Q 2017, and Renshoutang, post-completion of our acquisition of a 49.9% stake in the company.

Q

Which of the three core lines of healthcare businesses in China, being hospital and medical care, eldercare and senior housing, and maternal and child health management, do you see likely to be fastest growing?

We would think eldercare and senior housing due to the rapidly ageing population in China and the Chinese Government's emphasis and support towards ramping up the provision of adequate and quality eldercare facilities to meet the burgeoning demand[1].

We are in an exceptionally good position as an integrated real estate and healthcare company. On one hand, we have the expertise in real estate, the 'hardware' aspect, and on the other hand, we have put together a holistic suite of healthcare services, the 'software' aspect.

There are a few different ways we can expand our eldercare and senior housing business. We can invest in the real estate and operate the business, just like what Renshoutang has done in Shanghai and what we are doing at the upcoming Chengdu Xiehe Home. In this instance, we provide the 'hardware' and the 'software'.

There are many Government purpose built facilities which we can lease to operate the business, and Renshoutang has also done this in Shanghai. We can also partner the Government through a public-private partnership ("**PPP**") to operate the business at a Government purpose built facility, like the recent PPP entered into by Renshoutang and Jointown Pharmaceutical Group Co., with the Wuhan Government to operate the largest eldercare with medical care facility in Wuhan City. For these two asset-light business models where we lease the premises, we provide the 'software'.

As we have the expertise in medical care, we will incorporate medical care into our eldercare and senior housing facilities to make it a key differentiating factor. Our facilities will comprise retirement homes for the independent individuals, rehabilitation homes for those who require short-term medical care, and nursing homes for those who require round the clock medical care.

Q

In the longer term, will Perennial still be predominantly a real estate company?

Although we have stated our vision to be an integrated real estate and healthcare company, the real estate business will always remain fundamental to Perennial. We have taken an entrepreneurial approach with the strategic move into the healthcare business, which dovetails well with and adds value to our real estate business. We will thus continue to actively explore strategically located and good value integrated real estate opportunities where we can introduce different asset classes, including healthcare real estate where appropriate, to deliver value to our Shareholders.

Over the past year, we have come across a significant amount of good quality real estate opportunities, particularly in China, and many of which have the attributes for us to incorporate a healthcare component. We plan to establish a China medical real estate fund to expand our real estate business, effectively manage our balance sheet, and at the same time, launch our fund management business which will add another stream of recurrent income over time.

As more integrated healthcare developments are added to our real estate portfolio, our asset-light healthcare business is set to grow in tandem. The synergies between our real estate business and healthcare business, and the resultant value creation from the integration of the two businesses are immense.

1 Deloitte Report 2015.

首席执行官访谈

Q

在近期内，鹏瑞利置地的核心市场是否会维持在新加坡和中国这两个市场？我们应该如何看待鹏瑞利置地在马来西亚和加纳分别参与的单一项目，以及最近在英国成功获得的认购期权？

新加坡和中国将在接下来的五年内继续作为我们的核心市场。

新加坡是我们的大本营，我们也非常熟悉这个市场。新加坡依旧是经商的优越地点，对想要通往亚洲市场的外国投资者具有吸引力，因此新加坡的房地产资本价值预计会保持强劲。此外，新加坡的政治与社会稳定性、熟练的劳动力、高效的税收政策与健全的监管环境将继续吸引外来投资者的兴趣。

即使有大量的外来资金抢占有限的投资项目，但我们将依然自律性地选购来自各种不同资产类别、价格具吸引力的建成项目，让我们能够通过翻新或重建以创造价值。我们也准备探索全新的项目，或通过收购与合并来发展我们现有的平台。

中国是一个巨大的市场，我们致力于在各省的一线和二线主要城市拓展业务足迹。地点、交通枢纽的距离，以及价格将继续作为收购和投资的基本考量。显然的，规模经济效益也会对我们的决定产生影响。因此，如果我们已经在一个城市中拥有业务，我们将能够善用现有资源进一步扩大我们在该城市的业务。此外，我们的综合房地产和医疗服务业务模式的成功将为我们在中国许多高增长型城市带来更多开展大型综合项目的机会。

我们在槟城和阿克拉的项目是属于机会型的，让我们投入尽少的资本却能获得可观的投资回报。它们都是分别所属城市中极罕见的地标性发展项目，也是我们与非常有声望的合作伙伴所共同执行的。

对于我们在阿克拉的项目，该地块的收购价格对比当前值而言是极具吸引力的。即仰仗我们的发起人－丰益国际有限公司丰富知识、关系网络和资源来获取先行者优势，并在阿克拉综合项目的成功基础上通往其它的非洲市场。

另外，鹏瑞利置地成功获得伦敦英杰华大楼的20%权益认购期权，是我们最大的发起人之一和公司董事会主席郭孔丰先生所提供的独特投资机会。鹏瑞利置地只支付了4美元就获得这项认购期权，但只有在英杰华大楼的现有股东执行他们的重新发展计划的时候可以行使这项期权。

Q

基于好几个项目仍处于建筑阶段或正在进行资产增值，鹏瑞利置地应该如何管理其现金流和资本支出？

111索美塞和安盛保险大厦这两个正在进行资产增值的新加坡物业已在物业层面获得了增值工程贷款。

至于我们的中国发展项目，土地成本已经完全由股权出资。我们通常与各项目的合作伙伴和施工单位合作，为建筑工程提供到达某一阶段资金，继而用当地项目贷款资助完成其余的建筑工程。 另外，如果在项目中有单元产权销售机会，该项目也可以通过住宅、写字楼或商用部件的单元产权销售提供资金。

成都鹏瑞利国际医疗健康中心的收购是基于项目建成的基础，通过贷款融资并根据建筑工程的进程来支付。成都东站综合项目D2地块和西安北站综合项目，我们有意通过当地项目贷款作为资金来源。至于北京通州综合项目，我们已经从中国银行北京分行获得了总值64亿元人民币的贷款，作为开发和项目相关成本的资金。

关于槟城滨海湾综合项目的资金需求，我们计划在合资公司层面取得项目贷款，并在适合时期销售住宅单位以提供资金。 对于将在四年后落成的阿克拉综合项目，我们会采用单元产权销售策略，以应付资金需求，缩小资本开支。

我们对自己的资金管理非常谨慎并将会继续优化现金流、管理整体资金流动状况，为长期增长奠定基础。今年，我们预计会从以下项目中获取收益：出售111索美塞20.2%权益的收益，111索美塞和安盛保险大厦单元产权销售的额外收入，唐城坊的更高收益，即将在2017年第三季逐步开始运营的成都鹏瑞利国际医疗健康中心和协和颐养院产生的收入，以及我们在完成收购人寿堂49.9%权益后的收入。

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你们认为在中国的三个核心医疗保健业务，即医院和医疗服务、老年护理和养老住房，以及母婴产后保健管理服务当中，何者会是增长最快的？

我们认为是养老住房需求的增长最快。因为中国人口迅速老龄化，中国政府也在强调和支持业界提供足够和优质的老年护理设施，以应对迅速攀升的需求[1]。

作为一家综合房地产和医疗保健公司，我们正处于非常具有优势的地位。一方面，我们在"硬件"层次上拥有房地产方面的专长，而另一方面，我们在"软件"层次上，集合了全套的医疗保健服务。

我们能够通过几个方法来扩张我们的养老住房业务。就如人寿堂在上海所进行的模式，我们能够在投资房地产的同时运营当中业务，这也是我们接下来将在成都的协和颐养院所做的。这体现了我们"硬件"和"软件"层次上的专长。

我们能选择租下许多政府为了这类用途而特意兴建的设施，人寿堂在上海也有这种做法。我们可以和政府通过公共私营合作制("**PPP**")进行合作，在政府特意兴建的设施中经营养老业务，如人寿堂和九州通医药集团与武汉政府合作 - 经营武汉市最大的医疗、养老结合的服务设施。对于这两种通过租赁设施的轻资产运营模式，我们提供的是当中的"软件"。

由于我们拥有医疗保健的专业知识，我们能把医疗保健成分融入我们的老年护理和养老住房事业，使它独树一帜。我们的设施将包括独立人士居住的退休之家、为有需要人士提供短期专业医疗护理的敬老院及全天医疗护理的康复之家。

1 德勤报告2015.

Q

长远来看，鹏瑞利置地会持续作为一家房地产公司吗？

虽然我们表达了我们希望成为综合房地产和医疗保健业务的公司，但房地产业务将仍是鹏瑞利置地的根本事业。我们对于进军医疗服务业务采取了创业家的策略性举动，这与我们的房地产业务吻合并提供价值。因此，我们将继续积极探索具有战略性位置及良好价值的综合房地产机会，引入不同资产类别，包括适当的医疗房地产，为股东创造价值。

在过去一年中，我们发掘了大量优质房地产的机会，尤其是在中国，其中许多包含可纳入医疗保健部分的特点。我们计划成立一个中国医疗房地产基金，以扩大我们的房地产业务、有效管理资产负债表，同时将设立可增加循环性收入的基金管理业务。

随着我们把更多的综合医疗保健发展项目添加到我们的房地产资产组合，我们的轻资产医疗保健业务也将同步增长。我们的房地产业务和医疗保健业务之间的协同效应，以及两个业务的整合而产生的价值是巨大的。

BOARD OF DIRECTORS

MR KUOK KHOON HONG, 67
CHAIRMAN, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

R E

DATE OF APPOINTMENT
27 October 2014

DATE OF LAST RE-ELECTION
25 April 2016

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- 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 IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Director of Perennial China Retail Trust Management Pte Ltd, trustee-manager of Perennial China Retail Trust
- Director of Cosumar S.A., a Wilmar associated company

MR RON SIM, 58
VICE-CHAIRMAN, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

N E

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Chairman and Chief Executive Officer of OSIM International Pte Ltd
- Subsidiaries and Associated Companies of OSIM International Pte Ltd

BACKGROUND AND WORKING EXPERIENCE
- Founder of OSIM International Pte Ltd

PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Director of Sentosa Development Ltd
- Advisory Board Member 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 Economic Review Sub-Committee

AWARDS
- Singapore Corporate Awards 2012 "Best Chief Executive Officer Award"
- Business Times "Businessman of the Year 2003"
- Ernst & Young "Entrepreneur of the Year 2003"

MR EUGENE PAUL LAI CHIN LOOK, 53
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

R AR N

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Director of AIMS AMP Capital Industrial REIT Management Limited, manager of AIMS AMP Capital Industrial Real Estate Investment Trust
- Managing Director and Co-Managing Partner of Southern Capital Group
- 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, Singapore

MR OOI ENG PENG, 61
INDEPENDENT NON-EXECUTIVE DIRECTOR

AR* CD**

DATE OF APPOINTMENT
28 July 2015

DATE OF LAST RE-ELECTION
25 April 2016

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
1 year 5 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Chairman of Cambridge Industrial Trust Management Limited, manager of Cambridge Industrial Trust
- Director of Frasers Property Australia Pty Ltd
- Director of Savant Global Capital 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 DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS
- Director of Perennial China Retail Trust Management Pte Ltd, Trustee-Manager of Perennial China Retail Trust
- Director of Frasers (Australia) Pte Ltd, Singapore

* Chairman - with effect from 5 February 2016
Member - from 28 July 2015 to 4 February 2016
** Member - with effect from 5 February 2016

AR Audit and Risk Committee   CD Corporate Disclosure Committee   R Remuneration Committee   N Nomination Committee   E Executive Committee   ○ Denotes Committee Chairman

BOARD OF DIRECTORS

MR CHUA PHUAY HEE, 63
INDEPENDENT NON-EXECUTIVE DIRECTOR

AR* CD**

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS

- Director of Fraser Hospitality Asset Management Pte Ltd, manager of Frasers Hospitality Real Estate Investment Trust
- Director of Frasers Hospitality Trust Management Pte Ltd, trustee-manager of Fraser Hospitality Business Trust
- Director of 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 IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS

- Director of Industrial Bank Co., Ltd (which is listed on Shanghai Stock Exchange)
- Director of Wilmar International Limited
- Director of Armada Holdings Limited
- Director of Eltech Electronics Limited

* Member - with effect from 5 February 2016
Chairman - from 27 October 2014 to 4 February 2016
** Member - from 27 October 2014 to 4 February 2016

MR LEE SUAN HIANG, 66
INDEPENDENT NON-EXECUTIVE DIRECTOR

N AR R

DATE OF APPOINTMENT
27 October 2014

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS

- Director of Viking Offshore and Marine Limited
- Director of CITIC Envirotech Ltd
- Director of Memstar Technology Ltd
- Director of Advance SCT Limited
- Director of Global Culture Alliance Ltd
- Director of Singapore Institute of Directors
- 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
- Chief Executive of Real Estate Developers' Association of Singapore

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 PUA SECK GUAN, 53
CEO, EXECUTIVE DIRECTOR

CD E

DATE OF APPOINTMENT
27 October 2014

DATE OF LAST RE-ELECTION
25 April 2016

LENGTH OF SERVICE (AS AT 31 DECEMBER 2016)
2 years 2 months

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES 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 and Chief Executive Officer 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, manager of CapitaMall Trust (presently known as CapitaLand Mall 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 IN OTHER LISTED COMPANIES AND MAJOR APPOINTMENTS

- Director of Courts Asia Limited
- Member on Board of Trustees of International Council of Shopping Centers

OUR BOARD OF DIRECTORS BRINGS TO THE TABLE THEIR DIVERSE EXPERTISE FOR THE GROUP'S STRATEGIC GOVERNANCE, AND ACTS IN THE BEST INTEREST OF THE GROUP AND OUR SHAREHOLDERS AT ALL TIMES.

AR Audit and Risk Committee　CD Corporate Disclosure Committee　R Remuneration Committee　N Nomination Committee　E Executive Committee　◯ Denotes Committee Chairman

MANAGEMENT TEAM

MR LIAK TENG LIT
GROUP CHIEF OPERATING OFFICER
(Perennial)
CHIEF EXECUTIVE OFFICER
(Perennial Healthcare Pte Ltd)

RESPONSIBILITIES
As Group Chief Operating Officer ("**COO**"), Mr Liak assists Mr Pua Seck Guan, Chief Executive Officer ("**CEO**") of Perennial Real Estate Holdings Limited ("**Perennial**"), to oversee and manage the general business of Perennial. As CEO of Perennial Healthcare Pte Ltd, the healthcare business unit of Perennial, Mr Liak will assist Mr Pua to provide strategic leadership in the development and management of Perennial's healthcare business in Singapore and China.

EXPERIENCE
Mr Liak is well-recognised as a healthcare industry veteran with over 30 years of experience. Prior to joining Perennial, Mr Liak was Group CEO of Alexandra Health System for over four years. Prior to that, he held various positions as CEO of Khoo Teck Puat Hospital, Alexandra Hospital, Changi General Hospital and Toa Payoh Hospital. A pharmacist by training, he was also involved in the restructuring of major hospitals including The National University Hospital, Kandang Kerbau Hospital (now known as KK Women's and Children's Hospital) and Singapore General Hospital.

Mr Liak is currently the Chairman of National Environment Agency. He also serves on the boards of NTUC Health Co-operative Limited, Pathlight School, Civil Service College's Service Management Advisory Panel, and the Board of Advisors of the Institute of Service Excellence at the Singapore Management University.

EDUCATION
Mr Liak holds a Master of Business Administration and a Bachelor of Science (Pharmacy) from the National University of Singapore and a Master of Science (Pharmaceutical Sciences) from the University of Aston, Birmingham, United Kingdom ("**UK**").

* Mr Liak Teng Lit has been appointed as Group COO on 6 March 2017, replacing Mr Goh Soon Yong who stepped down on the same day. In addition, Dr Wong Weng Hong, Managing Director, Healthcare Asset Management Services, stepped down on 1 March 2017.

MS BELINDA GAN
CHIEF FINANCIAL OFFICER

RESPONSIBILITIES
Ms Gan is overall responsible for all finance-related functions of Perennial, including financial reporting and operations, corporate finance and treasury, financial planning and risk management.

EXPERIENCE
Ms Gan has over 29 years of experience in finance-related work ranging from accounting, audit, corporate finance, treasury and financial reporting.

Ms Gan was previously the Chief Financial Officer of Perennial Real Estate Holdings Pte Ltd ("**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.

EDUCATION
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)

RESPONSIBILITIES
Mr Koh assists the CEO of Perennial with the leadership and development of corporate strategy, goals, and policies for the real estate and healthcare businesses in China. He also oversees the sourcing and identification of new business opportunities and spearheads strategic collaboration with potential business partners.

EXPERIENCE
Mr Koh has over 18 years of real estate experience, of which a significant part was spent managing development and operational property portfolios in China. Mr Koh was previously the CEO of Perennial China Retail Trust Management Pte Ltd ("**PCRTMPL**"), trustee-manager of Perennial China Retail Trust ("**PCRT**"). He was concurrently the Deputy CEO (Retail Management, China) of Perennial (Shanghai) Retail Management Co., Ltd.

Prior to that, when he joined Perennial Real Estate Pte Ltd ("**PREPL**"), he was seconded to DLF International Holdings Pte Ltd as COO (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)* ("**CRL**"), 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.

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

MS ANNIE LEE
CHIEF OPERATING OFFICER (SINGAPORE)

RESPONSIBILITIES
Ms Lee oversees the planning, management and has oversight of the operational systems, policies and initiatives for Perennial's business in Singapore. She is also involved in developing and implementing the growth strategy, managing potential acquisitions and divestments and oversees the daily operations of the Singapore business.

EXPERIENCE
Ms Lee has over 19 years of real estate experience, with strong expertise in leasing, retail planning, asset management and property management.

Ms Lee was previously the COO (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 CRL, where she was seconded to VivoCity as Senior Development Manager for over two and a half years during her tenure with the company.

EDUCATION
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.

MR LIM KONG CHENG
HEAD, PROJECT MANAGEMENT

RESPONSIBILITIES
Mr Lim oversees the project development and management of Perennial's completed and development assets, has direct oversight of the planning and control of project budget, cash flow and resource allocation and the development of processes and procedures to enhance and improve the overall efficiency of projects delivery. He is also involved in providing strategic and technical leadership in acquiring new projects for development.

EXPERIENCE
Mr Lim has over 21 years of experience in project development and management, particularly in high-end offices, condominiums, hotels, resorts and retail malls.

Mr Lim was previously seconded to Capitol Investment Holdings Pte Ltd for over five years as Project Director to oversee and manage the development of Capitol Singapore. He was also 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.

EDUCATION
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

RESPONSIBILITIES
Ms Tan oversees the creative planning, design and project development of the new and completed projects in Perennial. She also coordinates the design specifications and implementation between Perennial's in-house technical, design and operations project teams and the external design consultants.

EXPERIENCE
Ms Tan has over 21 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)* ("**CMA**") 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.

EDUCATION
Ms Tan holds Dual Master Degrees in City Planning and Urban Design from the University of Pennsylvania, United States of America ("**USA**"), and a Bachelor of Architecture (Honours) from the University of New South Wales, Australia. Ms Tan is registered with the Board of Architects, Singapore.

MANAGEMENT TEAM

MS TONG KA-PIN
HEAD, INVESTOR RELATIONS, CORPORATE COMMUNICATIONS AND MARKETING

RESPONSIBILITIES
Ms Tong oversees the establishment, enablement and maintenance of strategic relationships with Perennial's stakeholders, shareholders, the media, and the investment and financial community across various communication platforms.

EXPERIENCE
Ms Tong has over 15 years of investor relations, corporate communications, corporate marketing, corporate branding and events management experience, of which over 13 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, 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)* ("**CMTML**") and Head, Investor Relations, Corporate Communications and Marketing of CRL. Earlier, Ms Tong was the Assistant Vice President, Investor Relations of United Overseas Bank Limited.

EDUCATION
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 EVELYN KWOK
HEAD, HUMAN RESOURCES

RESPONSIBILITIES
Ms Kwok oversees the development and management of human resources across Perennial. She formulates and ensures effective and consistent implementation of strategic human resources policies relating to talent management, rewards and leadership development.

EXPERIENCE
Ms Kwok has over 22 years of human resources experience in supporting operations in Singapore, China, India, and the United Arab Emirates, where she worked and lived for more than two years. Her experience includes human resources business partnerships and operations, payroll, employee and industrial relations, management of international assignments, and global implementation of human resources information system.

Prior to joining Perennial, Ms Kwok's broad range industry experience spans the power utilities, fast moving consumer goods and manufacturing sectors. She earlier held positions as Assistant Vice President, Group Human Resource of Sembcorp Industries Limited, Administration and Payroll Manager of Cold Storage Singapore (1983) Pte Ltd, and Assistant Personnel Manager of Unilever Singapore Pte Ltd.

EDUCATION
Ms Kwok holds a Bachelor of Science in Business Administration (Majoring in Human Resources Management and Minor in Economics) from the California State University, Los Angeles, USA.

MS MAGGIE MA
HEAD, LEGAL

RESPONSIBILITIES
Ms Ma oversees the legal and corporate secretarial functions of Perennial.

EXPERIENCE
Ms Ma has over five years of experience in both dispute resolution and corporate transactions. She has represented clients in litigation and international arbitration on a wide range of matters including commercial, contractual, employment and shipping disputes. Her expertise also includes advisory on corporate transactions including pre-IPO structuring, public and private mergers and acquisitions, joint ventures, capital markets, listed company work and cross-border transactions.

Prior to joining Perennial, Ms Ma held positions in private practice as Senior Associate at Fortis Law Corporation and Associate at RHTLaw Taylor Wessing.

EDUCATION
Ms Ma holds a Doctor of Jurisprudence from the Singapore Management University and a Bachelor of English Literature from the Beijing Jiaotong University. She is a member of Singapore Academy of Law and The Law Society of Singapore. Ms Ma is dually qualified to practice law in Singapore and China.

MS JOYCE ONG
SENIOR VICE PRESIDENT, FINANCE

RESPONSIBILITIES
Ms Ong is responsible for the finance-related functions including financial accounting, group consolidation, management reporting, budgeting and forecasting, tax compliance and treasury of Perennial.

EXPERIENCE
Ms Ong has over 21 years of experience covering areas of finance and management reporting, group consolidation, budgeting and forecasting, corporate planning, tax, audit and risk management gained from various industries.

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

Earlier, she held senior positions in finance teams of public-listed companies and international accounting firms including Fortis Healthcare International Pte Ltd, Hyflux Ltd and United Technologies Corporation and PricewaterhouseCoopers, Shanghai.

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

MS JOANNA LOW
SENIOR GENERAL MANAGER (NORTH CHINA)

RESPONSIBILITIES
Ms Low oversees the development, operational management and business development of Perennial's real estate business in North China. She also identifies new business opportunities and manages existing joint ventures to scale Perennial's integrated real estate and healthcare business in China.

EXPERIENCE
Ms Low has over 16 years of investment, asset management and leasing experience in the real estate industry.

Ms Low was previously Senior General Manager (South China) of Perennial. Earlier, she was Head, Investment and Asset Management of PCRTMPL, 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 CRL and as Investment and Asset Manager of CMTML.

EDUCATION
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 KENNY PHUA
GENERAL MANAGER (SOUTH CHINA)

RESPONSIBILITIES
Mr Phua oversees the development and operational management of Perennial's real estate business in South China. He also identifies new business opportunities and leads business development to grow Perennial's presence in South China.

EXPERIENCE
Mr Phua has over 20 years of experience in project development and operation management of property development businesses, mainly in China, where he was stationed for more than 13 years. His experience includes project management and asset management in the commercial, office, residential and business parks.

Prior to joining Perennial, Mr Phua held senior positions in various multinational property developers, including Ascendas Pte Ltd (now known as Ascendas-Singbridge), Wearnes (Private) Limited (now part of UE Group) and Keppel Land China (Private) Limited (now part of Keppel Land Singapore), covering the whole spectrum of real estate development in various asset classes. During his tenure with Keppel Land China (Private) Limited, Mr Phua also oversaw and managed the development of the firm's portfolio in Chengdu, South China.

EDUCATION
Mr Phua holds a Master of Science (Building) from the National University of Singapore and a Bachelor of Engineering (Honours) from the Nanyang Technological University, Singapore. He is also a qualified Professional Engineer registered in Singapore.

MANAGEMENT TEAM

MS YEOH SZU WOOI
GENERAL MANAGER (SINGAPORE)

RESPONSIBILITIES
Ms Yeoh is responsible for the operational management and business development of Perennial's business in Singapore. She is also involved in the acquisition and divestment of assets, identification and sourcing of new business opportunities and partnerships to grow Perennial's presence in Singapore.

EXPERIENCE
Ms Yeoh has over 14 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.

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

MR ROY LIM
VICE PRESIDENT, INVESTMENT AND ASSET MANAGEMENT

RESPONSIBILITIES
Mr Lim is responsible for the development and management of Perennial's portfolio of assets in overseas markets. He also leads business development and expansion into new markets.

EXPERIENCE
Mr Lim has over eight years of experience in investment and asset management.

Mr Lim was previously Deputy Head, Investment and Asset Management of PCRTMPL, 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 CMTML, 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.

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

MS JULIET CHOO
DEPUTY HEAD, PROJECT MANAGEMENT

RESPONSIBILITIES
Ms Choo assists the Head of Project Management in the project development and management of Perennial's completed and development assets in China.

EXPERIENCE
Ms Choo has over 22 years of project and design management experience with strong expertise in integrated developments comprising high end retail, residential, hotel and office.

Ms Choo was previously 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 CMA, where she managed the development of prime projects such as ION Orchard and Star Vista in Singapore. In China, she was involved in premium mixed-use developments including Raffles City in Chengdu, Shenzhen, Shanghai and Changning. Her Middle East exposure included the design and development of Royal Complex, a large-scale integrated development in Abu Dhabi while she was with Surbana International Consultants Pte Ltd. Prior to that, she worked as a Consultant Architect serving various developer groups in Singapore.

EDUCATION
Ms Choo holds a Bachelor of Architecture from the National University of Singapore. Ms Choo is registered with the Board of Architects, Singapore.

MS SIM AI HUA
JOINT COMPANY SECRETARY

RESPONSIBILITIES
Ms Sim is responsible for the corporate secretariat affairs of Perennial and its subsidiaries and provides support to the Board and Board Committees to ensure compliance with the relevant statutory and regulatory requirements.

EXPERIENCE
Ms Sim has over 21 years of corporate secretariat experience in listed companies, REIT and Business Trust.

Prior to joining Perennial, she was the Corporate Secretariat Manager with SATS Ltd. and was also Joint Company Secretary of its subsidiaries, where she was responsible for providing corporate secretariat supports to the group of companies and ensuring compliance with the relevant rules and regulations.

Ms Sim was previously with CapitaLand Commercial Limited and CRL. 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.

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

MS KHONG MEE HONG
JOINT COMPANY SECRETARY

RESPONSIBILITIES
Ms Khong is responsible for the corporate secretariat affairs of all the subsidiaries and certain associates of Perennial and ensures compliance with the relevant statutory and regulatory requirements.

EXPERIENCE
Ms Khong has over 16 years of corporate secretariat experience in listed companies.

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.

EDUCATION
Ms Khong is an Associate of the Chartered Secretaries Institute of Singapore.

GROWTH

蓬勃发展

作为世界上生长速度最快的植物之一，竹子具有在各种条件下茁壮成长的天生能力，有些品种能够在一天内长高3英尺。

GROWTH

Poised to deliver steady long-term growth, Perennial continues to establish strong partnerships, **harness the synergies** of its businesses, enabling it to seize timely opportunities.

As one of the fastest growing plants in the world, the bamboo has the natural ability to flourish under a wide range of conditions, with some of its species able to grow up to 3 feet within a day.

MARKET TRENDS

CHINA

1. RESILIENT GROWTH TRAJECTORY IN THE LONG-TERM

In 2016, China continued to shift its economy from reliance on investment and manufacturing towards consumption and services, a move that is expected to slow growth in the short-term but deemed necessary for a more sustainable growth in the long-term[1].

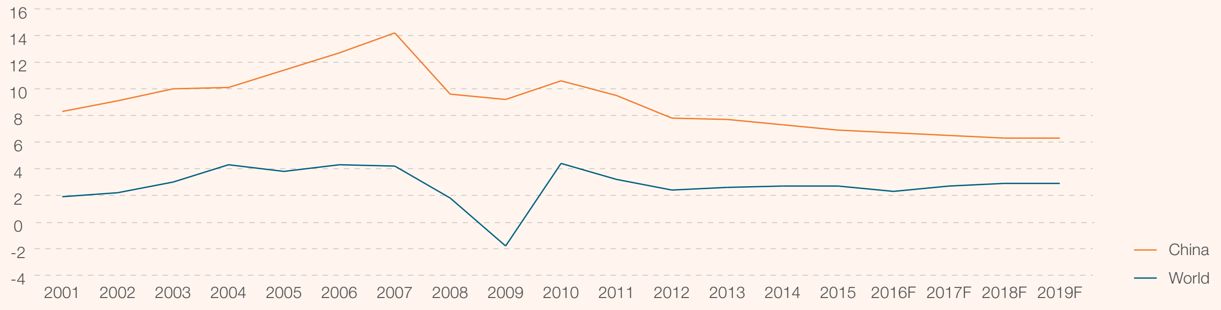
Despite the slowdown, China's overall economic growth continued to lead when compared to other economies, fuelled by strong government stimulus including an increase in domestic consumption, investment in infrastructure, technologies and the service sector, and intensification of urbanisation.

Rising prices and investment volumes in the property sector also helped to stabilise domestic demand and the overall economy[2]. Concerns towards the spike in price rally across major cities in early 2016 were aptly addressed by proactive government policies to impose stronger housing purchase restrictions leading to a more stabilised residential market.

The property and retail/medical services sectors are expected to experience strong growth in the long-run, driven by China's growing urban population, growth in consumerism underpinned by a fast-growing middle class and rising affluence, anchored by the Chinese Government's new economic focus and policies[3].

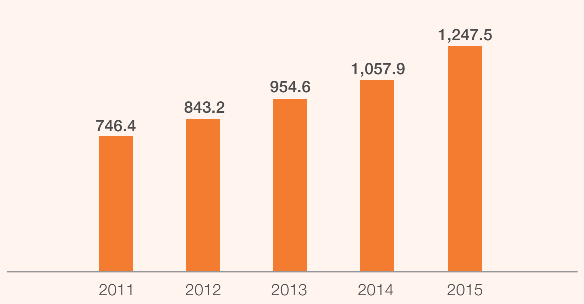
GDP Growth (%) (China vs World)

Source: World Bank Global Economic Prospects (10 January 2017)



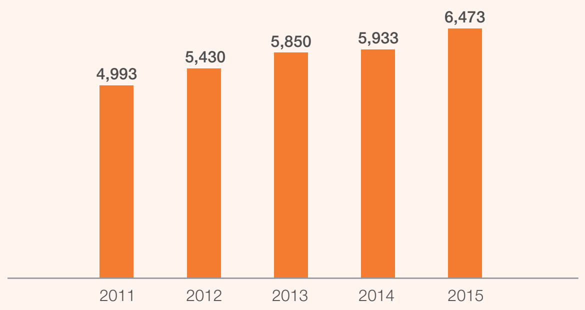
Healthcare Expenditure (RMB Billion)

Source: National Bureau of Statistics of China



Average Residential Property Prices (RMB psm)

Source: National Bureau of Statistics of China



Development

The Central Government continued to pursue policy stimulus to maintain economic growth and open up various sectors to public-private partnership opportunities[4].

As at end 2016, urbanisation rate had increased by 1.3% from 56.1% to 57.4% on a year-on-year basis[5]. In 2016, the average annual disposable income per capita was RMB23,821, representing an 8.4% increase from last year[5]. The demand for high quality medical services is thus rising rapidly and will further add pressure to the shortage of quality services in healthcare sector as seen from the 107.5% Grade 3 hospital bed utilisation ratio[6].

In June 2015, the State Council issued "Several Policies to Promote the Private Medical Sector and Enhance Development" to ensure a more simplified procedure for private companies to set up medical institutions, better accessibility to financial support, and a more favourable investment environment[7]. Subsequently, in August 2015, the Political Bureau of Communist Party of China Central Committee issued the "Healthy China 2030" Plan, emphasising the importance of health as the basic condition of economic development, which is now part of the national long-term strategy[8].

In 2016, the Chinese government imposed stricter home purchase restrictions in 25 major cities[9], to better regulate rising property prices which led to a more stabilised residential market. Consequently, capital values of commercial properties are expected to experience an upward adjustment in 2017.

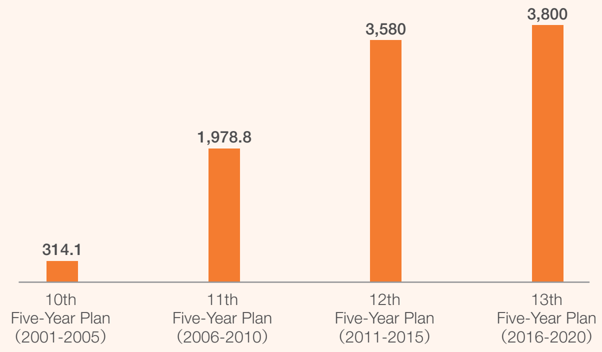
2. STRONG COMMITMENT TO EXPAND HIGH SPEED RAILWAY ("HSR") NETWORK

Backed by the Chinese Government's strong commitment to expand the HSR network within the country, the future HSR network is expected to span a distance of 30,000km covering at least 80% of major cities by end of 2020[10].

The increase in investment of infrastructure will connect most parts of China within hours, and contribute to the overall plan of forming integrated megacities such as Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta and Chengdu-Chongqing. This will significantly elevate the population catchment reach and ease of access especially for developments which are strategically located near the HSR hubs.

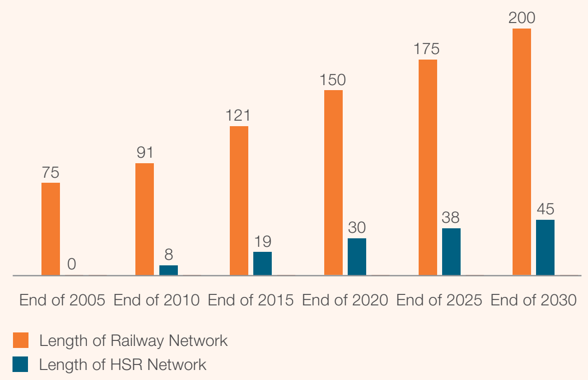
Fixed Investment in Railway (RMB Billion)

Source: National Development and Reform Commission, Mid-to-Long-Term Railway Network Planning (2016)



Length of Railway and HSR Network (1,000km)

Source: Ministry of Railway and Ministry of Transport of China (1 March 2017)



Development

In 2016, total government expenditure on the railway industry was around RMB801.5 billion[11]. Consequently, as at end 2016, China's existing HSR network had increased by approximately 3,000km[12], covering a total distance of about 22,000km[11].

In the same period, eight HSR main lines (four North-South and four East-West lines) were added, with the number of main lines expected to increase to 16 (eight North-South and eight East-West lines) by 2020, further reducing travelling time between major cities.

By end 2015, the ratio of HSR passengers to total railway passengers has also exponentially increased from 4.5% in 2007 to 45.8%, with total passenger count amounting to 5 billion[13].

Further plans are underway to facilitate the transformation of current HSR hub cities into integrated regional or national transport hubs, harnessing the full potential from their geographical advantage.

1 IMF article dated 4 October 2016 (http://www.imf.org/en/News/Articles/2016/10/03/AM2016-NA100416-WEO).
2 CNBC article dated 20 September 2016 (http://www.cnbc.com/2016/09/20/why-chinas-property-bubble-may-be-inflating.html).
3 The Business Times article dated 30 January 2017 (http://www.businesstimes.com.sg/companies-markets/spore-businesses-eye-growth-in-china-despite-slowdown).
4 OECD China Economic Forecast Summary (November 2016).
5 National Bureau of Statistics of China article dated 20 January 2017 (http://www.stats.gov.cn/tjsj/zxfb/201701/t20170120_1455942.html).
6 Caixin News article dated 5 July 2016 (http://china.caixin.com/2016-07-05/100962382.html).
7 The State Council of China article dated 15 June 2015 (http://www.gov.cn/zhengce/content/2015-06/15/content_9845.htm).
8 Xuexi News article dated 26 October 2016 (http://www.xuexila.com/news/1362239.html).
9 China Index Academy: China Real Estate Policy Review dated 30 December 2016.
10 The State Council of China: White paper on "China Transport Development" dated 29 December 2016 (http://english.gov.cn/news/top_news/2016/12/29/content_281475528039662.htm).
11 Xinhua News article dated 3 January 2017 (http://news.xinhuanet.com/politics/2017-01/03/c_129430123.htm).
12 Chyxx News report dated 19 October 2016 (http://www.chyxx.com/industry/201610/458566.html).
13 China News article dated 21 July 2016 (http://www.chinanews.com/cj/2016/07-21/7947350.shtml).

3. CHINA'S TWO-CHILD POLICY IN RESPONSE TO AGEING POPULATION

In early 2016, as part of its 13th Five-Year Plan, China implemented the new two-child policy, after 37 years of its strict one-child policy[14], a move aimed at alleviating the growing demographic strains on its economy.

The new family planning policy is expected to further increase domestic consumption in terms of real estate development, retail sales and demand in healthcare services, with an estimated increase of three to five million more babies per year[15].

Hospitals in China are facing mounting pressures with the rising demand for maternal and child health management services after local municipal governments amended family planning policies[16,17].

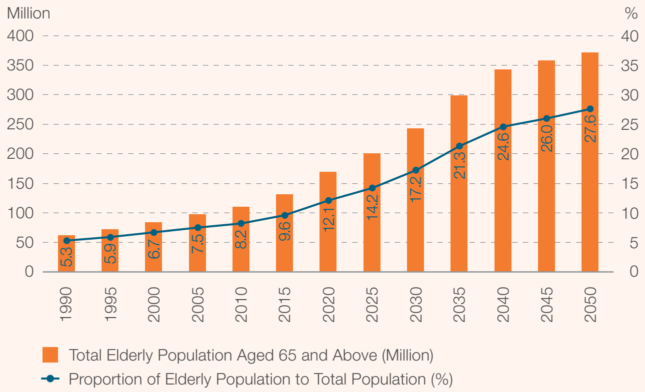
However, the substantial impact from the earlier one-child policy will likely not be mitigated in the near future as the old age-dependency ratio is expected to continue soaring. With a burgeoning ageing population in need of quality medical care, the eldercare market in China presents strong business opportunities.

Existing eldercare facilities in China are also experiencing insufficient capacity to cope with the increasing demand for medical and hospital services. Many eldercare service providers are facing challenges in employing professional workers who possess professional management skills[18] and providing holistic and efficient medical or nursing services for the elderly population[19].

Demand for quality eldercare facilities is expected to be stronger in first-tier cities such as Beijing and Shanghai, which have the highest proportion of seniors amongst China's four first-tier cities and strong levels of disposable income per capita[20].

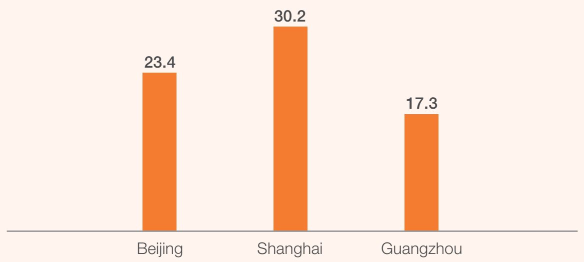
China's Elderly Population (Aged 65 or Above) (%)

Source: United Nations, Department of Economic and Social Affairs, Population Division (2015), World Population Prospects: The 2015 Revision



Proportion of Residents Aged 60 or Above (%)

Source: The Beijing News article dated 5 May 2016, The Paper article dated 30 March 2016, and South CN News article dated 27 February 2017



- In 2016, the number of births in China increased by 7.9% to 17.86 million on a year-on-year basis, the highest annual number since 2000. The number of newborns increased by 1.3 million compared with 2015[21].
- As at 2015, there were 132 million people who were aged 65 and above (accounting for about 9.6% of the total population in China), with this number expected to rise to 200 million, or 14.2%, by 2025[22]. In 2015, there were only 30.3 beds for every thousand seniors in China, which was 300 million beds short of the Government's 12th Five-Year Plan goal[23].
- In 2015, Shanghai's elderly population above 60 years old was 4.4 million, or 30.2% of Shanghai's total population, and there were 29 beds for every thousand seniors[24]. By 2050, Shanghai's elderly population is expected to reach 44.5%, exceeding 42.7% in Japan to become one of the "most-aged" cities in the world[25].

Development

Various cities in China have also announced preparatory measures in response to the potential increase in demand for healthcare services in the women and children departments[26].

The Chinese Government has introduced various policies to encourage the development of eldercare services by providing tax benefits and subsidies and has since liberalised the healthcare sector to encourage private and foreign capital to invest in healthcare/eldercare facilities and services.

There is a growing emphasis on the integration of medical and eldercare services to increase the efficient supply of eldercare services, with the Chinese Government's 13th Five-Year Plan setting out to achieve the goal of 35 to 40 beds per thousand seniors by end of 2020[27,28].

In November 2016, the State Council also issued a notice which supports the utilisation and transformation of idle properties for eldercare services.

SINGAPORE

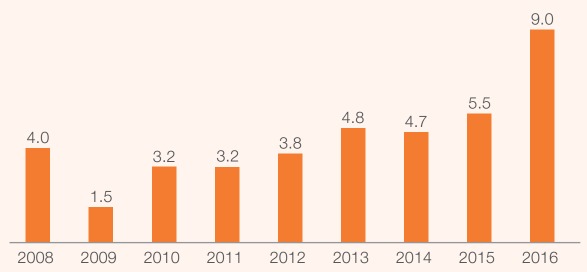
1. POSITIVE INVESTOR SENTIMENT IN REAL ESTATE

Despite weak global sentiments, the capital value of Singapore's real estate assets remained strong, mainly due to its robust business fundamentals, market transparency and well-developed infrastructure[29].

Amidst the low interest rate environment and limited availability of prime office buildings for sale, owners continued to maintain strong holding power over office assets.

Foreign Investments in Singapore Real Estate (S$ Billion)

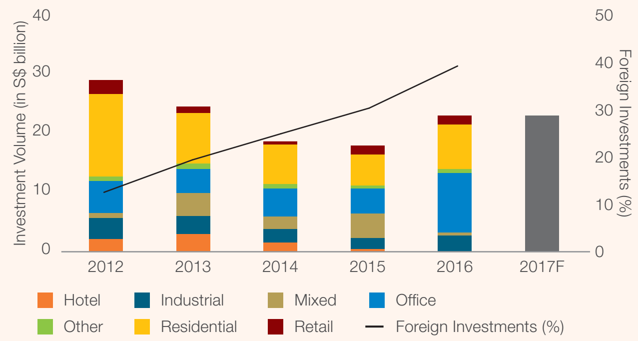
Source: URA, CBRE Research



Note: All transactions are above S$10 million and exclude IPO transactions.

Total Real Estate Investment Turnover in Singapore

Source: CBRE Research



Note: All transactions are above S$10 million and exclude IPO transactions.

Development

Foreign investments in Singapore have been showing an upward trend since 2009, hitting S$9 billion in 2016, with the office sector being the largest beneficiary[29]. In 2016, the capital value of CBD Grade A office spaces continued to stay resilient in spite of fewer transactions and declining rents. Investment volume surged by 28% to S$23 billion on a year-on-year basis, mainly due to the increase in total office investments which rose by 138.8% year-on-year[30].

The significant increase in office investment turnover was bolstered by the conclusion of eight en bloc office transactions priced above S$100 million, of which, two deals were more than S$1 billion[29].

14 Xinhua News article dated 11 March 2017 (http://news.xinhuanet.com/english/2017-03/11/c_136120854.htm).
15 Guotai Junan Securities Report, Caixin News article dated 30 October 2015 (http://opinion.caixin.com/2015-10-30/100868365.html).
16 South China Morning Post article dated 30 October 2015 (http://www.scmp.com/news/china/policies-politics/article/1874130/china-leave-implementation-two-child-policy-details).
17 China Daily News article dated 26 October 2016 (http://www.chinadaily.com.cn/china/2016-10/26/content_27176377.htm).
18 Sina Finance article dated 18 August 2016 (http://finance.sina.com.cn/roll/2016-08-18/doc-ifxvcnrv0208098.shtml).
19 Sohu News article dated 7 July 2016. (http://news.sohu.com/20160707/n458125595.shtml)
20 Colliers International Report (March 2015).
21 China.org.cn, China Daily News dated 23 January 2017 (http://www.china.org.cn/china/2017-01/23/content_40158434.htm).
22 United Nations, Department of Economic and Social Affairs, Population Division (2015), World Population Prospects: The 2015 Revision.
23 Xinhua News article dated 11 March 2016 (http://news.xinhuanet.com/fortune/2016-03/11/c_1118302639.htm).
24 The Paper News article dated 30 March 2016 (http://www.thepaper.cn/newsDetail_forward_1450497).
25 Xinhua News article dated 6 July 2016 (http://news.xinhuanet.com/local/2016-07/06/c_129121326.htm).
26 Beijing Chaoyang District Commission of Health and Family Planning announcement dated 3 March 2016 (http://www.bjchy.gov.cn/dynamic/news/8a24fe83530d9b0901533a5b193a03cd.html).
27 Sohu News article dated 7 July 2016 (http://news.sohu.com/20160707/n458125595.shtml).
28 Sohu News article dated 14 December 2016 (http://mt.sohu.com/20161214/n475802846.shtml).
29 CBRE Asia Pacific Real Estate Market Outlook 2017, Singapore.
30 CBRE Marketview Report Singapore (Q4 2016).

MARKET TRENDS

2. CHINA'S ONE BELT, ONE ROAD INITIATIVE PRESENTS GROWTH OPPORTUNITY

Following the launch of China's national development strategy of the 'One Belt, One Road' ("**OBOR**") initiative, China has embarked on its pursuit of fostering economic cooperation and enhancing trade relations amongst countries along the historic Silk Road Economic Belt and the Maritime Silk Road[31].

With its strategic position in the heart of South East Asia and strong reputation as a regional financial and trading hub, Singapore is well regarded as a springboard to South East Asia.

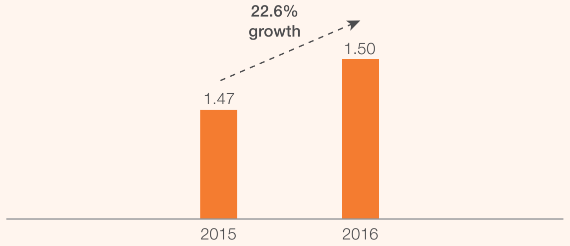
As the OBOR initiative gains significant traction, opportunities for greater real estate investments are expected as companies and people respectively set up regional offices and homes in Singapore.

In addition to the promotion of economic trade to further fiscal objectives, China's OBOR will also play a pivotal role to promote Traditional Chinese Medicine ("**TCM**") worldwide.

This was supported by the introduction of China's State Council's Strategic Plan on the Development of Traditional Medicine (2016-2030), with the aim of expanding cooperation with countries along the Maritime Silk Road, including Singapore, to develop TCM globally and promote international trade of TCM.

Chinese Capital into Singapore Real Estate (S$ billion)

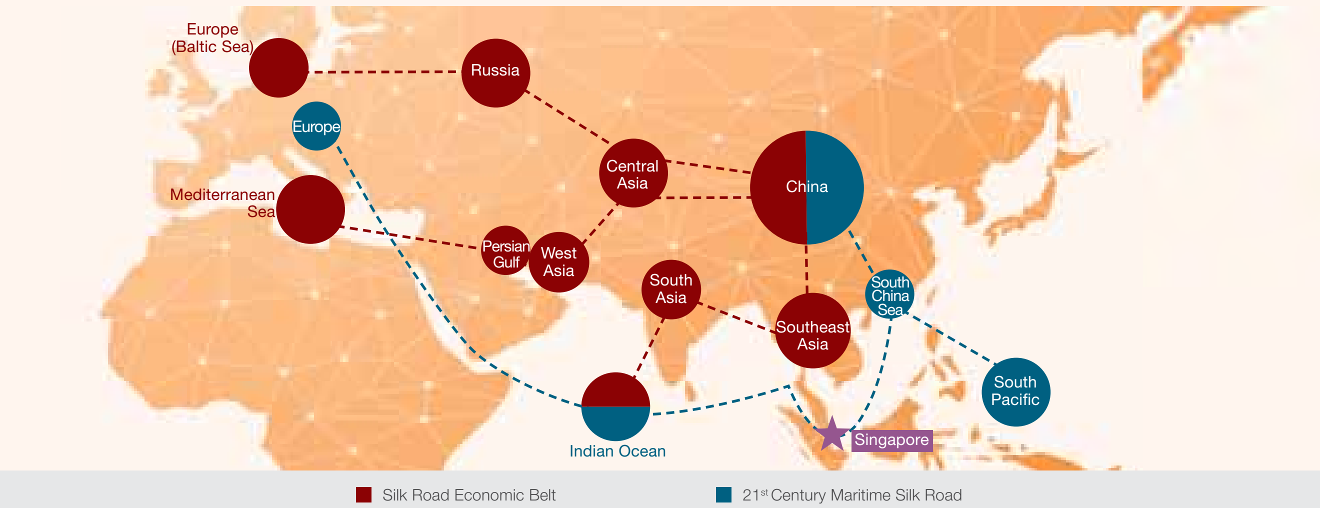
Source: URA, CBRE Research



Note: All transactions are above S$10 million and exclude IPO transactions.

The Belt and Road Initiative Map

Source: Global Times, 31 March 2015, BDO International One Belt One Road Report 2015



Development

The introduction of the OBOR initiative serves to boost good trade relations between Singapore and China, with Singapore's established position as one of China's leading trading partners and being a conducive environment for investments.

In 2016, despite the global slowdown, China was one of the top three foreign investors accounting for 20% of total offshore investment volume[29]. Chinese capital also grew 22.6% on a year-on-year basis as interest from Chinese investors in Singapore's real estate remained significantly high and diversified across all asset types[29].

The National People's Congress Standing Committee recently passed a law to expand Research and Development centres for TCM and imposed a requirement for all practitioners to pass qualifying exams, as part of its plans to increase China's reputation in TCM and expand TCM globally.

The Chinese government is also actively encouraging TCM doctors and researchers in China to collaborate with practitioners from around the world to place TCM on a more equal footing with Western medicine.

31 BDO International One Belt One Road Report 2015.

BUSINESS OVERVIEW

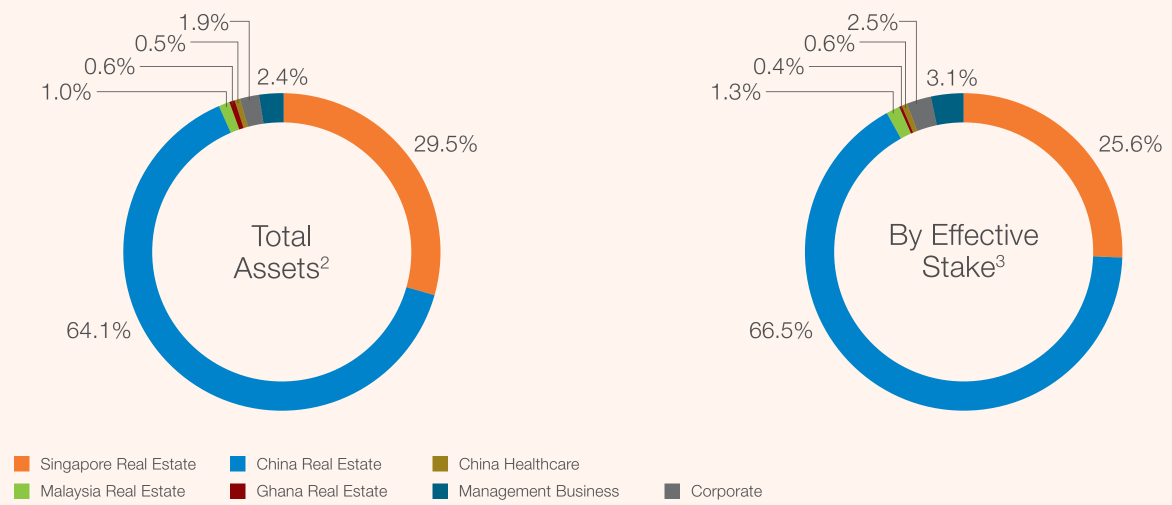
Perennial's real estate business presence as an owner, developer and manager spans four countries, being Singapore, China, Malaysia and Ghana, with a diversified portfolio comprising 10 integrated developments and five retail and commercial developments measuring about 54 million square feet ("**sq ft**") in total gross floor area ("**GFA**").

Perennial's healthcare business as an owner and operator comprises three core lines of business, ranging from medical and hospital services, maternal and child health management to eldercare and senior housing[1]. Together, there are 20 operational medical and healthcare-related facilities in four cities in China with 2,865 in-patient beds.

PORTFOLIO ANALYSIS

Total Assets Composition by Business

The real estate business dominated the balance sheet accounting for 96.9% of total assets (effective stake basis), while complemented by the asset-light healthcare business which accounted for 0.6% of total assets (effective stake basis). The asset-light healthcare business is comparatively less capital intensive as most of the healthcare business facilities are operating at premises which are leased and not owned.

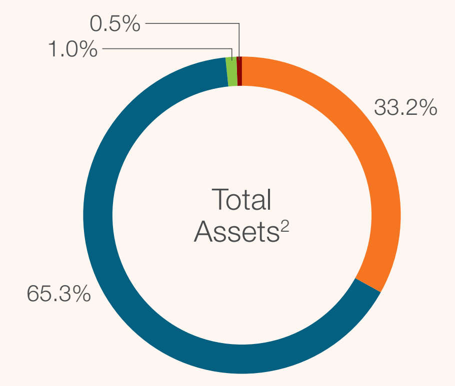


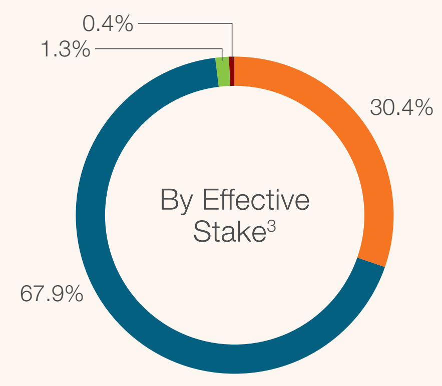
1 The acquisition of Shanghai RST Chinese Medicine Co., Ltd was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.
2 Represents assets which are consolidated and equity accounted in accordance to the Singapore Financial Reporting Standards as at 31 December 2016.
3 Represents assets computed via the Company's shareholdings as at 31 December 2016.

BUSINESS OVERVIEW

Total Assets Composition by Country

Perennial remains strategically focused on the core markets of China and Singapore, which accounted for 65.3% and 33.2% of total assets respectively, and 67.9% and 30.4% of total assets (effective stake basis) respectively.

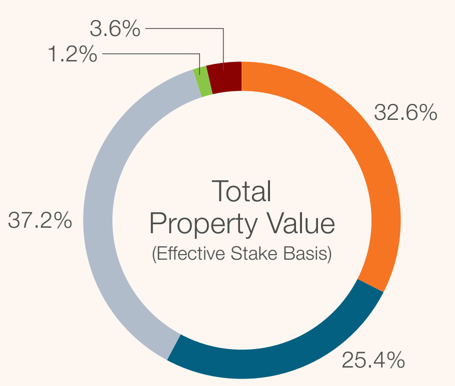


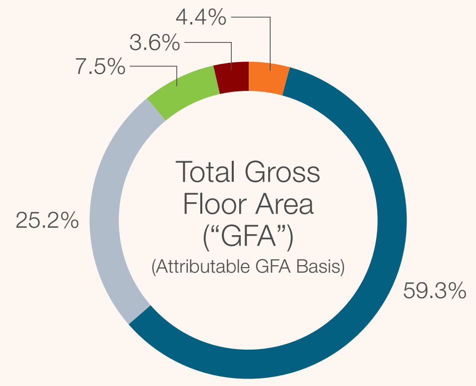


Singapore · China · Malaysia · Ghana

Total Property Value versus Total Gross Floor Area

As at 31 December 2016, Perennial's completed projects in Singapore and China accounted for about 69.8% of total property value (effective stake basis), which provided income stability. The Singapore portfolio, which constituted 32.6% of total property value (effective stake basis) comprised all completed projects. Although asset enhancement works commenced at TripleOne Somerset, it was still generating income. China development projects, which contributed only 25.4% of total property value (effective stake basis), accounted for 59.3% of total GFA (attributable GFA basis). The completion of the China development properties is expected to drive Perennial's net asset value growth over time.





Singapore Completed · China Development · China Completed · Malaysia Development · Ghana Development

BUSINESS STRUCTURE

PERENNIAL 鹏瑞利

SINGAPORE

Assets	Ownership
CHIJMES	51.6%[1]
TripleOne Somerset	50.2%[2]
Capitol Singapore	50%
House of Tan Yeok Nee	50%
Chinatown Point	45.2%[1]
AXA Tower	31.2%

CHINA

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 MARKETS

Asset (Malaysia)	Ownership
Penang Waterfront Integrated Development	50%

Asset (Ghana)	Ownership
Accra Integrated Development	55%

HEALTHCARE BUSINESS

Hospital	Ownership
St. Stamford International Medical Pte Ltd	81.6%[1,3]

Eldercare and Retirement Home	Ownership
Shanghai RST Chinese Medicine Co., Ltd	49.9%[4]
Chengdu Xiehe International Eldercare and Retirement Home	40%[5]

Maternal & Child Health Management	Ownership
Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd	20%[1]

Traditional Chinese Medicine	Ownership
Perennial TCM Management Pte Ltd	50%

MANAGEMENT BUSINESS

- Asset Management
- Development / Project Management
- Property Management

1 Approximate percentage.
2 On 26 January 2017, Perennial announced a partial divestment of a 20.2% stake in TripleOne Somerset. Following the completion of the divestment, Perennial would retain a 30% stake in TripleOne Somerset. The divestment is expected to complete no later than 30 June 2017.
3 St. Stamford International Medical Pte Ltd owns a 49% stake in St. Stamford Modern Hospital, Guangzhou, which translates to an effective stake of 40% in St. Stamford Modern Hospital, Guangzhou.
4 The acquisition was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.
5 A Memorandum of Understanding was entered into with Shanghai Summit Property Development Limited and Shanghai RST Chinese Medicine Co., Ltd and this was announced on 14 January 2016.

REAL ESTATE BUSINESS

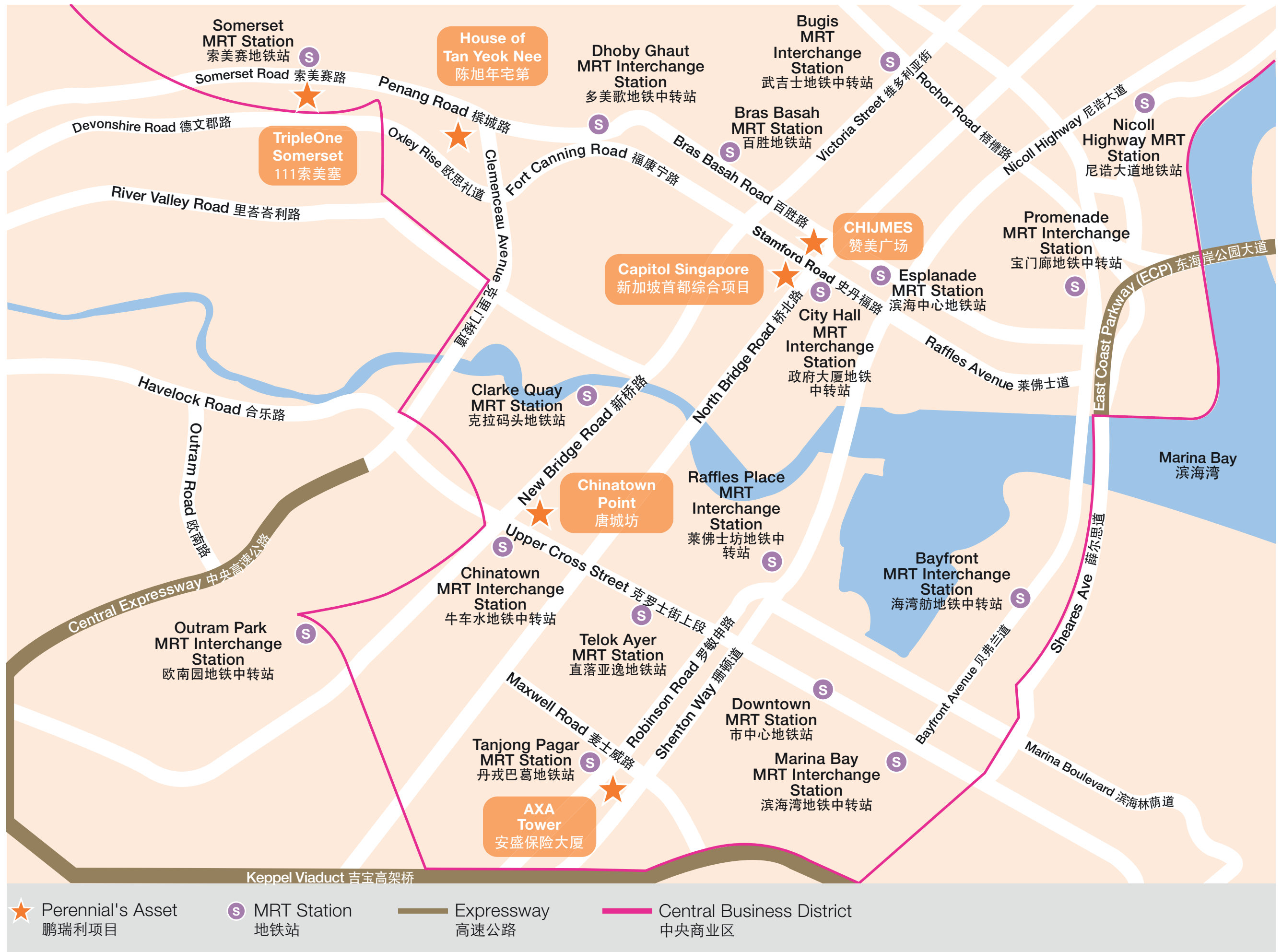
SINGAPORE

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, Chinatown Point and House of Tan Yeok Nee.

All of the six properties, with a total property value in excess of S$4.1 billion, are strategically located in the Central Business District ("**CBD**"), Civic District and the Orchard Road precinct. The properties are also directly connected or in close proximity to Mass Rapid Transit ("**MRT**") stations.

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



MARKET REVIEW AND OUTLOOK

Office

In view of the slower growth in global markets and lacklustre business environment, CBD core office rents declined across all sub-markets, with Grade 'A' and 'B' office rents falling 10.4% to 12.5%[1] on a year-on-year basis. Businesses remained cautious in their occupancy strategies, with sectors such as Marine, Oil and Gas under pressure to manage operating costs. To maintain a high building occupancy, landlords are diversifying their tenant base and intensifying the search for tenants from growth industries such as Technology, Media and Telecommunications[2].

Towards 2H 2016, there was an improvement in the leasing momentum, largely attributable to the 'flight to quality' movement – from decentralised areas or Grade 'B' buildings to new or upgraded developments within the CBD due to the narrowing premium between the two segments of the market.

Strata Offices

Compared to the 245 strata-titled office transactions in 2015, the number of transactions in 2016 increased 11% year-on-year, to 272[3]. There is a strong demand from local and overseas buyers for strata offices as their own business address and continued keen interest from buyers who are seeking to acquire investment properties.

Investment interest in strata offices would further benefit from the limited supply of high quality strata office developments in the Orchard/Somerset and Shenton Way/Tanjong Pagar areas, as well as the relatively lower transaction cost of strata office investments which is not subject to Additional Buyer's Stamp Duty and Seller's Stamp Duty.

Retail

Retail rents registered a further decline in 2016 due to subdued occupier demand as a result of the weaker economic conditions, tighter labour market and curb in consumer spending. As at December 2016, average retail sales (excluding motor vehicles) increased by 0.3%[4], while island-wide retail rents declined by 3.0%[5] in 2016 as compared to 2015. Despite the poor retail sentiments, softened rents have provided new and established brands opportunities to lease spaces and expand their presence in prime locations[6]. At the same time, Singapore remains as an attractive location for foreign brands looking to expand their global footprint.

With an estimated 1.09 million[1] square feet ("**sq ft**") Gross Floor Area ("**GFA**") of new retail space coming on stream in 2017, retailers are expected to remain cautious on costs and be selective on locations. Nevertheless, retail malls with good connectivity to MRT stations and supported by high shopper traffic will continue to generate interest from retailers. For mixed-use developments with retail components, the downside risk of retail rent is expected to be minimal as the immediate population catchment from the office or residential component will continue to support demand for retail spaces, particularly from food and beverage operators and service trade such as Healthcare.

STRATEGIC PRIORITIES IN FY2017

On 26 January 2017, Perennial announced the partial divestment of a 20.2%[7] stake in TripleOne Somerset at a consideration of approximately S$101.0 million, translating to a divestment price of S$2,200 per sq ft for the net saleable strata area of the property. The divestment is expected to deliver a pre-tax gain of approximately S$34.3 million. Perennial's remaining 30% stake in the integrated development will provide income stability and the opportunity to enjoy the upside from the enhancement works and strata-sales.

This year, Perennial will focus on executing the major asset enhancement programmes planned at TripleOne Somerset and AXA Tower amounting to a total of over S$270 million. The works at both developments are expected to complete in 2018/2019.

In addition, the strata sales of the office spaces and medical suites at AXA Tower and TripleOne Somerset will be accelerated to deliver additional cash flow, while balancing the office lease renewals at both developments to provide a stable and recurrent stream of income.

Greater focus will also be placed on strengthening the operating performance of CHIJMES and Chinatown Point through proactive tenant remixing and by driving shopper traffic through more marketing and promotional events.

Plans are underway to position the House of Tan Yeok Nee into a premier Traditional Chinese Medicine ("**TCM**") centre which will provide top 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, gynaecology and sub-fertility issues, anti-ageing and skin conditions. The proposed facilities include a welcome tea garden, private waiting lounges, a TCM Pharmacy, a Museum Gallery which showcases the history and concepts behind TCM, and an auditorium dedicated for health talks by renowned physicians.

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1 CBRE Singapore MarketView Q4 2016 Report.
2 The Edge and Knight Frank Research dated February 2016 (http://www.theedgeproperty.com.sg/content/diversifying-sources-office-space-demand).
3 Colliers Quarterly - Singapore Office, Q4 2016.
4 Department of Statistics Singapore - Retail Sales Index dated December 2016.
5 CBRE Asia Pacific Real Estate Market Outlook 2017.
6 Colliers Quarterly – Singapore Retail, Q3 2016.
7 The divestment is expected to complete no later than 30 June 2017.

TRIPLEONE SOMERSET

111索美塞

111 SOMERSET

BRIEF INTRODUCTION

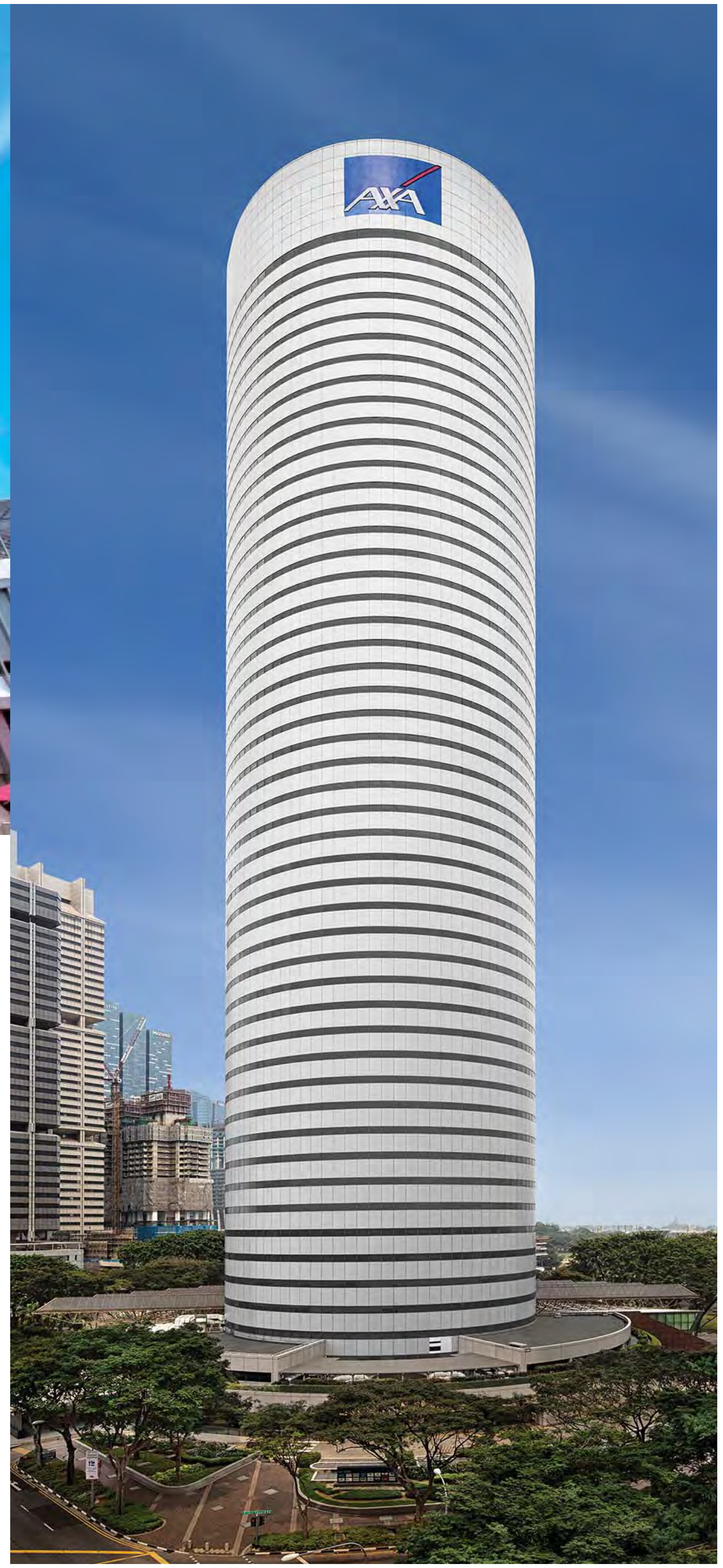
TripleOne Somerset is a prime integrated development, strategically located within the renowned Orchard Road precinct and next to Somerset MRT Station serving the North-South line. It comprises two premium grade office towers, being Somerset Tower and Devonshire Tower, and a retail podium. The property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

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

Key Developments in FY2016

TripleOne Somerset received all the regulatory approvals required to proceed with the planned S$120 million asset enhancement works, and the strata sales of the office spaces and medical suites. The full suite of works, which commenced in 2Q 2016, include increasing the footprint of the retail podium, incorporating medical suites of about 32,000 sq ft, and sprucing up of the office lobby and common areas.

To kick-start the major revamp, TripleOne Somerset was rebranded with a stylish new logo and a revamped website. Initial works were also completed on two levels on Somerset Tower. Strata sales of the office spaces and medical suites at the Somerset Tower was officially launched in 3Q 2016. As at 31 December 2016, a number of office units were transacted at an average price of above S$2,680 per sq ft. Separately, key tenants, including PropertyGuru, Young Living, Worley Parsons, Parkway Group Healthcare and SAA Global Education, renewed or signed their leases and collectively took up a total of 23.2% of the total net lettable office area.



AXA TOWER

安盛保险大厦

BRIEF INTRODUCTION

AXA Tower is a 50-storey iconic landmark Grade 'A' office development with a retail podium and 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 accessible via the Ayer Rajah and Marina Coastal Expressways, making it one of the most convenient locations within the Downtown Financial District.

AXA Tower is located on a site adjacent to the future Greater Southern Waterfront, holding promise of unparalleled views to come. The current sea view of the expansive horizon will be further enhanced, with a green corridor planned for the future in one of the preliminary conceptual plans unveiled by the Urban Redevelopment Authority[8].

Key Developments in FY2016

AXA Tower has received all the regulatory approvals required to proceed with the planned S$150 million asset enhancement works, and strata sales of the office spaces and medical suites. Scheduled to commence in 1Q 2017, the full suite of works include increasing the retail footprint at the podium, building an approximately 32,000 sq ft two-storey annex block to house medical suites, upgrading the main office lobby and drop-off points, and integrating the office lifts with security turnstiles and destination control system.

Initial improvement works carried out included the installation of security turnstiles at every entrance of the office lobby, the Parking Guidance System at the car park, as well as new directional signage within the development.

Strata sales of office spaces commenced in 3Q 2016 and a few units were transacted at an average price of above S$2,550 sq ft. In 4Q 2016, more units were transacted at an even higher price of above S$2,710 per sq ft. To date, the total committed sales value achieved from the strata-sale of the office spaces at AXA Tower was over S$23.8 million.

In addition, the top three anchor tenants at AXA Tower, being AXA Insurance, BOC Aviation Limited and Red Hat Asia Pacific, who collectively took up a total net lettable office area of 23.8%, renewed their leases as at 31 December 2016.

8 Today Online article dated 20 November 2013 (http://www.todayonline.com/singapore/ura-unveils-concept-greater-southern-waterfront).

CHIJMES
赞美广场

BRIEF INTRODUCTION

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 is easily accessible via the adjacent City Hall MRT Interchange Station, which serves the North-South Line and East-West Line.

Positioned as an all-day European-themed F&B and entertainment destination with beautiful courtyards and cosy alfresco dining areas, CHIJMES plays host to a wide array of restaurants serving international cuisines, cafes and stylish gastrobars. CHIJMES Hall is a choice venue for weddings, seminars and performances. The landmark heritage development is now a popular dining and entertainment spot for tourists, as well as locals and working professionals in the CBD.

Key Developments in FY2016

CHIJMES' committed occupancy increased from about 88% to 90.3% on a year-on-year basis, of which 85.6% of these tenants by net lettable areas have commenced business. In addition, its annual shopper traffic grew by 5.1% from 2015 to 2016.

During the year, retractable awnings were installed at the outdoor areas on Basement 1 and Level 1, allowing businesses to operate regardless of weather conditions and improving the ambience for patrons.

CHIJMES also strengthened its position as a wedding venue of choice, with key tenant, Watabe Wedding taking up additional space at CHIJMES at the Caldwell House, to operate its second wedding solemnisation venue and house their complementary wedding planning services. In 2016, a number of new concepts were introduced and a few existing tenants also took up additional spaces.

CHINATOWN POINT
唐城坊

BRIEF INTRODUCTION

Chinatown Point is a 25-storey commercial development comprising an office block and 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 the locals, the working crowd in the surrounding office developments and tourists. The development enjoys direct connectivity via Level 1 and the basement level to Chinatown MRT Interchange Station, which serves the North-East Line and Downtown Line.

Key Developments in FY2016

On 4 March 2016, Perennial acquired an additional effective interest of about 3.7% in Chinatown Point, increasing its effective interest from 1.5% to 5.2%, at a consideration of S$5.8 million. Subsequently, on 22 December 2016, Perennial acquired an additional effective interest of 40% in Chinatown Point, further increasing its effective interest from 5.2% to 45.2%, at a consideration of S$61.8 million. This translates to an attractive purchase price of about S$2,077 per sq ft and a net property yield of 5.3% for FY2016. Perennial is now the largest investor in Chinatown Point with a strengthened presence in Singapore's CBD.

Chinatown Point retail podium achieved a strong year-on-year growth in committed occupancy from 87% to 96%, of which 100% of these tenants (by net lettable area) have commenced business. In addition, its annual shopper traffic increased by 6% from 2015 to 2016, reflecting the mall's growing position as a popular shopping and dining destination.

CAPITOL SINGAPORE
新加坡首都综合项目

BRIEF INTRODUCTION

Capitol Singapore is Singapore's first luxury integrated development that houses the premier lifestyle shopping, dining and entertainment 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.

Eden Residences Capitol sits atop Capitol Piazza, a newly-built retail podium. Residents at the prestigious address enjoy remarkable views of the Marina Bay area and beyond. The iconic and beautifully restored Capitol Theatre houses one of South East Asia's largest single screens and is also Singapore's first venue with direct ground level access to the theatre. The luxurious boutique hotel is housed in the restored Capitol Building and Stamford House.

Key Developments in FY2016

Capitol Piazza secured an increase in committed occupancy from 80% to 84.8% on a year-on-year basis, of which about 82.1% of these tenants (by net lettable area) have 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 in collaboration with Golden Village.

On 14 April 2016, Perennial announced that it has filed applications for its associated companies[1] relating to the development to be wound up by the Court. The Court has heard the winding-up applications on 3 January 2017 and 20 January 2017. On 3 March 2017, the Court dismissed the winding-up applications. The Court's decision is subject to appeal for one month. Perennial will review the Court's judgement and explore all its available options, including an appeal. Perennial will update as and when there is a material development on this matter.

1 Capitol Investment Holdings Pte Ltd, Capitol Retail Management Pte Ltd and Capitol Hotel Management Pte Ltd.

HOUSE OF TAN YEOK NEE
陈旭年宅第

BRIEF INTRODUCTION

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.

Key Developments in FY2016

With plans to position the House of Tan Yeok Nee into a premier TCM centre which will provide top quality TCM treatment by professional physicians in a conducive and luxurious environment, renovation works were undertaken in preparation for the official launch of the TCM business expected in 2Q 2017.

PORTFOLIO AT A GLANCE

Property	Location	Description	Tenure	Effective Interest (%)	Valuation[4] (S$'m)	Land Area (sq ft)	Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Operational	Anchor/Major Tenants	Website
CHIJMES	30 Victoria Street, Singapore 187996	A conservation site comprising two gazetted National Monuments zoned for commercial use under the Master Plan 2008 Car Park: 1 basement level	99 years, expiring on 12 May 2090	51.6[1]	334	154,063	159,204	115,566	Since December 2014	Lei Garden, Watabe Wedding, Coriander Leaf	www.chijmes.com.sg
Capitol Singapore	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	Retail Podium: 4 levels Residential: 39 units Hotel: 157 rooms Multi-purpose Theatre Car Park: 4 basement levels	99 years, expiring on 23 January 2110	50	740.8[5]	177,755	Excluding Residences: 396,234 Including Residences: 552,016	Retail: 130,762[7]	Since April 2015[10]	Four Seasons, Food Republic, Joseph	www.capitolsingapore.com www.capitolpiazza.com
TripleOne Somerset	111 Somerset Road, Singapore 238164	Office: 2 17-storey towers Retail Podium: 2 levels Car Park: 2 basement levels	99 years, expiring on 18 February 2074	50.2[2]	–	109,421	766,549	Strata Area: Retail: 96,510 Office and Medical: 475,188 Total: 571,698[8]	Operational with enhancement works in progress	Worley Parsons, Parkway Group Healthcare, SAA Global Education	www.111somerset.com.sg
AXA Tower	8 Shenton Way, Singapore 068811	Office: 1 50-storey tower Retail Podium: 2 levels Car Park: 3 basement levels	99 years, expiring on 18 July 2081	31.2	–	118,230	1,029,297	Strata Area: Retail: 59,806 Medical: 26,497 Office: 676,982 Total: 763,285[9]	Operational with enhancement works expected to commence in 1Q 2017	AXA Insurance, BOC Aviation Limited, Red Hat Asia Pacific	–
Chinatown Point	133 New Bridge Road, Singapore 059413	Retail Podium: 6 levels 4 Strata-titled Office Units Car Park: 4 above ground levels	99 years, expiring on 11 November 2079	45.2[1,3]	428	99,203	Strata Area: Retail Podium: 173,957[6] Office Units: 4,230 Total Area: 178,187	Retail Podium: 208,155[6] Office Units: 4,230	Since November 2012	NTUC Fairprice, Daiso, UNIQLO	www.chinatownpoint.com.sg
House of Tan Yeok Nee	101 Penang Road, Singapore 238466	A gazetted National Monument zoned for commercial use under the Master Plan 2008	Freehold	50	–	26,321	Strata Area: 58,480	29,912	Operational with enhancement works expected to complete in 1Q 2017	Perennial TCM Management Pte Ltd	–

1 Approximate percentage.
2 On 26 January 2017, Perennial announced the partial divestment of a 20.2% effective interest in TripleOne Somerset but retained a 30% effective interest in the property. The divestment is expected to complete no later than 30 June 2017.
3 On 4 March 2016, Perennial acquired an additional effective interest of about 3.7% in Chinatown Point, increasing effective interest from 1.5% to 5.2%. Subsequently, on 22 December 2016, Perennial acquired an additional effective interest of 40% in the property, increasing effective interest from 5.2% to 45.2%.
4 Valuation only includes investment properties as announced on 8 February 2017.
5 Amount excludes Eden Residences Capitol.
6 Excluding the Civic and Community Institution space which is intended for public/community usage.
7 Subject to final survey by a registered surveyor, excluding centre management office and concierge area.
8 Planned strata area after completion of asset enhancement works. Area excludes strata office units handed over to purchasers as at 31 December 2016.
9 Excluding stores net lettable area and strata office units handed over to purchasers as at 31 December 2016.
10 The hotel has not commenced operations.

BUSINESS REVIEW – REAL ESTATE

REAL ESTATE BUSINESS

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 gross floor area ("**GFA**") (excluding car park) of 45.3 million square feet ("**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[1] HSR transportation hubs in China.

Anticipated HSR Network by 2020

Source: Cistri

1 In terms of the number of train tracks.

MARKET REVIEW AND OUTLOOK

Despite slower growth in 2016, China consistently led as one of the top economies in the world in terms of gross domestic product ("**GDP**"). This year, China continues to pursue its main economic goal of adapting itself to a slower but more sustainable growth amidst a weak global economy, with the central government providing policy stimulus to encourage domestic consumption and gradually opening up various sectors to encourage private sector investments[2]. China's National People's Congress has recently announced an annual GDP growth of around 6.5% for 2017. Earlier in 2016, the residential real estate sector experienced rising prices and investment volumes, but proactive government policies imposing stricter home purchase restrictions in 25 major cities[3] led to a more stabilised residential market. This may also result in potential upward adjustment of capital values of commercial properties in 2017.

Merger and acquisition activities are expected to increase, especially in key gateway cities in China with growing urban population and improving infrastructure. Backed by a strong commitment of the government to further expand the country's HSR network, these economic fundamentals present immense opportunities for investors.

Chengdu[4]

Chengdu's Grade 'A' office market remained stable in 2016. Overall vacancy rate dropped marginally, driven by demand from high-technology and financial services sectors in both traditional and emerging business districts in the city. With 550,000 square metres ("**sqm**") of new Grade 'A' office supply expected to be completed in the market in 2017, rental rates dipped slightly in 2016. However, the market outlook remains healthy as the local government continues to seek and attract more local and international companies to set up their regional headquarters in Chengdu.

The retail property market saw a similar trend, with a gradual decrease in vacancy rates as food and beverage ("**F&B**"), fast fashion, supermarket and entertainment sectors continued to expand, especially in suburban shopping malls, while rental rates dropped slightly due to more incoming supply of retail floor area. It is expected that both shopping malls and departmental stores in Chengdu will continue to undergo active tenant remixing to attract consumers who are increasingly interested in experiential and online-to-offline shopping.

Beijing[5]

In 2016, Beijing's office sector experienced a steady growth trajectory, with net absorption of Grade 'A' offices hitting 785,000 sqm for the full year and rental growing 0.9% in the fourth quarter to RMB387.2 per sqm per month. With the forecast for office markets remaining strong for 2017, rental rates are expected to continue its upward trend, while vacancy rates remain low. Currently, demand for decentralised offices outside the five major business districts is rising, driven by tenants who are expanding their businesses, especially those from the IT and high-technology sectors.

Towards the end of 2016, the retail market in Beijing welcomed 600,000 sqm of new shopping mall space, mainly found in the southern part of the city. Despite the new supply entering the market, shopping malls generally experienced high occupancy levels of at least 95%, with many adapting and adjusting their operations towards an integration of online and offline platforms.

The property market in Tongzhou District continued to boom with the relocation of the first batch of the administrative offices of the Beijing Municipal Government to the Tongzhou District scheduled to complete by the end of 2017. The immediate precincts surrounding the administrative offices are targeting to attract regional and international corporate headquarters, high-end services, as well as prime retail and conventions. In-line with the government's goal to build a world-class liveable city in Beijing's Tongzhou District, extensive infrastructural planning and construction works have commenced to support the surge in population. Property and rental prices for residential and commercial properties in the district are expected to remain on the upward trend in 2017 in view of the developments.

Xi'an[6]

In 2016, the Xi'an office market marked a new milestone with the completion of two office towers which were over 200 metres-high, the highest office towers in Xi'an. In addition, about 35% of the city's newly completed office GFA are of Grade 'A' standard. Vacancy rates are expected to rise but the city's long-term outlook remains healthy with the local government's commitment to expand the financial, professional services and high-technology research and development sectors.

In the same period, the retail market in Xi'an presented diverging trends as the retail shopping centre segment welcomed five new malls, while two departmental stores closed for business. Average retail rental grew steadily and is expected to continue with its gradual upward trend with more quality F&B, fast fashion and kids-related trades entering the market.

Towards the second half of 2016, the residential market saw a decrease in its inventory levels, with a slight rise in average property price following the loosening of housing policies in Xi'an, as the city was not subjected to the re-introduction of home purchase restrictions. Notwithstanding rising housing prices, developers are likely to take a "wait and see" approach due to uncertainty in local residential policies.

2 OECD: China Economic Forecast Summary (Nov 2016).
3 China Index Academy: 2016 China Real Estate Policy Review (Dec 2016).
4 JLL: Chengdu Property Market Review 2016.
5 Funxun: Beijing Property Market Review 4Q2016 and 2017 Outlook.
6 JLL: Xi'an Property Market Review 2016.

Shenyang[7]

In recent years, Shenyang has been undergoing structural changes from its previous focus on the manufacturing industry to modern service industries, such as Finance, E-commerce and Commercial Trade. Being the city of choice for companies looking to establish their corporate headquarters in Northeast China, Shenyang saw its tertiary industry, such as those in the Finance, Banking, Insurance, High-Technology, IT and Professional Service sectors, making up more than half of the city's GDP. Demand for Grade 'A' offices is expected to increase over time and will be able to absorb the upcoming supply of new office space.

Despite the city's economy experiencing a period of slowdown, retail sales of consumer goods have demonstrated a continuous growth trend in Shenyang. No new supply entered the prime retail property market in Shenyang in 2016. Departmental stores were less favoured while shopping malls saw active leasing of new spaces in suburban properties by F&B and fast fashion retailers. As new supply of retail space is expected to come on-stream in 2017, shopping malls will need to be proactive in optimising their operations and offerings to meet local consumer demand in order to remain relevant and competitive.

Foshan[8]

In 2016, Foshan continued to see new supply of retail space entering the market with average vacancy of between 15% to 20%. The city is now home to more than 100 retail properties with a combined GFA of more than 30 million sqm.

Despite the surplus of retail floor space in the short term, retail rental remained relatively high in Foshan's core districts. The long-term outlook of the retail market remains healthy due to the improving transportation infrastructure, which directly connects the city to Guangzhou and various parts of the Guangdong province, while underpinned by Foshan's strong economic fundamentals as one of the most important industrial cities in the Pearl River Delta Region.

STRATEGIC PRIORITIES IN FY2017

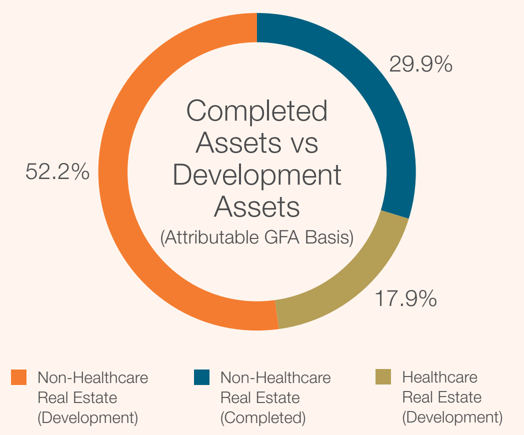
This year, the focus is on completing the construction works and handing over the premises to tenants for fitting out works at Perennial International Health and Medical Hub ("**PIHMH**") and Chengdu East HSR Integrated Development Plot D2 ("**Chengdu Plot D2**"), both of which are part of the Chengdu East HSR Integrated Development. Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**"), which will occupy one block in Chengdu Plot D2 under its first phase of launch, is expected to commence operations in 3Q 2017. The opening of PIHMH and Chengdu Xiehe Home at Chengdu Plot D2 will present Perennial's first signature showcase of its integrated real estate and healthcare strategy.

With PIHMH and Chengdu Plot D2 close to completion, the focus will shift towards driving the development timeline of Beijing Tongzhou Integrated Development and Xi'an North HSR Integrated Development.

Perennial will also continue to strengthen the operating performance of assets in Shenyang, Foshan and Chengdu to improve recurring income streams, and reposition the West Wing of the Shenyang Red Star Macalline Furniture Mall ("**Shenyang Red Star Mall**") into a medical and healthcare centre, following receipt of in-principle approval from the local authorities.

Perennial remains committed to growing its presence in China and will continue to develop quality integrated developments with healthcare components, where relevant, to harness the synergies between the various components. With over 70% of the total China GFA (by attributable GFA basis) still under development, these development projects present significant growth potential and are expected to drive net asset value growth upon completion.

CHINA REAL ESTATE



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

Chengdu East HSR Integrated Development is a large-scale mixed-use project comprising PIHMH, Chengdu HSR Integrated Development Plot C ("**Chengdu Plot C**"), Plot D1 ("**Chengdu Plot D1**") and Chengdu Plot D2.

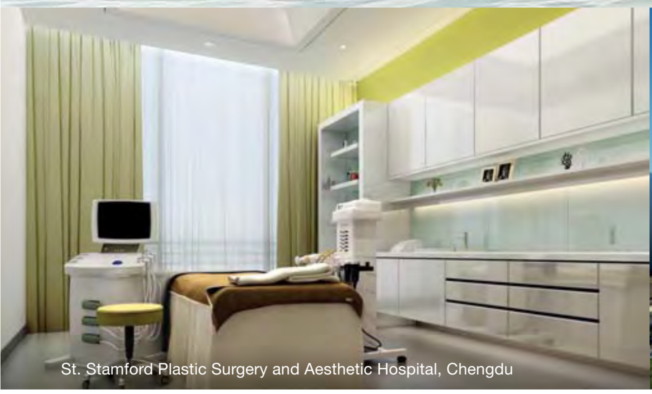
Measuring over 14.2 million sq ft in total GFA, the development comprises medical, eldercare and senior housing, retail, office and residential components. The integrated development is also connected to the operational Chengdu East HSR Station, one of the eight largest[1] HSR transportation hubs in China, with inter-city railway, intra-city subway, long and short distance bus terminals and taxi services. The development is well-served by operational Subway Line 2. A future Subway Line 7 is expected to become operational at the end of 2017[9].

With the commencement of operation of the Chengdu-Chongqing HSR line in 2016, the integrated development is well-poised to be a one-stop destination for healthcare and commercial services for the burgeoning population of the Chengdu-Chongqing metropolitan region and its neighbouring cities in Sichuan province.

7 Colliers International: Valuation Reports of Perennial Longemont Shopping Mall and Shenyang Longemont Office Towers 1 and 2 dated December 2016.
8 Colliers International: Valuation Report of Perennial Jihua Mall dated December 2016.

9 Sichuan Daily News article dated 13 March 2017 (http://sichuan.scol.com.cn/ggxw/201703/55852311.html).


Perennial International Health and Medical Hub

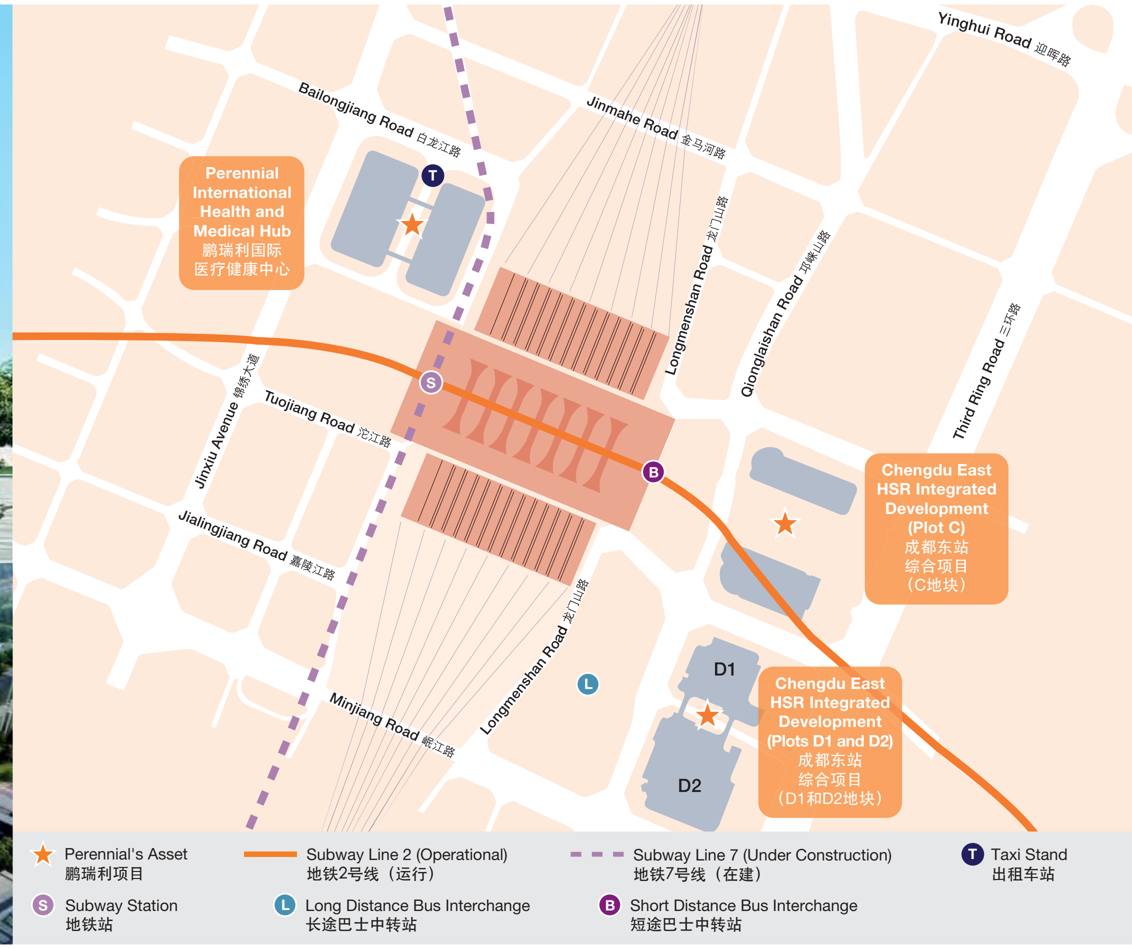

St. Stamford Plastic Surgery and Aesthetic Hospital, Chengdu


Chengdu Plot C


Chengdu Plots D1 and D2

Artist's impressions may differ from the actual views of the completed properties.

Site Map of Chengdu East HSR Integrated Development 成都东站综合项目位置图



PERENNIAL INTERNATIONAL HEALTH AND MEDICAL HUB

PIHMH is positioned as the first regional medical cum retail integrated development in Chengdu and Sichuan province. The development will be anchored by Chengdu ParkwayHealth Hospital and tenanted by mini-anchor tenants comprising St. Stamford Plastic Surgery and Aesthetic Hospital, AND Maternal and Child Health Centre, Perennial International Specialist Medical Centre and Gulian Rehabilitation and Nursing Centre. PIHMH will also host other healthcare and wellness-related services, as well as supporting retail tenants and services.

Key Developments in FY2016

Construction for PIHMH progressed well in the year and the development is expected to receive its temporary occupation permit by 2Q 2017, and commence operations progressively from 3Q 2017. To-date, the total committed occupancy at PIHMH stands at about 60%. Leasing efforts will continue to focus on complementary medical and healthcare-related tenants, including the Traditional Chinese Medicine Centre, and retail tenants, such as international cosmetics and skincare brands, F&B and lifestyle operators.

CHENGDU PLOT C

Chengdu Plot C is expected to comprise two office towers and a retail podium. To-date, construction works have not commenced on this plot of land. Construction works are expected to commence in FY2017.

CHENGDU PLOT D1

Chengdu Plot D1 is expected to comprise apartment blocks and retail in view of the potential housing and rental demand from medical staff and visitors of PIHMH, and the Chengdu Xiehe Home which will operate in Chengdu Plot D2. To-date, construction works have not commenced on this plot of land. Construction works are expected to commence in FY2017.

CHENGDU PLOT D2

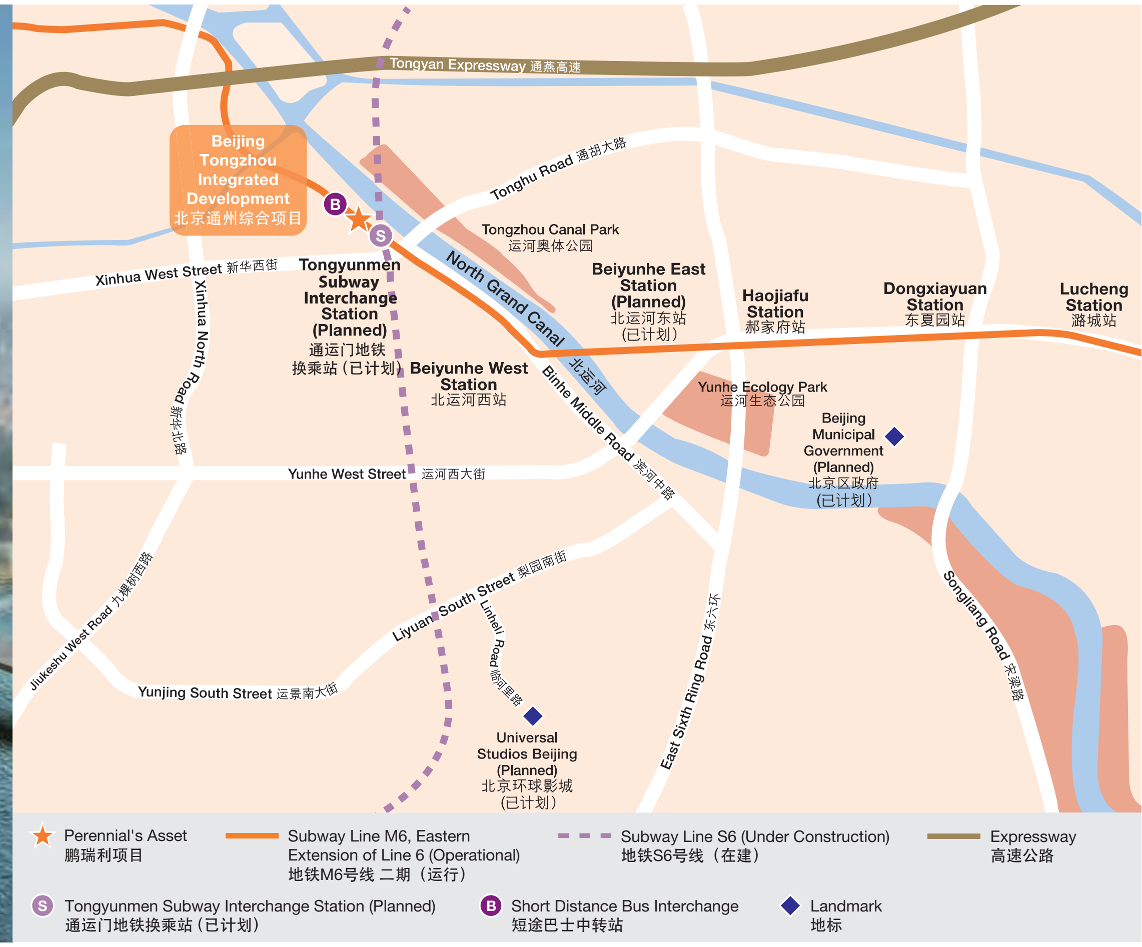
Chengdu Plot D2 comprises six tower blocks with some retail spaces. Chengdu Xiehe Home, which will comprise a Retirement Home, a Nursing Home and a Rehabilitation Home, will be a key tenant on this plot.

Key Developments in FY2016

At Chengdu Plot D2, all six towers have topped out, of which five towers have completed façade cladding works. One tower will be handed over to Chengdu Xiehe Home under Phase 1 and Chengdu Xiehe Home is expected to commence operations in 3Q 2017. In addition, the marketing centre and show suites for Chengdu Xiehe Home were completed and pre-marketing activities commenced towards the end of 2016 to increase awareness and gather interest from the public on the facility.

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

Site Map of Beijing Tongzhou Integrated Development 北京通州综合项目位置图



BEIJING TONGZHOU INTEGRATED DEVELOPMENT

北京通州综合项目

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 residential components. The project is located in the prime area of Tongzhou District and in close proximity to the new Beijing Municipal Government Administrative Centre and Universal Studios Beijing which are expected to be operational by end of 2017[10] and 2020[11] respectively. Sitting atop the future Tongyunmen Subway Interchange Station, which will be served by the operational Line 6 and the future Line S6, the integrated development will be easily accessible from the upcoming Beijing Municipal Government Administrative Centre, Beijing Capital International Airport and the new airport in the Daxing District. The nearby future Subway Line R1 will also connect the development to Beijing's city centre. With an iconic design, and fronting the famous Grand Canal, Beijing Tongzhou Integrated Development is slated to become the premier waterfront 'live, work and play' destination in Beijing.

10 China Daily News article dated 8 March 2016 (http://www.chinadaily.com.cn/china/2016-03/08/content_23780041.htm).
11 The Beijing News article dated 3 May 2016 (http://epaper.bjnews.com.cn/html/2016-05/03/content_633496.htm?div=-1).

Key Developments in FY2016

Two construction contracts have been awarded to two separate parties for Phase 1 and Phase 2 of the Beijing Tongzhou Integrated Development. Development works at the Beijing Tongzhou Integrated Development progressed well, but the overall schedule was extended due to the delay in receiving the necessary construction permits. Construction permits have been obtained for two plots, with the permits for the remaining four plots expected to be received by 2Q 2017.

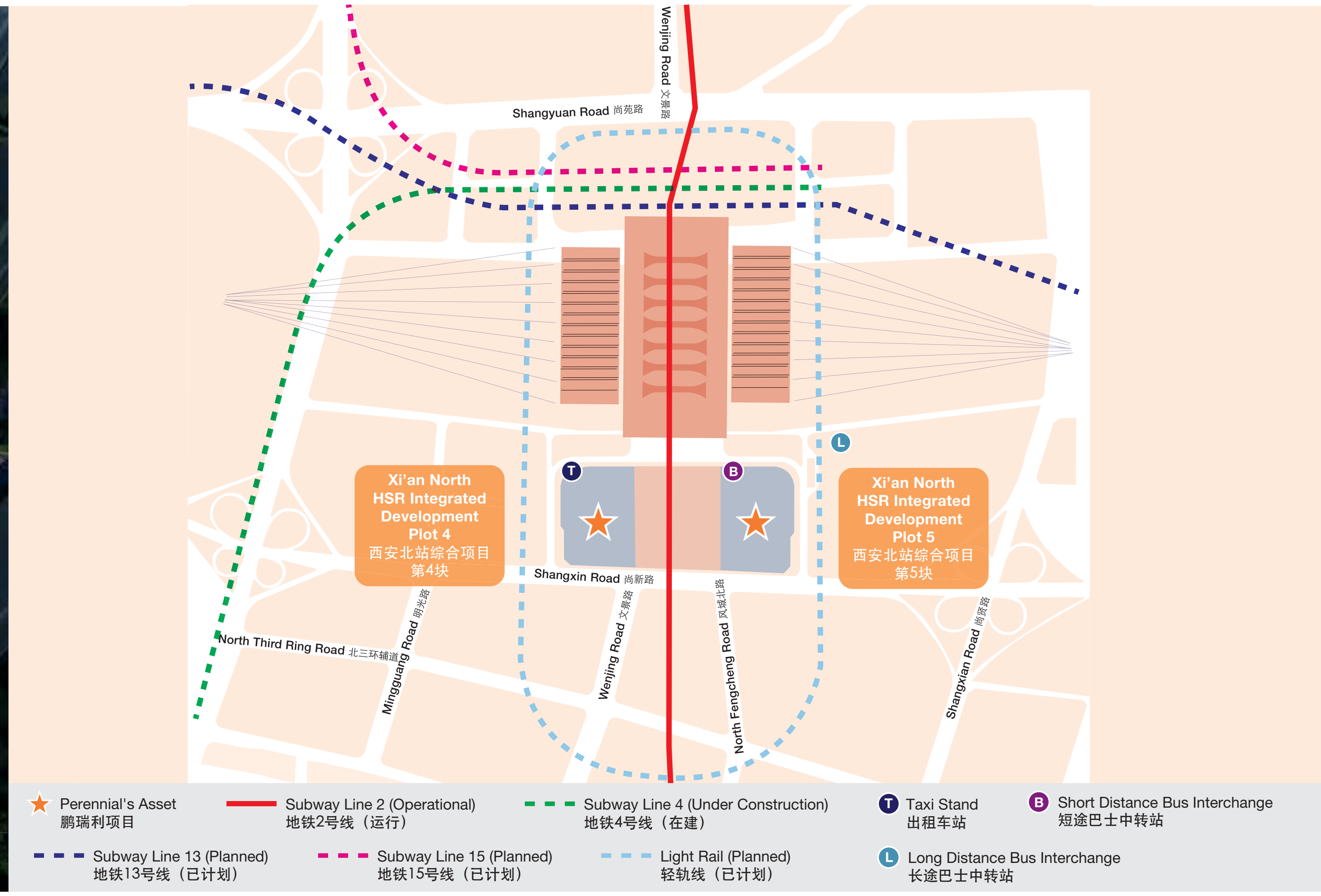
Separately, loans amounting to RMB6.4 billion (approximately S$1.3 billion) have been successfully secured from the Bank of China, Beijing Branch, to finance the development and project-related costs of both phases of the development.

With the Beijing government's plan to position Tongzhou District as the sub-centre of Beijing and a world class city, the authorities have introduced massive plans to improve the city's overall infrastructure, including building tertiary institutions, accelerating resettlement, developing amenities[12], and enhancing accessibility and connectivity with rail network featuring inter-city, suburban and urban lines[13]. These initiatives bode well for Beijing Tongzhou Integrated Development Phases 1 and 2 which are expected to complete in 2020 and 2019 respectively.

12 China Daily News article dated 15 December 2016 (http://www.chinadaily.com.cn/beijing/2016-12/15/content_27708376.htm).
13 China Daily News article dated 30 November 2016 (http://usa.chinadaily.com.cn/china/2016-11/30/content_27528734.htm).

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

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



XI'AN NORTH HIGH SPEED RAILWAY INTEGRATED DEVELOPMENT

西安北站综合项目

Xi'an North HSR Integrated Development, comprising Plot 4 and Plot 5, is a large-scale mixed-use development strategically measuring over 9.2 million sq ft in total GFA with retail, SOHO, hotel and residential components.

The landmark development is sited adjacent and connected to the operational Xi'an North HSR Station, the largest[1] HSR station in Northwest China with inter-city railway, intra-city subway, long and short distance bus terminals and taxi services. The development is served by the operational Subway Line 2. The future Line 4 is expected to be operational in 2018[14]. Upon completion, the regional hub is well-poised to serve the sizeable catchment within Xi'an and beyond.

Key Developments in FY2016

Construction works at Xi'an North HSR Integrated Development is ongoing, with pilling works continuing to progress on site.

During the year, the Shaanxi Transportation Authority announced a RMB500 billion five-year plan to modernise the transportation network in Shaanxi Province, with Xi'an North HSR Station positioned as the core regional transportation Hub[15]. The expanded Xi'an integrated transportation network would allow commuters to reach nearby cities in three hours, and Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei (Jing-Jin-Ji) in four to six hours[16]. The Xi'an-Chengdu line is expected to commence operations by the end of 2017[17]. The intercity railway, which connects Xi'an North HSR Station to the Xi'an Xianyang International Airport, is expected to commence operations in 2019[17].

Xi'an North HSR Integrated Development Plot 4 and Plot 5, which are expected to complete construction works in 2018 and 2019 respectively, are well-positioned to benefit from the increased infrastructure investment and enhanced connectivity.

14 Cn West News article dated 6 March 2017 (http://news.cnwest.com/content/2017-03/06/content_14557141.htm).

15 Civil Aviation Resource Net of China article dated 7 April 2016 (http://news.carnoc.com/list/341/341556.html).
16 Xinhua News article dated 28 February 2017 (http://news.xinhuanet.com/local/2017-02/28/c_1120544355.htm).
17 Xi'an Cn News, Cn West News article dated 11 March 2016 (http://news.cnwest.com//content/2016-03/11/content_13661968.htm).

ZHUHAI HENGQIN INTEGRATED DEVELOPMENT
珠海横琴综合项目

Site Map of Zhuhai Hengqin Integrated Development 珠海横琴综合项目位置图

Zhuhai Hengqin Integrated Development is an iconic mixed-use development 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. With the Guangzhou-Zhuhai HSR expected to be operational by 2022[18], which will connect the development to Guangzhou city and Zhuhai airport, and an upcoming Hengqin-Macau cross-border light rail in close proximity, the well-connected development is poised to be a vibrant and signature landmark in Zhuhai with retail, office, hotel and serviced apartment components.

Key Developments in FY2016

The excavation and lateral support works have been completed at Zhuhai Hengqin Integrated Development, and the main construction contract for the integrated development has been awarded. All four permits (Land Use Right Certificate, Land Use Planning Permit, Construction Planning Permit and Building Construction Permit) for the integrated development have been received. The development is expected to complete construction in 2020.

18 Nanfang News article dated 27 September 2016 (http://zh.southcn.com/content/2016-09/27/content_156536903.htm).

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

Shenyang Longemont Integrated Development, comprising Shenyang Longemont Shopping Mall, Shenyang Red Star Macalline Furniture Mall and Shenyang Longemont Offices, is located within the Shenyang Longemont Asia Pacific City ("**APC**"), one of the largest mixed-use commercial developments in Shenyang, 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 Interchange Station, long and short-distance bus interchange, and taxi services.

SHENYANG LONGEMONT SHOPPING MALL

Shenyang Longemont Shopping Mall is one of the largest shopping malls in Shenyang. The mall hosts a myriad of established local and foreign brands, as well as a wide range of education and kids-related trades. 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, entertainment destinations catering to families, youths, professionals from Shenyang and tourists from the nearby cities.

Key Developments in FY2016

Year-on-year, committed occupancy decreased from about 90% to 81% due to on-going tenant remixing to further strengthen the positioning of the mall. However, with the sustained execution of marketing and promotional activities, total shopper traffic increased by 5% from 22.7 million to 23.9 million year-on-year.

SHENYANG LONGEMONT OFFICES

Shenyang Longemont Offices, which sits atop the Shenyang Longemont Shopping Mall, is an ideal office address for companies seeking a prime location with excellent connectivity and good supporting amenities.

Key Developments in FY2016

Year-on-year, the total committed occupancy at the office towers increased from about 50% to 63%. There are now over 4,000 people working in the two office towers. Works are also underway to introduce the 'co-working space' concept to provide greater leasing flexibility to local entrepreneurs. The new 'co-working space' concept is expected to commence operations in 2Q 2017.

SHENYANG RED STAR MALL

The East Wing of the mall is master-leased to Shanghai Red Star Macalline Home Furnishing Co., Ltd, one of the largest furniture retail operators in China. The West Wing of the mall is pending commencement of repositioning works to potentially house a medical and healthcare master-lease tenant.

Key Developments in FY2016

As at 31 December 2016, Shenyang Red Star Mall's committed occupancy decreased from about 93% to 59% year-on-year with the moving out of master-leased tenant, Liaoning Guangcai Property Investment Company, an antique wholesaler which was located in the West Wing of the mall. In-principle approval has been received from the local authorities to reposition the West Wing into a medical and healthcare centre.

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, 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 several residential developments in its immediate vicinity, allowing the mall to enjoy an immediate sizeable shopper catchment.

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. With its strategic location, complementary surrounding establishments and strong tenant mix, Perennial Qingyang Mall is well-received as the premier shopping, dining and entertainment destination in the western region of Chengdu.

Key Developments in FY2016

Perennial Qingyang Mall continued to perform well operationally, maintaining a strong committed occupancy of about 99%. Backed by a strong tenant mix and the strategic execution of a myriad of marketing and promotional activities, the mall registered a total shopper traffic growth of about 8.7% to 13.8 million and an average rental growth of about 20% on a year-on-year basis.

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, 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, the 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 Subway Line 6 that will connect to the Guangzhou Subway Line 5. With an excellent location well-supported 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.

Key Developments in FY2016

Perennial Jihua Mall delivered another year of strong operating performance, maintaining a committed occupancy of about 99% as at 31 December 2016. The mall also achieved a year-on-year increase of 2.4% in total shopper traffic to 8.6 million and an average rental growth of about 20%. Greater focus was placed on the execution of marketing activities to drive shopper traffic and tenants' sales.

BUSINESS REVIEW – REAL ESTATE

PORTFOLIO AT A GLANCE

Property[1]		Location	Description[4]	Tenure	Effective Interest (%)	Land Area (sq ft)	Gross Floor Area (sq ft)	Target Completion	Anchor/ Major Tenants
Chengdu East HSR Integrated Development	Perennial International Health and Medical Hub[2]	Plot A, East of Jinxiu Avenue, Chenghua District, Chengdu, Sichuan Province	Medical Block: 5 levels above ground Retail and Medical Block: 5 levels above ground 3 basement levels (Car park covers part of basements 2 and 3)	40 years, expiring on 20 February 2051	80	519,057	Medical and Retail Block: 2,406,178 Car Park/Others: 747,209 Total: 3,153,387	2Q 2017	Chengdu ParkwayHealth Hospital, St. Stamford Plastic Surgery and Aesthetic Hospital, Gulian Rehabilitation and Nursing Centre, AND Maternal and Child Health Centre, Perennial International Specialist Medical Centre
	Chengdu Plot C	East of Qionglaishan Road, Chenghua District, Chengdu, Sichuan Province	Retail Podium: 11 levels (9 above ground and 2 basement levels) Office: 2 63-storey towers Car Park: 3 basement levels	40 years, expiring on 20 February 2051	50	412,401	Office and Retail: 3,850,000 Car Park/Others: 1,770,000 Total: 5,620,000	2019	–
	Chengdu Plot D1		Retail Podium/Office/Apartments: 4 37-storey towers Car Park: 1 basement level		50	235,906	Retail/Office/Apartments: 2,083,819 Car Park/Others: 322,920 Total: 2,406,739	2018	–
	Chengdu Plot D2[3]		Eldercare and Retirement Home: 3 32-storey towers SOHO: 3 32-storey towers Retail Podium: 4 levels (3 above ground and 1 basement level) Car Park: 1 basement level		50	363,449	Eldercare and Retirement Home: 914,932 SOHO: 904,168 Retail: 885,267 Car Park/Others: 398,868 Total: 3,103,235	Phase 1: 3Q 2017 Phase 2: 1Q 2018	Chengdu Xiehe International Eldercare and Retirement Home[6]
Beijing Tongzhou Integrated Development	Phase 1	Plots 13, 14-1 and 14-2, Xinhua Avenue, Tongzhou District, Beijing	Retail Podium: 8 levels (6 above ground and 2 basement levels) Office: 2 towers Residences: 1 tower Car Park: 2 basement levels	Commercial: 40 years, expiring on 4 November 2052 Office and Residence: 50 years, expiring on 4 November 2062	40[5]	418,999	Retail: 1,527,054 Office: 1,276,632 Residences: 543,039 Car Park/Others: 1,108,694 Total: 4,455,419	1Q 2020	–
	Phase 2	Plots 10, 11, 12, Xinhua Avenue, Tongzhou District, Beijing	Retail Podium: 6 levels (4 above ground and 2 basement levels) Office: 1 tower Residences: 2 towers Car Park: 2 basement levels	Commercial: 40 years, expiring on 9 May 2053 Office and Residence: 50 years, expiring on 9 May 2063	23.3[5]	537,489	Retail: 1,296,029 Office: 994,015 Residences: 716,101 Car Park/Others: 961,691 Total: 3,967,836	4Q 2019	–

1 As all designs are undergoing refinement, the information in this table is subject to change.
2 Valuation as at 31 December 2016 amounts to S$589.8 million based on a foreign exchange rate of SGD/RMB of 4.7918.
3 Valuation as at 31 December 2016 amounts to S$467.3 million based on a foreign exchange rate of SGD/RMB of 4.7918.
4 Based on current plans and subject to the relevant authorities' approval of the plans.
5 Approximate percentage.
6 A 40-40-20 joint venture that was set up between Perennial, Shanghai Summit Property Development and Shanghai RST Medicine Co., Ltd to operate the Chengdu Xiehe International Eldercare and Retirement Home, is expected to complete formation by 3Q 2017.

PORTFOLIO AT A GLANCE

Property[1]		Location	Description[2]	Tenure	Effective Interest (%)	Land Area (sq ft)	Gross Floor Area (sq ft)	Target Completion	Anchor/ Major Tenants
Xi'an North HSR Integrated Development	Plot 4	North of Shangxin Road, South of Xi'an North HSR Station, Weiyang District, Xi'an, Shaanxi Province	Retail Podium: 4 levels above ground SOHO/Loft: 2 towers Hotel (3, 4 and 5 stars): 1 tower Apartment: 1 tower Car Park: 2 basement levels	40 years, expiring on 23 November 2052	51	506,977	Retail: 531,360 SOHO/Loft: 571,714 Hotel: 1,719,599 Apartment: 428,414 Car Park/Others: 1,161,469 Total: 4,412,556	2Q 2018	–
	Plot 5		Retail Podium: 5 levels (4 above ground and 1 basement level) Office: 1 tower Office/SOHO: 3 towers Apartment: 1 tower Car Park: 2 basement levels		51	554,310	Retail: 966,072 Office/SOHO: 2,261,476 Apartment: 303,854 Car Park/Others: 1,301,368 Total: 4,832,770	2Q 2019	–
Zhuhai Hengqin Integrated Development		East of Huandao East Road, South of Jilin Road, Next to Hengqin Port Plaza, Hengqin District, Zhuhai, Guangdong Province	Retail Podium: 6 levels (4 above ground and 2 basement levels) Office: 1 tower Hotel: 1 tower Serviced Apartment: 1 tower Car Park: 4 basement levels	Commercial: 40 years, expiring on 1 March 2054 Residential: 70 years, expiring on 1 March 2084	20	256,552	Retail: 482,578 Office: 455,765 Hotel: 179,198 Serviced Apartment: 352,755 Car Park/Others: 766,412 Total: 2,236,708	2020	–

1 As all designs are undergoing refinement, the information in this table is subject to change.
2 Based on current plans and subject to the relevant authorities' approval of the plans.

PORTFOLIO AT A GLANCE

Property		Location	Description	Tenure	Effective Interest (%)	Valuation[1] (S$'m)	Land Area (sq ft)	Gross Floor Area (sq ft)	Net Lettable Area (sq ft)	Operational	Anchor/ Major Tenants
Shenyang Longemont Integrated Development	Shenyang Red Star Macalline Furniture Mall	No. 24 Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Retail Podium: 8 levels (7 above ground and 1 basement level) Car Park: 1 basement level	Commercial: 40 years, expiring on 20 January 2049 Others: 50 years, expiring on 20 January 2059	50	511.9	482,711	3,048,831	2,558,751	Since September 2010	Shanghai Red Star Macalline Home Furnishing Co., Ltd
	Shenyang Longemont Shopping Mall	No. 20 Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Retail Podium: 10 levels (8 above ground and 2 basement levels)		50	785.3	574,019	3,528,288	2,210,037	Since October 2011	Sinbad Joy Castle, Carrefour, C&A, H&M, UNIQLO
	Shenyang Longemont Offices		Office: 2 56-storey towers		50	464.1		2,129,132	1,911,561	Since October 2012	Taiping Insurance, Pingan Insurance, Taikang Insurance
Perennial Jihua Mall, Foshan		No. 45 Guilan South Road, Nanhai District, Foshan, Guangdong Province	Retail Podium: 4 levels (3 above ground and 1 basement level) Car Park: 2 levels (1 above ground and 1 basement level)	40 years, expiring on 20 May 2049	100	193.7	370,403	979,966	471,954	Since August 2013	Yonghui Superstore (Supermarket), Jinyi Cineplex, Inditex Group
Perennial Qingyang Mall, Chengdu		No. 55 North Guanghua Third Road, Qingyang District, Chengdu, Sichuan Province	Retail Podium: 4 levels (3 above ground and 1 basement level) Car Park: 2 basement levels	40 years, expiring on 19 January 2050	100	254.6	568,582	1,455,303	644,330	Since April 2014	Yonghui Superstore (Supermarket), Jinyi Cineplex, Kidswant

1 Valuations as at 31 December 2016 are based on a foreign exchange rate of SGD/RMB of 4.7918.

REAL ESTATE BUSINESS
OTHER MARKETS

Overview

In FY2016, Perennial focused on seeking the necessary regulatory approvals before the commencement of construction works at its two overseas projects, being the Penang Waterfront Integrated Development in Malaysia, and the Accra Integrated Development in Ghana.

Perennial also entered into a Call Option to secure a right to acquire a 20% stake in Aviva Tower in the City of London, United Kingdom ("**UK**").

MALAYSIA
MARKET OVERVIEW AND OUTLOOK

Resilient Economy

Malaysia's economy is fundamentally sound, despite facing significant political and economic challenges in the past year. Malaysia's real gross domestic product was 4.2% for 2016[1], and is projected by the International Monetary Fund to increase to 4.5% in 2017[2], amid external factors including instability in crude oil prices, a slowdown in the Chinese economy, and increased uncertainties in the global markets.

Malaysia continues to attract substantial foreign direct investment. Penang itself has seen additional investments from companies such as Boston Scientific, Honeywell and Bosch over the past year, and remains an attractive location for manufacturing. It has also kept its place as one of the world's top tourist destinations, with the tourism industry being a key engine of growth for Penang.

STRATEGIC PRIORITIES IN 2017

This year, we will focus on commencing construction of the Penang Waterfront Integrated Development, with the land title and other relevant authority approvals having been obtained.

GHANA
MARKET OVERVIEW AND OUTLOOK

Stable Platform to Access the African Continent

Ghana remains one of the most prosperous and stable countries in sub-Saharan Africa. The country's vibrant democracy is seen as a role model for the continent, as shown in late 2016, when a new President for Ghana was democratically elected, with a peaceful transfer of power between administrations.

External factors such as unstable crude oil prices continue to put pressure on Ghana's economy, and fiscal challenges still remain. However, with the country's economic reforms, its economy is expected to continue to improve into 2017.

STRATEGIC PRIORITIES IN 2017

This year, we will focus on obtaining all the relevant authorities' approvals and expect to commence works on-site.

UNITED KINGDOM
MARKET OVERVIEW AND OUTLOOK

Mature Market with Strong Fundamentals

The Brexit shock dominated the political and economic discourse in the UK in 2016, and had an immediate adverse impact on the property market and real estate capital values there. However, after the initial jolt, fears of a significant crash have now diminished and confidence in the market has started to return. Investment transactions have regained momentum and significant development projects have been earmarked to proceed, despite the existence of considerable market uncertainty over Britain's prospective exit from the European Union. While the final impact of Brexit remains to be seen, the mature real estate sector in the UK continues to be firmly underpinned by strong fundamentals, and is expected to show resilience.

STRATEGIC PRIORITIES IN 2017

We are working with the owners to plan for the redevelopment of Aviva Tower. The Call Option will only be exercised when the owners decide to proceed with the redevelopment of Aviva Tower.

1 Asiaone article dated Feb 2017 (http://news.asiaone.com/news/business/malaysias-economy-grew-45-q4-2016-full-year-growth-42).

2 International Monetary Fund article dated December 2016 (http://www.imf.org/en/news/articles/2016/12/14/pr16558-malaysia-imf-staff-completes-2017-article-iv-mission).

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

PENANG WATERFRONT INTEGRATED DEVELOPMENT, MALAYSIA
槟城滨海湾综合项目，马来西亚

Positioned as Penang's first mega integrated waterfront icon, the 4.1 million sq ft in GFA Penang Waterfront Integrated Development will comprise a retail mall with thematic street concepts and waterfront dining, premium residential towers, an office tower, two hotels, and the largest convention centre in Penang. It will be built at an estimated total development cost of over MYR3 billion (approximately S$1 billion).

The development is located on a freehold site on the eastern coastline of Penang Island. 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 Peninsular Malaysia.

Key Developments in FY2016

Significant progress was made on project design and authority issues, with substantial effort devoted to improving the detailed plans of each asset component and obtaining regulatory approvals for the scheme.

The key achievements include the receipt of land titles for all parcels of our freehold project. On the development front, masterplan approval and planning permission have been obtained from the authorities for the proposed development scheme. Building plan applications have also been submitted with approvals expected to be forthcoming.

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

ACCRA INTEGRATED DEVELOPMENT, GHANA
阿克拉综合项目，加纳

Located in Accra, the capital of Ghana in West Africa, the Accra Integrated Development will comprise a shopping mall, residential towers, an office tower, serviced apartments, and a five-star hotel to be managed by Shangri-La Asia Limited. It will be built at a total development cost of over US$250 million (approximately S$352 million).

The site is located in the prime Airport district of Accra with prominent frontage onto the key Tetteh Quarshie 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.

Key Developments in FY2016

Good progress was made in securing the government's support for this sizeable investment in Africa. Official confirmation was received that the development qualifies for available government incentive schemes administered by the Ghana Investment Promotion Centre, with the recognition that the successful creation of this landmark development would be beneficial to the local economy. Separately, the Ghana Environmental Protection Agency permit was also successfully obtained.

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

1 30 St Mary Axe.
2 122 Leadenhall Street.
3 52-54 Lime Street.
4 Held through HPRY Holdings Limited.
5 Held through Burlingham International Ltd.

AVIVA TOWER, UNITED KINGDOM
英杰华大楼，英国

Aviva Tower is currently a 28-storey office tower located at 1 Undershaft, EC3, right in the heart of London's Financial District within the City of London, also commonly known as the 'Square Mile'. The property is sited across the road from prominent famous London landmark 'The Gherkin'[1], and in close proximity to existing and upcoming renowned commercial buildings such as the 'Cheesegrater'[2], the 'Scalpel'[3], 22 Bishopsgate, Tower 42 and Heron Tower.

Anchored by Aviva International Insurance and housing its UK headquarters, the prime development enjoys excellent transport connectivity with access to Liverpool Street Station and Bank Station, which together serve six London Tube lines, three Rail lines and one future Crossrail line.

Key Developments in FY2016

The London planning authorities have granted approval for Aviva Tower to be redeveloped into the tallest building in the City of London at a height of 304.94 metres.

The new landmark office development ("**1 Undershaft**") will host UK's highest publicly accessible viewing gallery, London's highest office space and public restaurant, and a larger public square. It will comprise over 130,000 square metres ("**sqm**") of gross floor area ("**GFA**") of Grade 'A' office space and over 2,000 sqm of GFA of retail and food and beverage ("**F&B**") space in Basement 1.

Currently, Aviva Tower has a total GFA and net lettable area ("**NLA**") of approximately 49,083 sqm and 30,006 sqm respectively. Post-redevelopment, 1 Undershaft will have a total GFA and NLA of approximately 154,100 sqm and 92,975 sqm respectively, both of which will be about three times the size of the existing Aviva Tower.

On 29 November 2016, Perennial announced that it entered into a call option to secure a right to acquire a 20% stake in Aviva Tower based on an agreed property value of £330 million ("**Option Price**") ("**Call Option**"). The total consideration paid to enter into the Call Option amounted to US$4. The Option Price was derived based on the 'as-is' market valuation of Aviva Tower of £323 million, without factoring in any potential redevelopment value.

Aviva Tower is owned by Mr Kuok Khoon Hong[4], one of the largest sponsors of Perennial and the Chairman of the Board of Perennial, Mr Martua Sitorus and his family[5], and two other investors.

The Call Option provides Perennial with an exceptional opportunity to gain access into a new developed market and own a piece of prime freehold real estate in the City of London. The Call Option is exercisable upon confirmation of the execution of redevelopment plans by its owners and expires on 31 July 2019. Perennial will manage the redevelopment of Aviva Tower upon confirmation of the execution of redevelopment plans by its owners.

BUSINESS REVIEW – REAL ESTATE

PORTFOLIO AT A GLANCE

Property[1]	Location	Description	Tenure	Effective Interest (%)	Land Area (sq ft)	Gross Floor Area[2] (sq ft)	Target Completion
Penang Waterfront Integrated Development, Malaysia	About 1 km north of Penang Bridge, Gelugor	Retail Podium and Thematic Shops Residential Office Hotels Convention Centre	Freehold	50	1,427,000	Retail and Thematic Shops: 1,514,000 Residential: 1,212,000 Office: 468,500 Hotel: 637,500 Convention Centre: 268,000 Total: 4,100,000	2021
Accra Integrated Development, Ghana	Along Liberation Road and about 2 km from Kotoka International Airport within the Airport district of Accra, Ghana	Retail Podium Residential Office Hotel Serviced Apartment	50 years, expiring on 28 November 2061	55	537,000	Retail: 231,400 Residential: 375,400 Office: 592,000 Hotel: 354,200 Serviced Apartment: 194,200 Total: 1,747,200	2021
Aviva Tower, United Kingdom	1 Undershaft, London, EC3A 8AB, UK	Office	Freehold	Post-exercise of Call Option, will hold 20[3]	Approximately 71,000	Current: 528,300 Post-redevelopment: 1,658,700	Operational[3]

1 As all designs are undergoing refinement, the details in the table are subject to change.
2 The gross floor area excludes car park space based on current plans and are subject to the relevant authorities' approval of the plans.
3 Perennial will hold an effective interest of 20% if the Call Option is exercised upon confirmation of the execution of redevelopment plans by its owners.

BUSINESS REVIEW – HEALTHCARE

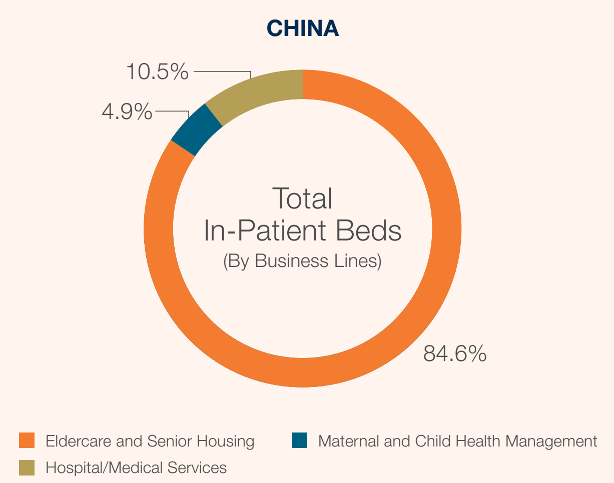
HEALTHCARE BUSINESS

CHINA

Overview

In 2016, Perennial pushed forward with plans to establish its ownership and operator model healthcare businesses in China and has since put together three core lines of business in the following areas of (i) hospital and medical services (St. Stamford International Medical Pte Ltd ("**St. Stamford**")); (ii) maternal and child health management services (Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("**Aidigong**")); and (iii) eldercare and senior housing (Shanghai RST Chinese Medicine Co., Ltd ("**Renshoutang**")) with a total portfolio comprising 2,865 in-patient beds.

In addition, Perennial introduced the first specialist medical centre concept in China, being Perennial International Specialist Medical Centre ("**Perennial Specialist Centre**"). This will further strengthen Perennial's hospital and medical services business line.



Medical and Healthcare Business Lines	No. of In-patient Beds
Eldercare and Senior Housing[1]	2,425
Hospital/Medical Services[2]	300
Maternal and Child Health Management[3]	140
Total	**2,865**

MARKET REVIEW AND OUTLOOK

In 2016, China's healthcare and eldercare markets continued to expand with strong demand for quality integrated eldercare and medical facilities, driven by a rapidly ageing population and strong economic growth[4].

Healthcare expenditure has consistently maintained its double-digit annual growth in the past 12 years and total expenditure is expected to grow from US$357 billion in 2011 to US$1 trillion by 2020[5]. To ensure that there is a sufficient supply of healthcare facilities to meet the rising demand for quality medical services, the Chinese government has since eased regulatory controls over the China medical industry allowing Foreign Direct Investment of up to 70% stake in local private hospitals, encouraging private capital, both local and foreign, to invest in healthcare facilities and services. With the ease of regulatory controls on foreign ownership of hospitals and permission for doctors to simultaneously practise in both public and private hospitals, barriers of entry for foreign investors have been significantly reduced[4].

Separately, following the introduction of the new two-child policy, China is expected to welcome as many as eight million more new babies each year and experts predict that the annual number of new births will be boosted to between 20 million and 24 million[6]. Consequently, there is now a burgeoning local demand for professional maternal and child health management services in China.

Aidigong, AND Maternal and Child Health Centre, Yinhu.

1 Relates to Renshoutang. The acquisition was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.

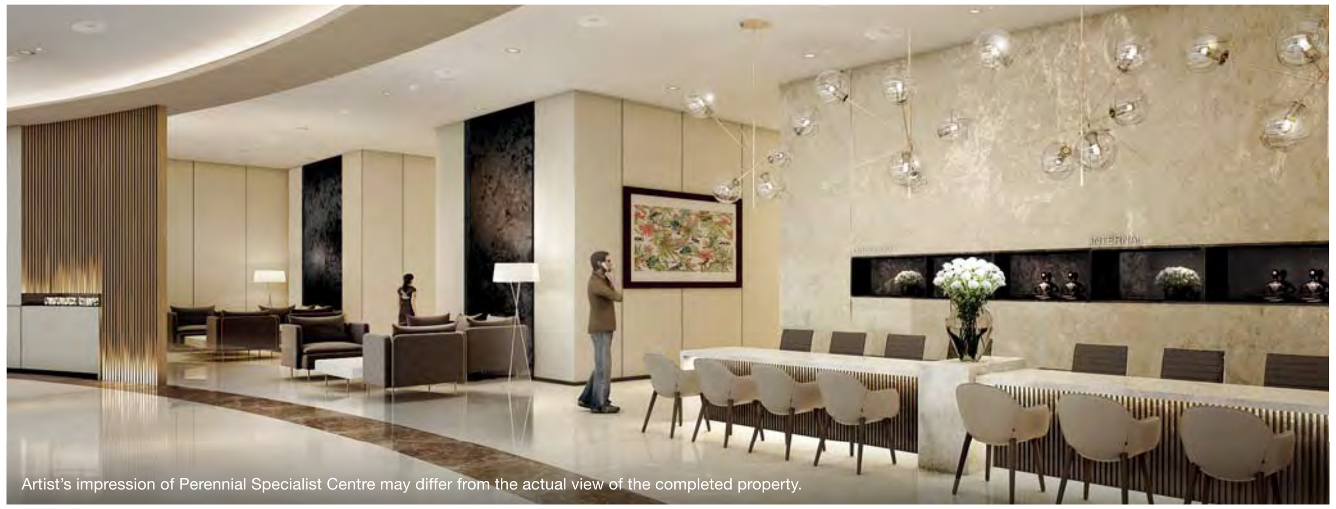
2 Relates to St. Stamford Modern Hospital, Guangzhou.

3 Relates to Aidigong.

4 Deloitte Report 2015.

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

6 NBC News: China Braces for Baby Boom Under New Two-Child Rule.



Artist's impression of Perennial Specialist Centre may differ from the actual view of the completed property.

China's elderly population is expected to double to 400 million by 2040[7]. By 2050, it is estimated that 35% of China's total population would be above 60 years old. Currently, there is a severe lack of eldercare facilities in China, with only 30.3 beds available for every 1,000 elderly[8].

Shanghai, Zhejiang Province and Jiangsu Province, which form the Yangtze Delta Region, ranked 1st, 3rd and 4th of the provinces with the highest disposable income in China in 2015[9]. In addition, among the top 10 cities with the largest ageing population, eight cities are in Yangtze River Delta region[9,10]. As such, the demand for quality eldercare and medical services in the Yangtze River Delta Region is expected to grow exponentially in the next few years.

As at the end of 2015, Chengdu, one of the major cities in West China, had a population of 2.6 million above 60 years old, which translated to 21% of its total population[11]. Similarly, Wuhan, the biggest city in Central China, had a population of 1.6 million above 60 years old, which translated to about 20% of the total population in 2015[9].

STRATEGIC PRIORITIES IN FY2017

This year, Perennial will continue to work with its partners to further raise the standards of treatment and care across all three lines of its medical and healthcare business. Perennial will also continue to pursue and acquire the latest technology and at the same time, elevate the knowledge and skillsets of the professional service staff to stay in the forefront of international best practices.

Perennial also intends to accelerate the growth of its healthcare business through the execution of the extensive pipeline of medical and healthcare developments in China, particularly in integrated eldercare with medical facilities.

On the hospital business front, Perennial will leverage on the success of St. Stamford Modern Hospital in Guangzhou, a renowned cancer hospital and the first operational facility under St. Stamford, to grow its hospital business platform, particularly in the area of cancer treatment. Concurrently, Perennial is preparing for the opening of St. Stamford Plastic Surgery and Aesthetic Hospital at Perennial International Health and Medical Hub ("**PIHMH**"), Chengdu in 3Q 2017.

On the maternal and healthcare business front, Perennial is working towards opening two more centres this year. AND Maternal and Child Health Centre, Shekou is expected to commence operations in 1Q 2017, further strengthening Aidigong's presence in Shenzhen. AND Maternal and Child Health Centre, Chengdu which is expected to commence operations at PIHMH in 3Q 2017, will be Aidigong's first centre in Chengdu and also the largest confinement centre in the city.

On the eldercare business front, Perennial is focused on opening the Chengdu Xiehe International Eldercare and Retirement Home ("**Chengdu Xiehe Home**"), located at Chengdu East High Speed Railway Integrated Development Plot D2 ("**Chengdu Plot D2**"), in 3Q 2017.

With China opening up its healthcare services sector to private and overseas investments, coupled with the acute shortage of quality service providers, Perennial will actively explore the acquisition of prime integrated real estate and healthcare projects to grow its presence across various key China cities to provide easier access and better quality care to the local communities.

7 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).

8 Ministry of Civil Affairs of the PRC: Social Service Development Statistical Communique 2015.

9 China Statistical Yearbook 2016 compiled by the National Bureau of Statistics of China (http://www.stats.gov.cn/tjsj/ndsj/2016/indexch.htm).

10 360doc article dated July 2015 (http://www.360doc.com/content/15/0720/20/26660634_486272385.shtml).

11 Jiangsu Aged Work article dated May 2016 (http://jsll.jsmz.gov.cn:85/eap/85.news.detail?news_id=2367&pagenum=2).


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

ST. STAMFORD INTERNATIONAL MEDICAL
圣丹福国际医疗

St. Stamford is a new brand established for Perennial's 40-60 joint venture with Guangdong Boai Medical Group Co., Ltd ("**Guangdong Boai**") to own, develop and manage hospital and medical services business in China. Guangdong Boai is the subsidiary of China Boai Medical Group ("**BOAI**"), one of the largest private hospital and medical services operators in China.

The primary medical specialties that will be pursued by St. Stamford include Oncology, Fertility, Obstetrics and Gynaecology, Paediatrics, Plastic Surgery and Aesthetic Medicine, and Cardiology and Cardiovascular Surgery.

St. Stamford has plans to grow its portfolio to over 20 hospital projects in China's first-tier and second-tier provincial capital cities in the next five years. The joint venture enjoys access to Perennial's greenfield and/or completed integrated developments, as well as BOAI's existing portfolio of hospitals and future acquisition pipeline across China.

St. Stamford currently operates St. Stamford Modern Hospital, Guangzhou, one of the leading private cancer hospitals in Guangzhou and the first China-Singapore joint venture Joint Commission International ("**JCI**")-accredited hospital in China. St. Stamford will also be launching the upcoming St. Stamford Plastic Surgery and Aesthetic Hospital at PIHMH in Chengdu.

Key Developments in FY2016

As part of the plan to further elevate St. Stamford Modern Hospital's local and international standing, a series of initiatives are being rolled-out progressively. These initiatives include setting up a RMB20 million accredited NanoKnife treatment facility, forging partnerships with internationally renowned medical and research institutions and medical specialists, establishing an international medical advisory board, investing in new and advanced technology to provide better quality care, strengthening capabilities in cancer treatment, upgrading hospital facilities to provide top-notch services in a comfortable environment, and integrating best practices and medical systems from Singapore.

The NanoKnife treatment facility placed St. Stamford Modern Hospital at the forefront of precision treatment and added to the list of options available for minimally invasive treatment for cancer. The hospital successfully completed its first CT-guided NanoKnife pancreatic cancer ablation under general anaesthesia on 4 June 2016.

Towards the end of the year, a new two-storey extension block adjoining the main building was completed. The extension block comprises several VIP rooms, a CT scan room, minor surgery suites, which houses the NanoKnife treatment room, as well as Dental, Aesthetic Medicine and Plastic Surgery and Traditional Chinese Medicine ("**TCM**") services. All services at the extension block have commenced operations.

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

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

PERENNIAL INTERNATIONAL SPECIALIST MEDICAL CENTRE

鹏瑞利国际名医馆

Perennial Specialist Centre is positioned as a one-stop premier comprehensive specialist medical centre which provides top quality medical services in China.

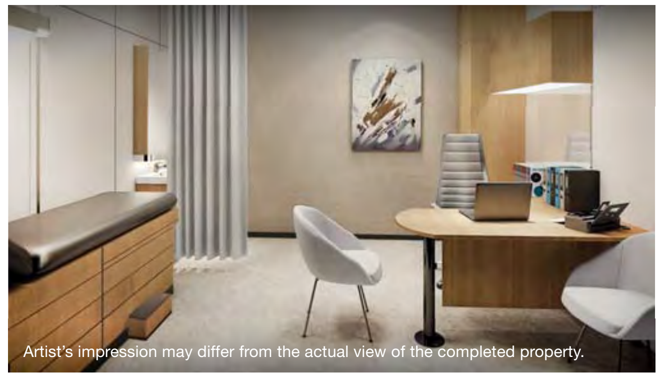
The upcoming first facility will be located at PIHMH in Chengdu. The centre, which will have a strong combination of local and foreign specialists, is expected to host a wide range of specialist departments, including Gynaecology, Paediatrics, Oncology, Internal Medicine and Surgery, Cardiology, Ear, Nose and Throat specialty and Ophthalmology.

Perennial Specialist Centre will be majority-owned-and-operated by Perennial.

Key Developments in FY2016

Perennial introduced the specialist medical centre concept to cater to the strong demand for private medical care in China. To-date, Perennial has successfully secured over 260 medical specialists from renowned hospitals across various China cities. The hospitals include the First Hospital of China Medical University, Shenyang (中国医科大学附属第一医院,沈阳), Third Military Medical University, Chongqing (第三军医大学，重庆), Bejing Xiuzhong Skin Specialist Medical Group (北京秀中皮肤科医生集团), Beijing Caidai Medical Group (北京彩带医生集团), West China Hospital, Sichuan (四川华西医院), Chengdu City No.1 People's Hospital (成都市第一人民医院), Chengdu Western Hospital (成都市西区医院), Chengdu Xinhua Hospital (成都市新华医院), Beijing Fuwai Hospital (北京阜外医院), Beijing Anzhen Hospital (北京安贞医院) and Beijing Tian Tan Hospital (北京天坛医院). The first facility located at PIHMH in Chengdu, with about 60 consultation rooms, is expected to commence operations in 3Q 2017.

Perennial will operate the specialist medical centre, including the medical facilities, patients' appointments, prescriptions and general services.



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

BUSINESS REVIEW – HEALTHCARE


Shanghai Xijiao Xiehe Eldercare and Retirement Home


Tea Appreciation Room


Multi-bedder Room


1-bedroom Suite

RENSHOUTANG
人寿堂

Founded in 1994, Renshoutang is one of the pioneer and most established private integrated eldercare companies in China to successfully integrate eldercare, medical and pharmacy services.

With over 15 years of operating experience, it has a portfolio of 11 eldercare facilities with 2,425 beds and four pharmacies, each with a dedicated TCM clinic, most of which are located in Changning District in Shanghai.

The company operates two renowned brands for its eldercare services, namely Yixian Eldercare and Retirement Home (逸仙养老) for the lower-to-middle income, and Xiehe Eldercare and Retirement Home (协和颐养院) for the middle-to-higher income.

Renshoutang also operates pharmacies under a well-known brand in Shanghai, Renshoutang Medicine (人寿堂国药), which has been awarded the China Time-honoured Brand Award (中华老字号). In addition to serving the general public, the pharmacies supply medicine to Renshoutang's portfolio of eldercare facilities.

Physicians at the TCM clinics also provide treatments to the residents at the various homes.

With an existing portfolio of 2,425 beds and access to a committed pipeline and pipeline under negotiation of over 6,210 beds and 15,400 beds respectively, Renshoutang is well positioned to be one of the largest eldercare services operators in the affluent and populous Yangtze River Delta Region in the next few years.

Key Developments in FY2016

In 1Q 2016, Perennial entered into a Memorandum of Understanding to establish a 40-40-20 joint venture with Shanghai Summit Property Development Limited and Renshoutang to operate Chengdu Xiehe Home in Chengdu Plot D2.

In 3Q 2016, Perennial announced the acquisition of a 49.9% stake in Renshoutang. Upon completion of the acquisition in 1H 2017, Perennial will be the largest single shareholder of Renshoutang.

Renshoutang Presence Map

Chengdu Xiehe Home, which will be Renshoutang's first facility outside of the Shanghai market, is positioned as a leading premium private eldercare and retirement home with a comprehensive suite of facilities in Chengdu. It will comprise a Retirement Home, a Nursing Home and a Rehabilitation Home.

Chengdu Xiehe Home is currently being fitted out, and the first phase, starting with 960 beds, is expected to commence operations in 3Q 2017.

BUSINESS REVIEW – HEALTHCARE

Aidigong Presence Map

AIDIGONG
爱帝宫

Founded in 2007, Aidigong is one of the first and most established maternal and child health management operators in China that combines traditional and contemporary methods in postpartum and neonatal care. To-date, Aidigong has served over 10,000 customers and is recognised as a premier and trusted brand in the industry.

Aidigong operates two renowned brands, being AND Maternal and Child Health Centre (爱帝宫国际母婴月子会所), with three centres in Shenzhen and Beijing and an upcoming centre each in Shenzhen and Chengdu, and one Beauty MAX Postnatal Treatment Centre (美妈汇产后修复中心) in Shenzhen.

With an existing portfolio of 140 beds and a committed pipeline of 216 beds, Aidigong is set to grow its presence in the key cities of Beijing, Chengdu and Shenzhen.

Key Developments in FY2016

In 2016, Perennial acquired a 20% stake in Aidigong to become its second largest single shareholder.

Following the acquisition, a new maternal and child health centre was opened in Beijing, expanding Aidigong's presence into a new growth city. Plans are underway to open a new maternal and child health centre in Shekou, Shenzhen and another centre at PIHMH in Chengdu.

BUSINESS REVIEW – HEALTHCARE

Business	Description	Bed/Consultation Room Capacity	Joint Venture Partner	Effective Interest (%)	Medical Specialties	Portfolio of Facilities
St. Stamford International Medical Pte Ltd ("St. Stamford International Medical")	A new brand that operates St. Stamford Modern Hospital, Guangzhou, one of the leading private cancer hospitals in Guangzhou, and the first China-Singapore joint venture JCI-accredited hospital in China	300 beds	Joint Venture Partner: Guangdong Boai Medical Group Co., Ltd One of the largest private hospital and medical services operators in China	81.6[1,4]	Oncology, Fertility, Obstetrics and Gynaecology, Plastic Surgery and Aesthetic Medicine, Orthopaedics, Paediatrics, Ear, Nose and Throat Specialty, Ophthalmology, Dentistry, Cardiology and Cardiovascular Surgery	1 cancer hospital 1 upcoming plastic surgery and aesthetic hospital in Chengdu
Perennial International Specialist Medical Centre	One-stop comprehensive medical centre with over 260 medical specialists from renowned hospitals across China	About 60 consultation rooms	–	90[2]	Gynaecology, Paediatrics, Oncology, Internal Medicine and Surgery, Cardiology, Ear, Nose and Throat Specialty and Ophthalmology	Upcoming first facility in Chengdu
Shanghai RST Chinese Medicine Co. Ltd ("Renshoutang")	The largest integrated eldercare services operator in Shanghai Set to be one of the largest eldercare services operators in the affluent and populous Yangtze River Delta Region in the next few years	2,425 beds	–	49.9[3] (Largest Single Shareholder)	Retirement Home, Nursing Home, Rehabilitation Home and Pharmacy with attached TCM Clinics	11 eldercare facilities 4 pharmacies with TCM clinics 9 upcoming eldercare facilities in Chengdu, Zhenjiang, Ningbo, Wuhan and Shanghai
Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("Aidigong")	One of the leading premium maternal and child health management operators in China	140 beds	–	20[4] (Second Largest Single Shareholder)	Postnatal Care and Neonatal Care	3 maternal and child health centres 1 postnatal centre 2 upcoming maternal and child health centres in Chengdu and Shenzhen

1 St. Stamford International Medical owns a 49% stake in St. Stamford Modern Hospital, Guangzhou, which translates to an effective stake of 40% in St. Stamford Modern Hospital, Guangzhou.
2 Subject to the completion of the incorporation of the company.
3 The acquisition was announced on 13 September 2016 and the transaction is expected to complete by 1H 2017.
4 Approximate percentage.

FINANCIAL REVIEW

PERFORMANCE REVIEW

Perennial registered a revenue of S$110.2 million for 12M 2016, which was 6.4% lower compared to S$117.7 million in 12M 2015. Earnings Before Interest and Tax (“**EBIT**”) for 12M 2016 of S$111.2 million decreased by 23% from S$144.5 million in 12M 2015.

SINGAPORE

Revenue from Singapore assets decreased by S$2.7 million to S$59.0 million (12M 2015: S$61.7 million). EBIT decreased by S$45.6 million to S$17.6 million (12M 2015: S$63.2 million).

The marginal decrease in revenue was due to lower rental revenue from TripleOne Somerset as the expiring leases were not renewed to make way for the asset enhancement initiative (“**AEI**”) works which commenced since 2Q 2016. This is partially mitigated by strata sales of office units in TripleOne Somerset.

The decrease in EBIT was mainly due to the impairment provision of Eden Residences Capitol, share of fair value loss from the retail and hotel components of the Capitol Singapore and write off of intangible assets. In contrast, there were fair value gains mainly from AXA Tower in 12M 2015. AXA Tower has commenced its strata sales in 3Q 2016 and achieved more than S$23.8 million sales value to date. Of this, a few office units were handed over and the sales revenue was recognised in 4Q 2016.

In January 2016, Perennial divested its 1.5% stake in 112 Katong Mall for a consideration of S$3.4 million. Accordingly, the intangible assets related to the management contract of 112 Katong Mall of S$1.9 million were written-off in 1Q 2016.

During the year, Perennial acquired an additional 43.7% equity stake in Chinatown Point. As a result, Perennial’s effective interest in Chinatown Point increased from 1.5% to 45.2% and Perennial Chinatown Point LLP became an associated company of Perennial.

In January 2017, Perennial announced the proposed divestment of a 20.2% interest in TripleOne Somerset for a consideration of approximately S$101.0 million, translating to a divestment price of S$2,200 per square foot for the net saleable strata area of the property. On completion, Perennial is expected to book a pre-tax divestment gain of approximately S$34.3 million.

CHINA

Revenue improved by S$3.4 million to S$30.9 million (12M 2015: S$27.5 million) mainly contributed by Perennial Qingyang Mall, Chengdu, which enjoyed close to full occupancy and registered a year-on-year increase in rental growth of about 20%.

EBIT increased significantly by S$11.9 million to S$82.0 million (12M 2015: S$70.1 million). China EBIT includes a net fair value gain of S$57.3 million from revaluation of Perennial International Health and Medical Hub (“**PIHMH**”), and Chengdu East High Speed Railway (“**HSR**”) Integrated Development Plot D2 (“**Chengdu Plot D2**”) offset by revaluation loss for Shenyang Red Star Macalline Furniture Mall. Chengdu Plot D2 was reclassified as an “Investment Property” as its intended use was changed from strata sale to long-term hold for lease to Chengdu Xiehe International Eldercare and Retirement Home.

During the year, in line with the strategy to grow the healthcare and medical businesses, Perennial acquired a 20% stake in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd (“**Aidigong**”) and an effective 40% stake in Modern Hospital Guangzhou Limited Liability Company, which owns the St. Stamford Modern Hospital in Guangzhou. The acquisitions provided new streams of contributions to augment the recurring income from the real estate business.

MANAGEMENT BUSINESSES

Revenue for the fee-based management business decreased by S$4.1 million to S$34.9 million (12M 2015: S$39.0 million). Excluding the one-off acquisition fee from the acquisition of AXA Tower earned in 2015, the fee revenue improved over last year on account of higher project management fees.

EBIT decreased by S$3.0 million to S$18.5 million (12M 2015: S$21.5 million) for the reasons mentioned above as well as due to the write-off of intangible assets of S$1.9 million in 1Q 2016.

	REVENUE			EBIT		
	12M 2016 S$'000	12M 2015 S$'000	Change %	12M 2016 S$'000	12M 2015 S$'000	Change %
Singapore	**58,998**	61,674	(4.3)	**17,631**	63,229	(72.1)
China	**30,904**	27,496	12.4	**81,988**	70,058	17.0
Management Businesses	**34,863**	39,039	(10.7)	**18,534**	21,505	(13.8)
Corporate and Others	**136**	1,725	(92.1)[1]	**(3,222)**	25,015	(112.9)[1]
Eliminations[2]	**(14,710)**	(12,268)	19.9	**(3,700)**	(35,330)	(89.5)
	110,191	117,666	(6.4)	**111,231**	144,477	(23.0)

1 The lower revenue and EBIT in 12M 2016 is mainly attributable to lower dividend income from subsidiaries.

2 Eliminations are mainly against dividend declared by subsidiaries.

PATMI

Overall, the Group achieved a PATMI of S$35.1 million for the 12 months ended 31 December 2016; a decrease of S$23.0 million from 12M 2015’s S$58.1 million. 12M 2015 PATMI included a one-off acquisition fee from the acquisition of AXA Tower and higher fair value gains on revaluation of investment properties held by subsidiaries, associate and joint venture. The decrease in PATMI was due to the lower revenue, impairment provision, write-off of intangible assets and higher financing expenses.

DIVIDEND

The Board of Directors is pleased to propose a first and final ordinary dividend of 0.4 Singapore cents per share for the financial year ended 31 December 2016. The dividends are subject to the shareholders’ approval at the upcoming Annual General Meeting.

TOTAL ASSETS

Total assets as at 31 December 2016 of S$7.0 billion were S$596.1 million or 9.2% higher than that a year ago. The increase was mainly due to the extension of shareholder loan to Capitol Singapore of S$305.0 million, the acquisition of additional stakes in Perennial Chinatown Point LLP, increase in the cost of development properties, cash and other receivables.

Singapore assets and China assets accounted for approximately 33.2% and 65.3% of total assets respectively.

As at 31 December 2016, Perennial’s investment properties held by subsidiaries included CHIJMES in Singapore and Perennial Jihua Mall, Perennial Qingyang Mall and PIHMH in China. TripleOne Somerset in Singapore has been reclassified from investment properties category to development properties as the units in the property are now held for strata-sale.

Perennial’s investment in associates and joint ventures included mainly Capitol Singapore, House of Tan Yeok Nee, Chinatown Point and AXA Tower in Singapore, Penang Waterfront Integrated Development in Malaysia, as well as Shenyang Longemont Shopping Mall, Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Offices, Chengdu East HSR Integrated Development Plots C and D1, Chengdu Plot D2, Beijing Tongzhou Integrated Development Phase 2 and Zhuhai Hengqin Integrated Development in China.

Development properties comprised mainly TripleOne Somerset, Xi’an North HSR Integrated Development, Beijing Tongzhou Integrated Development Phase 1 and Accra Integrated Development, Ghana.

SHAREHOLDERS’ EQUITY

As at 31 December 2016, the issued and paid-up ordinary share capital of the Company of S$2.2 billion comprised approximately 1.7 billion shares. During the financial year, the Company increased its share capital by S$12.9 million, with the issue of approximately 9.7 million shares paid as consideration to acquire 51% of Perennial Real Estate Pte Ltd, which was part of the “Deferred Acquisition” as defined in the Company’s Circular dated 18 September 2014. The Reverse Takeover as defined in the same circular above is now fully completed with the completion of the Deferred Acquisition transaction.

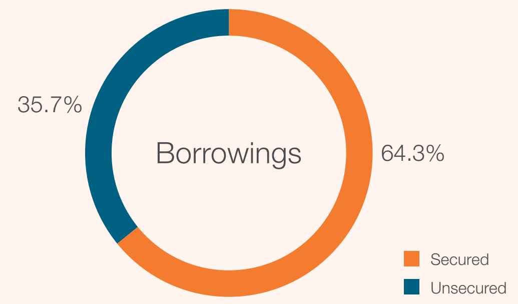
The Group’s reserves comprised other reserves such as capital reserves and foreign currency translation reserve. Foreign currency translation reserve arises from the translation of overseas operations in local currency into Singapore dollar (“**SGD**”). The movement during the financial year was due to depreciation of Chinese Renminbi (“**RMB**”) by about 3.9% against the SGD.

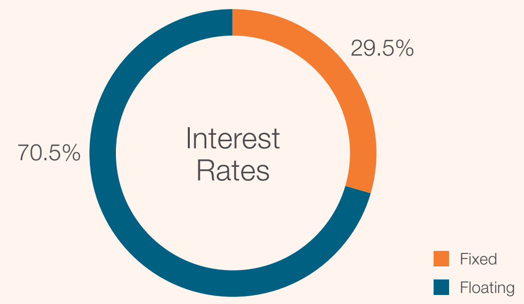
LOANS AND BORROWINGS

As at 31 December 2016, Perennial’s gross borrowings stood at S$2.7 billion. The net borrowings were S$2.5 billion after taking into account the cash and cash equivalents of approximately S$226.2 million.

In March 2016, Perennial issued S$125 million Fixed Rate Notes, at 4.90% per annum due in 2019 (“**4.90% Fixed Rate Notes**”) under its S$2 billion Multicurrency Debt Issuance Programme. In April 2016, Perennial issued retail bonds of S$280 million, at 4.55% per annum due in 2020 (“**4.55% Retail Bonds**”). In addition, several bank facilities including property loans were drawn down for properties development and AEI uses, on-lending to Capitol Singapore as shareholder loan, finance new investments, repayment of indebtedness, fund the redemption of S$50 million 5.25% Fixed Rate Notes due 2016 issued by Perennial China Retail Trust under its S$500 million Multicurrency Medium Term Note Programme and working capital requirements of the Group. The net debt-equity ratio stood at 0.66 times as at end of the year (31 December 2015: 0.45 times). Had the divestment of TripleOne Somerset been completed as at 31 December 2016, the net debt-equity ratio would have improved to 0.46 times. Proceeds from the divestment of 20.2% of TripleOne Somerset would be used to fund new investments.

As at the end of the financial year, about 64.3% of Perennial’s borrowings were secured by mortgages on the borrowing subsidiaries’ investment or development properties. Perennial’s debt comprised 70.5% floating rate bank borrowings and 29.5% fixed rate capital market issuances.





FINANCIAL REVIEW

CAPITAL MANAGEMENT

As at 31 December 2016, Perennial had a total asset size of S$7.0 billion supported by a strong equity base of S$3.8 billion and total gross borrowings of S$2.7 billion.

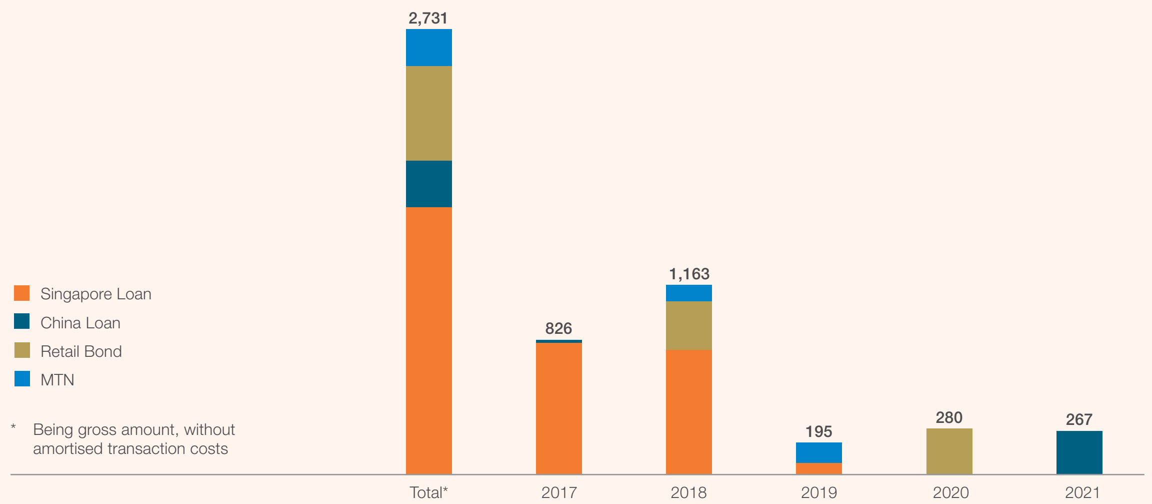
DEBT PROFILE

Perennial's borrowings comprised 89.5% denominated in SGD and 10.5% denominated in RMB. Where practicable, Perennial will borrow in the same functional currencies required of its overseas projects to achieve a natural foreign currency hedge.

Perennial has attained a weighted average interest rate on its borrowings at about 3.3% per annum for the financial year. As at 31 December 2016, the weighted average debt maturity profile is 1.75 years.

About S$826 million of loans are coming due in 2017. The loans due in 2017 are related to loans secured by Perennial Qingyang Mall, Perennial Foshan Mall and PIHMH totaling S$230 million, CHIJMES' loan of S$196 million, secured loans by Perennial and its treasury vehicle, Perennial Treasury Pte Ltd ("**PTPL**") of S$280 million and unsecured loans by PTPL of S$120 million. Discussions have commenced to refinance the CHIJMES' loan which will be due in April 2017. The remaining loans are due in 2H 2017.

Debt Maturity Profile (S$'m)
As at 31 December 2016



CASH FLOWS

As at 31 December 2016, Perennial has cash and cash equivalent of S$226.2 million. For the financial year, net cash of S$78.4 million was used in operating activities, mainly towards development properties expenditure as well as settlement of trade payables.

Net cash of S$466.4 million utilised for investing activities was mainly expended to provide shareholder loan to Capitol Singapore, investment in associates and joint ventures, namely Perennial Chinatown Point LLP and healthcare businesses, plus capital expenditure incurred in investment properties, primarily PIHMH.

Net cash from financing activities of S$608.4 million mainly arose from net proceeds from loans and borrowings, including the issuance of 4.90% Fixed Rate Notes and 4.55% Retail Bonds.

VALUE ADDED STATEMENT

	12M 2016 S$'m	12M 2015[1] S$'m
Value added from:		
Revenue earned	110.2	117.7
Less: Purchase of materials and services	(32.8)	(28.1)
Add: Other income	40.1	60.2
Gross value added from operations	117.5	149.8
In addition		
Share of results of associates and joint ventures	32.2	31.2
Total value added	149.7	181.0
Distribution:		
To employees in wages, salaries and benefits	20.2	21.3
To government in taxation	17.4	22.8
To providers of capital in:		
- Net finance cost on borrowings	61.2	61.5
- Dividends to non-controlling shareholders in subsidiaries	0.9	0.9
- Dividends to owners of the Company	6.6	–
	106.3	106.5
Balance retained in the business:		
Depreciation and amortisation	5.3	3.8
Non-controlling interests	9.4	12.3
Revenue reserves	28.5	58.1
	43.2	74.2
Allowance for doubtful receivables/written-off	0.2	0.3
Total Distribution	149.7	181.0
Productivity analysis:		
Value added per employee (S$'000)	453.7	569.6
Value added per dollar of employment cost (S$)	5.8	7.0
Value added per dollar sales (S$)	1.1	1.3

1 In 2015, the Company changed its financial year end from 30 June to 31 December. Unaudited 12-month results ("**12M 2015**") were presented for comparison purposes in the Financial Review section on page 98.

SUSTAINABLE

泽被万物

竹子是长青植物，生命力旺盛，生长快速，是一种用途广泛的高度可持续资源，在世界各地都能找到。

SUSTAINABLE

Beyond ensuring the sustainability of its integrated real estate and healthcare businesses, Perennial is **committed to responsible growth**, **implementing efforts** to benefit all of its stakeholders.

An evergreen plant, the bamboo possesses impressive vitality and a swift growth rate, which makes it a highly sustainable resource with a vast range of uses.

SUSTAINABILITY OVERVIEW

OVERVIEW

Board Statement

In June 2016, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") introduced sustainability reporting on a 'comply or explain' basis, making it mandatory for all listed companies to provide transparent disclosures of their material Environmental, Social, and Governance ("**ESG**") factors. While this is the first year that we embark on our formal sustainability reporting journey, we have been an advocate of sustainability practices since we commenced trading on the Mainboard of SGX-ST on 26 December 2014.

Sustainability is ingrained in our vision, which is to enrich the lives of those we serve, and to deliver value to all of our stakeholders.

We achieve this by building a socially, environmentally and economically responsible business, establishing strong lasting relationships, and creating long-term growth for all of our shareholders.

Together with the Sustainability Working Committee, the Board is responsible for the identification and oversight of Perennial's material ESG factors, and strives to align our policies and practices with the best-in-class standards.

As we strengthen our commitments to sustainability efforts in the years ahead, we look forward to your continued support and welcome your feedback on our sustainability practices.

On-going Stakeholder Engagement

The following table lists the key stakeholders that Perennial regularly engages with.

Stakeholders	Key Considerations	How We Engage Our Stakeholders
Customers (Includes Tenants/ Patients/Shoppers)	• Health and safety of customers • Quality and service standards of products and services	• Implement health and safety measures, including emergency processes • Consider customers' views before formulating key strategic decisions • Customer service touch points, including face-to-face meetings, emails and service counters
Business Partners	• Timely payment upon completion of works • Regulatory compliance • Align sustainability practices when collaborating to launch development projects • Good relationship management	• Payments are monitored closely by the procurement and finance department • Compliance with laws and regulations • Adhere to code of conduct and policies, and formalised channels of reporting • Commitment towards sustainability practices • Regular interactions with business partners via events, meetings or emails (for example, Perennial Lunar New Year Spring Festival Dinner 2016)
Regulators	• Regulatory compliance • Uphold health and safety standards • Environmental impact of Perennial's activities	• Compliance with laws and regulations • Adhere to code of conduct and policies, and formalised channels of reporting • Put in place a comprehensive corporate governance ("**CG**") framework • Implement health and workplace safety measures for customers and employees • Regular reviews of the efficiency of energy and water systems • Discussions and communications with regulators, as and when necessary
Shareholders and the Investment Community	• Business operations and performance • Growth strategy and market outlook	• Account to shareholders for the financial performance of the company at the Annual General Meeting • Engage the Investment Community through various communication channels including analysts' and media briefings • Participate in the Securities Investors Association (Singapore) ("**SIAS**") Shareholder Communication Services Programme
Our Community	• Responsible use of resources • Impact made on community • Helping the needy groups in the society • Fostering strong community ties	• Monitoring of energy and water consumption • Regular reviews of the efficiency of energy and water systems • Champion and support initiatives that focus on corporate giving, collaboration and advocacy for Voluntary Welfare Organisations ("**VWO**") via community outreach, and employee volunteerism • Monetary, in-kind and venue sponsorships
Our People	• Fair and equal employment opportunities • Remuneration, compensation and benefits • Career progression • Skills development and continuous upgrading • Employee wellness • Safe and healthy working environment	• Adopt the Tripartite Alliance for Fair and Progressive Employment Practices' ("**TAFEP**") five principles of fair employment practices[1] • Open-door policy for employees to feedback on any concerns or issues • Launched 'Perennial Real Estate Graduate Associate Programme' • Provide overseas postings, job rotations and continuous learning opportunities • Provide opportunities for employee volunteerism to promote greater employee fulfilment and happiness • Heighten on-site safety by appointing contractors that are OHSAS 18001-certified

OUR FIRST STEPS TOWARDS SUSTAINABILITY REPORTING

In FY2016, Perennial conducted its first formal materiality assessment to identify the ESG factors upon which its sustainability commitments will focus on. This is over and above Perennial's regular engagements with its various key stakeholders.

Materiality Assessment Process

Perennial's materiality definition is guided by the internationally-recognised Global Reporting Initiative ("**GRI**") sustainability reporting framework. Referencing the GRI guidelines, materiality is defined as reflecting the organisation's significant ESG impacts, and substantively influencing the assessments and decisions of all of its stakeholders.

With the help of an external independent consultant, Perennial conducted a workshop in November 2016, bringing together Perennial's management for a four-step materiality assessment process as illustrated in Table 1. Out of 21 potential ESG factors, Perennial has determined five material issues that it would report on. In addition, though not considered to be material from the assessment, Perennial has selected another three ESG factors for reporting, due to their importance in the industry context as illustrated in Figure 1.

Perennial is in the midst of putting in place a structured data collection process to facilitate the statutory reporting for FY2017. For this inaugural report, Perennial has focused on its Singapore operations and presented data to the extent that it is made available. For FY2017, Perennial will continue to focus on its Singapore operations, but it will be disclosing the eight identified ESG factors and its performance in greater detail. Over time, Perennial intends to expand the scope of reporting to include its other countries of operation[2].

1 For more details on the TAFEP's five principles of fair employment practices, please refer to https://www.tafep.sg/fair-employment-practices

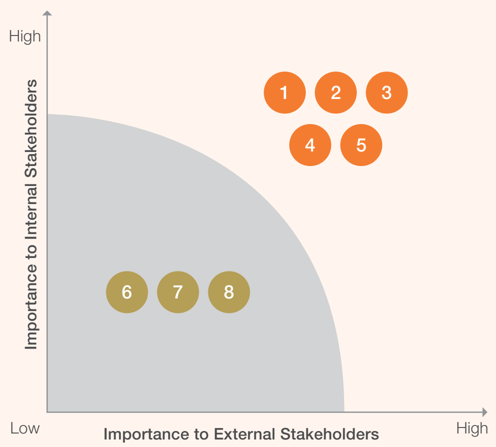
2 Perennial has excluded China, Malaysia and Ghana from the scope of its report, as most of the projects are under development. For Malaysia and Ghana, there is only one development in each country.

Table 1: Four-Step Materiality Assessment Process

Step	Activities
1. Identification of issues	Perennial identified a potential list of ESG factors through peer reviews and discussions with key management personnel across various departments.
2. Prioritisation	Perennial's key management personnel rated and prioritised the list of ESG factors through an anonymous electronic voting exercise. With their diverse roles, experience and interactions with internal and external stakeholders, the key management personnel were able to bring both internal and external perspectives to the process.
3. Validation	Perennial tested the results of the materiality exercise in terms of industry and geographic context, before presenting to the Board for validation.
4. Review	The selected material ESG factors will be reviewed in subsequent reporting periods to ensure their continued relevance.

Result from Materiality Assessment

Figure 1: Materiality Matrix



List of issues for reporting

Material
1. Customer Satisfaction
2. Health and Safety of Stakeholders
3. Business Ethics
4. Corporate Governance
5. Compliance with Laws and Regulations

Not Material but suggested for reporting
6. Occupational Health and Safety
7. Energy, GHG Emissions and Alternate Energy Sources
8. Water Management

* Other non-material items are not shown on matrix

See page 142-143 The material ESG factors considered the risk factors determined in the Risk Management section.

Identified ESG Factors and What They Mean to Perennial and Our Stakeholders

Social

1 Customer Satisfaction

Every satisfied customer translates to Perennial's mission of 'establishing long-lasting relationships'. Besides providing quality and innovative integrated developments and real estate services, Perennial keeps in touch with its customers on the level of satisfaction on its product and service offerings through regular interactions. Perennial strives to consider its customers' views and feedback before formulating its key strategic decisions and improvements on its products and services. Some of Perennial's key efforts to enhance customer experience include:

- Adapting and reusing spaces during asset enhancement projects, whether for cultural significance or for best optimal use of space (e.g. maintaining existing partitions and services, traditional artisan details and wall paint at the House of Tan Yeok Nee)
- Improving the convenience and accessibility of Perennial's properties (e.g. planning an additional entrance at TripleOne Somerset to reduce the distance from the Mass Rapid Transit Station)
- Introducing urban greenery at Perennial's properties (e.g. roof gardens and sky terraces at TripleOne Somerset)
- Engaging stakeholders in sustainable practices (e.g. reviewing tenants' layout plan and proposal of materials, and providing suggestions on integrating the new with the existing)

2 Health and Safety of Stakeholders
6 Occupational Health and Safety

The health and safety of Perennial's tenants and visitors is of utmost importance. Perennial provides for and promote their health and safety through various measures, including meeting with the tenants and fire safety managers on a regular basis to discuss and review fire safety requirements of their respective buildings. In addition, Perennial conducts bi-annual evacuation exercises to familiarise its tenants and visitors of emergency processes. This ensures that Perennial has the protocol and personnel in place to resolve the matter swiftly and diligently in the event of any incidents.

Furthermore, should any enhancement works be carried out in its operational properties, Perennial hires only qualified contractors, giving preference to those with a proven track record and who are OHSAS 18001 and ISO14001-certified. Perennial also installs safety hoardings and ample warnings signs around the construction area to notify its tenants and visitors of the potential safety hazard.

Perennial believes people are its most valuable asset and are the essential building blocks of the company. Creating a healthy and safe workplace environment for its people therefore remains a top priority. In this respect, Perennial has in place a framework, where safety risks in the course of its daily operations are identified, communicated, and various control measures put in place to minimise workplace injuries.

In the unfortunate event that an accident occurs, there is an incident reporting system in place to comprehensively record the details and thoroughly investigate the incidents to prevent recurrence where possible.

Going forward, Perennial will continue to work closely with all of its stakeholders to ensure a healthy and safe environment.

Governance

3 Business Ethics

A strong business ethic is the cornerstone of achieving Perennial's vision. Perennial takes a serious stance in managing ethical issues such as fraud, corruption and conflicts of interest. Perennial has put in place a code of conduct and policies, and formalised channels of reporting should its employees and other external parties suspect wrongful activities within the organisation. This includes the whistle-blowing policy and grievance handling procedures.

In FY2016, there were no cases reported through the whistle-blowing channel. Perennial will continue to rigorously uphold its business ethics in the years to come.

4 Corporate Governance

Perennial pledges to uphold high standards of corporate governance practices, in order to provide a firm foundation for building financial integrity, investors' confidence and superior performance. Perennial's robust and comprehensive CG framework is described in the CG report (refer to CG Report on page 112 for information on Perennial's CG practices and business ethics policies). As a show of its dedication, Perennial has been taking part in the SIAS's CG Statement of Support since 2015.

5 Compliance with Laws and Regulations

Compliance with applicable laws, including listing and other core operational regulations pertaining to environment, labour, and health and safety, remains crucial in driving growth in Perennial's business, strengthening its reputation, and building shareholders' confidence.

Perennial's compliance framework involves identifying applicable regulatory obligations, highlighting emerging regulatory changes and inculcating active compliance into its daily operations. Perennial employees attend training sessions and seminars to keep abreast of any changes in regulations, and consult its legal and external professional advisors for clarifications, when necessary.

As part of its monitoring process, Perennial keeps a close watch on all regulatory queries, warnings and breaches, and ensure that all issues are satisfactorily resolved. In FY2016, Perennial has achieved zero reported cases of regulatory non-compliance.

Environment

7 Energy, Greenhouse Gases ("GHG") Emissions and Alternate Energy Sources
8 Water Management

Managing the energy and water consumption of Perennial's properties minimises the company's impact on the environment, and also translates to lower utilities costs for the company. At Perennial's operating properties, the company strives to ensure energy and water efficiency by:

- Continuously monitoring consumption
- Reviewing the efficiency of its systems and conducting cost-benefit analysis of new technologies

For FY2017, Perennial has made a new commitment to progressively achieve 100% LED light fittings for all of its existing and upcoming properties. In order to reduce electrical consumption, Perennial is gradually replacing halogen lights with LED lights at common areas and façade of its operating developments.

Furthermore, as part of its green initiatives, Perennial is examining its work processes to reduce carbon footprint. For example, instead of having on-site design and project coordination meetings for its overseas projects, the team has switched to using technology, such as WeChat, Whatsapp and WebEx, for communication. This will help to reduce business travel, leading to dual benefits of greater work efficiency and lower fuel consumption.

OUR COMMUNITY

Perennial is a strong advocate of creating and adding value to the communities in which it operates. Perennial's approach to Corporate Social Responsibility ("**CSR**") is centred on three core areas:

THREE CORE AREAS

I. Corporate Giving

- Provide venue and in-kind sponsorships to promote:
  - Arts and Culture (such as Noise Singapore 2016 Festival Exhibition, Gala premiere of Apprentice, PAssionArts Festival Photo Exhibition)
  - Environmental awareness and green initiatives (such as the '*Central Clean & Green Singapore*' Carnival, REBORN – a recycled art exhibition, AHA 2016: URA-NUS Seminar on Conservation: Sustaining Use)
  - Philanthropic activities

  Perennial's total amount of venue and in-kind sponsorships in FY2016 was over S$450,000.
- Provide the '*Perennial Real Estate Holdings Scholarship*' to eligible students at the National University of Singapore's Department of Real Estate
- Provide children in the rural parts of Chengdu with warm winter clothing through the annual '*Give the Children a Warm Winter*' campaign, organised by Perennial Qingyang Mall

Venue Sponsor for the *'Central Clean & Green Singapore'* Carnival organised by National Environment Agency and Central Singapore Community Development Council at Capitol Singapore.

Invited students from Nanhai Guicheng Primary School to host a Charity Bazaar together with voluntary welfare organisations at Perennial Jihua Mall to raise funds for the needy.

Invited underprivileged children from Infant Jesus Homes & Children's Centre and Nature Education Group to an Easter Sunday Party at CHIJMES Lawn.

Staff of Perennial Qingyang Mall organised the *'Give the Children a Warm Winter'* Campaign to support underprivileged students in the rural parts of Chengdu.

II. Collaboration and Advocacy for VWO via Community Outreach

- Hosted a meet-and-greet session by Valencia CF players for '*United Nations ("**UN**") Women Football for Good*' event, in support of UN Women's advocacy of gender equality and the proper treatment and appreciation of migrant workers
- Collaborated with NTUC Alumni Club and Cerebral Palsy Alliance, in conjunction with Children's Day, to raise funds for the underprivileged children through a line dance programme – '*Dance With A Heart*'

III. Employee Volunteerism

- Organised and hosted with the help of Perennial's employee volunteers, Perennial's very own 'Singapore Association of the Visually Handicapped ("**SAVH**") and Perennial International White Cane Day 2016' for the visually handicapped individuals (see CSR Highlight below)

Venue Sponsor for the Meet-and-Greet Session by Valencia CF Players for *'UN Women Football for Good'* at CHIJMES Lawn.

CSR Highlight: SAVH and Perennial International White Cane Day 2016

On 15 October 2016, Perennial collaborated with SAVH to jointly host the SAVH and Perennial International White Cane Day 2016 at its landmark heritage development, CHIJMES.

For the first time, the celebration was brought into the city and gathered more than 500 visually impaired and sighted individuals from all walks of life for an exciting day of fun-filled carnival with games and food booths, unique experiences such as massage and dining-in-the-dark, as well as a variety of programmes by blind and sighted performers. One of the key highlights of the event was the CHIJMES Heritage Trail Mass Walk with White Cane which was participated by over 200 visually handicapped and sighted individuals and flagged off by Minister Tan Chuan-Jin and Mayor Denise Phua.

Over 60 staff volunteers contributed more than 2,560 hours to organise and host the carnival. The event, which echoed its tagline of '*Walk Unafraid, Building an Inclusive Society*', created an opportunity for Perennial staff and its stakeholders to interact and foster bonds with the visually handicapped and celebrate their achievements, and further its CSR goals to build a more inclusive society.

Perennial also made a cash donation of S$20,000, part of which was used to purchase 200 white canes for the needy members of SAVH. Perennial also helped raised funds from its corporate partners and the general public. A total of over S$268,000 was raised through cash donations and the sale of carnival coupons.

Flag-off of the CHIJMES Heritage Trail Mass Walk with White Cane by Minister Tan Chuan-Jin and Mayor Denise Phua.

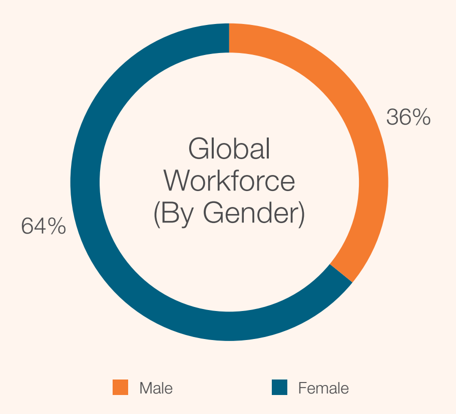
OUR PEOPLE

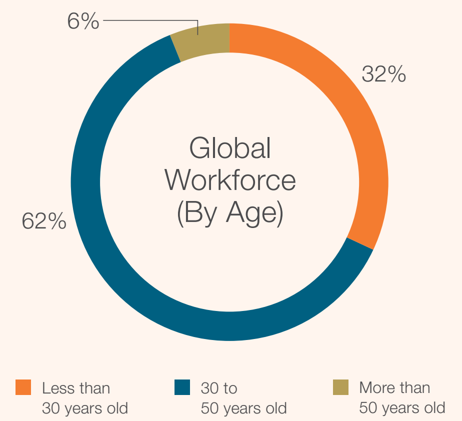
At Perennial, we value our people and believe they are key to the sustainable long-term growth and success of the company. Perennial is thus committed to pursue an integrated human capital strategy through a three-pronged approach: (i) Workplace Fairness and Equality, (ii) Robust Talent Management and Development, and (iii) Active Employee Engagement.

Workplace Fairness and Equality

We strive to foster a culture of fairness and equality and ensure that all of our employees are recruited based on skills and experience regardless of race, age, gender or religion, as reflected by our adoption of the Tripartite Alliance for the Fair Employment Practices' ("**TAFEP**") fair employment practice guidelines.

As at 31 December 2016, Perennial's staff strength stood at 260. About two-thirds of our employees are female, with about one-third of them taking positions at the senior management level. In addition, we recruited more employees between the age of 30 and 50 in 2016, increasing from 59% to 62% as compared to 2015. 6% of Perennial's employees are more than 50 years old.





Robust Talent Management and Development

Developing a vibrant and robust talent pool is fundamental to support our business growth plans, deepen our management bench strength and build a strong talent pipeline for effective succession planning.

We actively seek to identify and hire talents by recruiting promising fresh graduates, experienced mid-career professionals and industry veterans, and developing internal talent to ensure a good depth and breadth in our talent pool.

Through leveraging on our network with local universities and the '*Perennial Real Estate Graduate Associate Programme*', we recruit young talents and provide them with strong mentorship support and opportunities for broad exposures in the industry with the job rotation programme. In addition to scholarships, internship programmes were offered to aspiring students majoring in Finance, Marketing and Real Estate from various local universities.

Supported by our annual performance review framework, we actively identify internal talents and encourage internal mobility, job rotations, cross-functional projects and other opportunities based on their work performance and individual aspirations. Confirmation performance review for newcomers help new employees to assimilate better into the company. Collectively, they help to ensure our employees' strengths and interests are aligned with our business needs.

We are dedicated to developing our people to equip them with the insights into the real estate and healthcare industries, providing opportunities for upskilling and enhancement of leadership capabilities. In November 2016, we conducted our annual staff learning trip where a Singapore team from different departments visited our assets in China, as well as understudied the various aspects of real estate and healthcare environment in the cities in which we operate. Similarly, our China team was in Singapore for a study trip to exchange and deepen their understanding of the real estate and healthcare sectors across both markets. These initiatives ensure Perennial remains relevant and is kept abreast of the changes in the industries.

Active Employee Engagement

Perennial practices an open-door policy, allowing employees to provide prompt feedback and concerns on matters relating to any aspects of employment within the company directly to management or the human resources department. This open line of communication is essential to ensure any issues are addressed expediently.

We believe that a positive workplace environment that builds group cohesion, is imperative to attract, retain and motivate talents. Regular recreational and interactive team-bonding sessions, which include birthday celebrations, excursion trips and annual year-end celebration lunches, were organised in Singapore and China, to promote interactions between colleagues and the management team.

Singapore Staff China Study Trip, Beijing Tongzhou Integrated Development.

Chengdu Team Bonding Session over dinner.

Foshan Team Building Retreat at Situo Village, Guangzhou.

Staff Communication Session.

CORPORATE GOVERNANCE

> **"We believe that good corporate governance is key to ensuring the sustainability of our business and value creation for our shareholders. While we have established a robust corporate governance framework, we continue to strive to improve and enhance our practices as we expand and grow our business in new markets and countries."**
>
> *– Mr Kuok Khoon Hong, Board Chairman*

Perennial Real Estate Holdings Limited (the "**Company**", and together with its subsidiaries, "**Perennial**" or "**Group**") has developed its corporate governance framework and structure which is approved by the board of directors ("**Board**").

CORPORATE GOVERNANCE FRAMEWORK

BOARD OF DIRECTORS

7 Directors
Chairman – Mr Kuok Khoon Hong
(non-independent non-executive Director)
Vice-Chairman – Mr Ron Sim
(non-independent non-executive Director)

Audit and Risk Committee ("ARC")

Chairman:
Mr Ooi Eng Peng
Members:
Mr Chua Phuay Hee
Mr Eugene Lai
Mr Lee Suan Hiang

All members, including the ARC Chairman, are independent non-executive Directors

Key Objective:
Assist the Board to discharge its responsibilities relating to financial and accounting matters, internal controls, risk management and compliance

Nomination Committee ("NC")

Chairman:
Mr Lee Suan Hiang
Members:
Mr Eugene Lai
Mr Ron Sim

All members are non-executive Directors

Two out of three members, including the NC Chairman, are independent Directors

Mr Eugene Lai, being the Lead Independent Director, is one of the independent members of the NC

Key Objective:
Recommend appointment, re-appointment and retirement of Directors and appointment of key management personnel, review board profile and corporate governance practices, evaluate Board and Director's performance, assess Director's independence

Remuneration Committee ("RC")

Chairman:
Mr Eugene Lai
Members:
Mr Kuok Khoon Hong
Mr Lee Suan Hiang

All members are non-executive Directors

Two out of three members, including the RC Chairman, are independent Directors

Key Objective:
Oversee the remuneration of the Board and key management personnel and set appropriate remuneration framework and policies

Corporate Disclosure Committee ("CDC")

Members:
Mr Ooi Eng Peng
Mr Pua Seck Guan

Mr Ooi Eng Peng is the ARC Chairman, an independent non-executive Director

Mr Pua Seck Guan is the CEO, an executive Director

Key Objective:
Review the promptness and adequacy of disclosures and to approve the public release of material information

Executive Committee ("EC")

Chairman:
Mr Kuok Khoon Hong
Members:
Mr Ron Sim
Mr Pua Seck Guan

All members are non-independent Directors

Key Objective:
Assist the Board in the approval of key strategic decisions

This report sets out Perennial's corporate governance practices for the financial year ended 31 December 2016 with reference to the Code of Corporate Governance 2012 ("**Code**"). Perennial has complied with the principles and guidelines in 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.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board oversees the business strategy and direction of Perennial and provides leadership for the Group to achieve its objectives. The Board is also collectively responsible for the long-term success of Perennial and constantly seeks to protect and enhance shareholder value. It reviews the performance of the management team ("**Management**"), approves remuneration matters and formulates policies on risk management and sustainability practices.

The Board has discharged its duties and responsibilities at all times in the best interests of Perennial for the creation of long-term value for the Company's shareholders ("**Shareholders**"). The Directors have collectively and individually exercised due diligence, acted in good faith and made decisions independently and objectively.

The Board Committees, namely the ARC, NC, RC, CDC and EC, have assisted the Board in effectively discharging its responsibilities in overseeing Perennial's businesses and enhancing the Group's overall corporate governance. Each of the Board Committees has been constituted with clear written terms of reference approved by the Board and may decide on matters within its terms of reference and applicable limits of authority. The terms of reference of the respective Board Committees are made available to investors and Shareholders through Perennial's corporate website (http://www.perennialrealestate.com.sg). All the terms of reference are reviewed and updated when necessary to ensure their continued relevance to Perennial. Notwithstanding the delegation of authority to the Board Committees, the ultimate responsibility for decision-making and oversight rests with the Board as a whole.

The Board Committees are structured to comprise Directors with appropriate qualifications and skills and to achieve an equitable distribution of responsibilities among Board members so as to foster active participation and contributions among the Directors, and thereby maximising the effectiveness of the Board members. All Board Committees are actively engaged and play an important role in ensuring good corporate governance within Perennial.

The Board and Board Committees meet quarterly for the purpose of reviewing the financial performance and approving the release of financial results, deliberating and approving key business strategies and investments as well as reviewing remuneration matters and governance issues. 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 and all Board members are notified accordingly. The Company Secretary consults every Director before fixing the dates of these meetings so as to ensure optimal attendance and participation from the Directors. The Company's Constitution allows 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.

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 the Board Committee meetings. Records of all Board and Board Committee meetings including discussions on key deliberations and decisions taken are maintained by the Company Secretary and circulated to all Directors to keep them updated.

Should a Director be unable to attend a Board or Board Committee meeting, he will still receive the papers that were 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.

Non-executive Directors are also 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.

CORPORATE GOVERNANCE

For the financial year ended 31 December 2016, the number of Board and Board Committee meetings held and the Directors' attendance thereat is set out below:

Name of Directors	Board Meeting[1]	Audit and Risk Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Mr Kuok Khoon Hong	4	NA	NA	1
Mr Ron Sim	4	NA	2	NA
Mr Eugene Lai	4	3	2	–[2]
Mr Ooi Eng Peng	5	4	NA	NA
Mr Lee Suan Hiang	5	4	2	1
Mr Chua Phuay Hee	4	4	NA	NA
Mr Pua Seck Guan	5	NA	NA	NA
Total number of meetings held in the financial year	**5**	**4**	**2**	**1**

1 Includes a Verification Meeting held on 13 April 2016.

2 Mr Lai was unable to attend the RC Meeting but was briefed separately by the Head of Human Resources where he provided his inputs and gave his approval on the subject matter.

Perennial has established internal guidelines setting forth matters that require the Board's approval, including business strategies and proposals, 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 and ensure that appropriate controls and decision-making are consistently applied throughout the Group. The Financial Authority Limits undergo reviews and updates to ensure operational relevancy with respect to the changing needs within the Company and the Group as a whole. The Board approves the Financial Authority Limits and any changes thereof.

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

Any Director who has or appears to have a direct/indirect interest that may conflict with a subject under discussion by the Board shall declare his interest and recuse himself from the information flow and discussion of the subject-matter. He will also abstain from any decision-making on the subject-matter.

All newly-appointed Directors receive 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, corporate governance practices, Group organisation structure and business activities as well as financial performance of Perennial. New Directors will also be briefed on their duties and statutory obligations as a Director of the Company. Site visits are also organised for the Directors to familiarise themselves with Perennial's assets and to better understand its business operations.

If first-time Directors are appointed, Perennial will provide training in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board values ongoing professional development for all the Directors. Following their appointment, Perennial ensures that Directors are provided with opportunities for continual professional development 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 regulatory requirements and 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 through specially convened sessions, including training sessions and seminars conducted by external professionals. Perennial's external auditor, KPMG LLP ("**KPMG**"), updates the ARC and the Board on new and revised Financial Reporting Standards relevant to Perennial while Ernst & Young Advisory Pte Ltd, Perennial's internal auditor, also updates the ARC and the Board on regulatory changes regarding risk and governance issues.

During the year, members of the ARC attended a seminar organised by the Accounting and Corporate Regulatory Authority ("**ACRA**"), Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Singapore Institute of Directors. The seminar brought together regulators and industry experts to share the latest developments in financial reporting landscape, regulatory compliance and ACRA's Financial Reporting Surveillance Programme.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

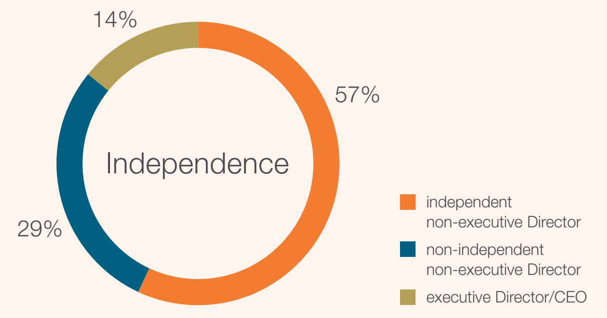
The Board comprises Directors who are business leaders and professionals with strong experience relevant to Perennial's businesses, ranging from real estate, banking, finance, investment to legal sectors. In addition, the Directors' combined work experience spans the areas of risk management, strategic 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. All key information on the Directors is set out on pages 28 to 31 of this report.

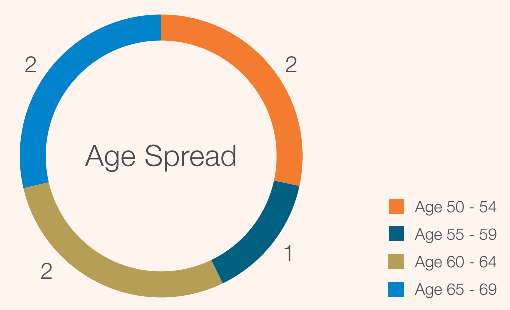
Best efforts have been made to ensure that in addition to contributing their valuable expertise and insight to Board deliberations, each Director also brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made by the Board. All Directors are encouraged to participate actively in the development of Perennial's strategic plans and operations, and in the performance review of the Management and the Group. No individual or small group of individuals dominates the Board's decision-making process. Non-executive Directors also confer among themselves without the presence of the Management as and when the need arises.

Board Composition

Key features of our Board

- More than half of the Board consist of independent Directors
- Separation of the roles between the Board Chairman and Chief Executive Officer ("**CEO**")
- None of the Directors has served on the Board for more than nine years
- Other than the CEO, no other Director is a former or current employee of Perennial
- External professionals have provided training and updates for the Directors





The Board, through the NC, reviews the size and composition of the Board annually. 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 an appropriate balance and diversity of experience, skills, knowledge, perspectives, qualifications and other attributes in the relevant areas among the Directors in order to build an effective and cohesive Board. Any potential conflicts of interest are also taken into consideration.

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 to allow for diverse and objective perspectives on Perennial's business strategy and directions. Taking into account the scope and nature of Perennial's operations as well as the requirements of the business, the Board concurs with the NC that the current size and composition of the Board provides for sufficient balance and diversity and at the same time, facilitates effective decision-making at the Board and Board Committees.

The Board also welcomes the push for greater gender diversity in the Board composition which can enhance decision-making process and further strengthen the effectiveness and performance of the Board and Board Committees. To build on gender diversity as an important attribute in the Board composition, the Board has taken steps to ensure that female candidates are included for consideration for future directorship appointments. However, the Board is also of the view that gender should not be the main selection criteria and that the appointment of a Director should be made based on merit, in the context of skills, experience 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 as and when an existing non-executive Director indicates 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, gender, experience, age spread and diversity before making relevant recommendations for appointment or re-election of the Director to the Board.

Board Independence

The NC is responsible for reviewing and evaluating the independence of the Directors on an annual basis. The Board will then, in turn, assess the independence of each Director, taking into account the evaluation and recommendations by the NC. When evaluating the independence of the Directors, the Board adheres closely to the guidance in the Code, where an independent director is defined as one who has no relationship with Perennial, its related corporations, its shareholders with shareholdings of 10% or more voting shares in Perennial or its officers that could interfere, or reasonably perceived to interfere, with the exercise of a director's independent business judgement with a view to the best interests of the Group.

Annually, each Director is required to submit their declaration of independence by completing the Director's Independence Checklist ("**Checklist**"). 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 as not independent. Newly-appointed Directors are also requested to complete the Checklist to confirm their independence. In addition, Directors are 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 and Board also examined different relationships identified by the Code that might impair a Director's independence and objectivity.

For the financial year ended 31 December 2016, all Directors have completed their Checklists which have been evaluated by the NC and Board to determine their independence. The NC has affirmed that the independent Directors are Mr Eugene Lai, 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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman and 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 providing Perennial with strong leadership and leading the Board in discharging its duties effectively. He also ensures 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 Chairman, and the strengths he brings to such a role by virtue of his stature and experience. He facilitates the relationship and information flow within and between the Board, CEO and the Management, sets the agenda for Board meetings with inputs from the Management, ensures sufficient allocation of time for thorough discussion of each agenda item at Board meetings, and engages the Board and Management in effective discussions. The Chairman also promotes an open environment for deliberation and ensures that the Board 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 monitors follow-up to the Board's decisions and ensure that such decisions are translated into executive actions.

In addition, the Chairman works with the Board, the Board Committees and Management to establish risk limits undertaken by the Group and at the same time, promotes a high standard of integrity and corporate governance. He also acts as a sounding board for the CEO and provides leadership, guidance and advice to the Management, particularly with regard to Perennial's growth strategy and developments. 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 strategies and policies, manages and develops Perennial's businesses and implements the Board's decisions. The current CEO is Mr Pua Seck Guan and his primary role includes effectively managing and supervising the day-to-day business operations, reporting to the Board on all aspects of the operations and performance, managing and cultivating good relationships with all stakeholders and ensuring effective communication with the stakeholders.

Taking cognisance that the Chairman is a non-independent Director, the Board has appointed Mr Eugene Lai as the Lead Independent Director to serve as an intermediary between the independent Directors and the Chairman. He is also the Chairman of the RC and a member of the NC and ARC.

The Lead Independent Director acts as a counter-check on management issues in the decision-making process and avails himself to address Shareholders' concerns and for which contact through normal channels to the Chairman or Management has failed to resolve or is inappropriate. He also works closely with the independent Directors, and when necessary, meets them without the presence of the Chairman or the Management to discuss matters that were deliberated during the Board meetings and on such occasions as deem appropriate. 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 its Shareholders.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.

Objectives of NC

- Makes recommendations to the Board on all Board and Board Committee appointments as well as the appointment, re-appointment and retirement of Directors
- Reviews size and composition of the Board and ensures progressive Board renewal
- Determines the independence of each Director
- Oversees the Board and senior Management's succession and leadership development plans
- Reviews Directors' training and continuous professional development programmes
- Ensures a formal assessment of the performance and effectiveness of the Board as a whole and the contributions of each Director to the Board
- Develops and reviews Perennial's corporate governance practices

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 reviewing the succession plans for the Board, the NC has put in place a formal and transparent process for the renewal of the Board and the selection of new Directors. At least annually or on each occasion where an existing non-executive Director indicates his intention to retire or resign, the NC reviews the size, composition, gender, skill mix and competencies of the Board members to take stock of the expertise within the Board, and to 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 establish the profile required for the role and the desirable competencies for the particular appointment in order for the Board to have an appropriate mix of core competencies to fulfil its roles and responsibilities.

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 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 NC also considers whether the potential candidate is able to commit sufficient time and effort to effectively carry out his/her responsibilities as a Director. The NC then recommends the most suitable candidate to the Board for appointment as a Director.

The criteria and guidelines for appointment of new Directors are broadly set out as follows:

Background	• Possesses good reputation as persons of integrity
Experience	• Have core competencies to meet the current or foreseeable needs of Perennial • Complements the skills and competencies of the existing Directors • Have the necessary qualifications and varied experience • Preferably have experience in acting as a director of a listed company
Independence	• Be impartial and objective in his/her judgement • Be flexible and independent in his/her thinking • Have the courage to voice their independent opinions free from the influence or pressure of other Directors or the Management

Perennial believes 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 opinion that the maximum number of listed company board representation should be based on the capacity and circumstances of each individual Director instead of prescribing a numerical limit. 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 by taking into account the participation, effectiveness, contributions and the actual conduct of the individual Director.

In the financial year, the NC recognises that the Directors have effectively discharged their duties as Director of the Company in their commitments, 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 and participation at the Board and Board Committee meetings held in the financial year, all Directors were able to actively engage and contribute in such meetings to carry out their duties. The NC was therefore satisfied that for the financial year, 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.

Procedures and control mechanisms are also in place to ensure that independence of the Directors is actively monitored. Please refer to page 115 on Board Independence.

With respect to the annual retirement and re-election of Directors, the NC reviews the composition of the Board and the needs of Perennial at the relevant time as well as the Directors' performance, attendance, contributions, preparedness and competing time commitments, before making the relevant recommendations to the Board for subsequent Shareholders' approval at the AGM. Each member of the NC will recuse himself from deliberations of his own re-election.

Pursuant to the Company's Constitution, 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, 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 appointment or re-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 are Mr Eugene Lai and Mr Chua Phuay Hee. Mr Lai is currently the Lead Independent Director, Chairman of the RC and a member of both the NC and ARC. Mr Chua is an independent Director and also a member of the ARC. Both Directors have indicated their willingness to stand for re-election. The NC has nominated and recommended to the Board for their re-election at the forthcoming AGM, and the Board has endorsed the recommendation.

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

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

Each year, in consultation with the NC, the Board assesses its performance to determine if it is performing effectively as well as to identify key areas for improvement. Perennial has put in place a formal process to evaluate the effectiveness and performance of the Board, the Board Committees and the individual Directors, using appropriate and objective parameters which were recommended by the NC and approved by the Board. These evaluations are done by way of each Director completing various questionnaires which seek their views on the different aspects of performance by the Board, the Board Committees and the individual Directors, and the areas of improvement which should be made to improve the effectiveness of the Board and Board Committees. The performance evaluation criteria, which focus on enhancing shareholder value, is approved by the Board.

To assess the Board's performance, each Director is required to evaluate on factors including 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 consolidated by the Company Secretary for analysis by the NC. The NC evaluates the assessment results and feedback, and deliberates on the areas of strengths and weaknesses to improve the effectiveness of the Board and the Board Committees.

The criteria taken into consideration to evaluate the performance and contributions of each individual Director 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 completed questionnaires are then consolidated, reviewed and presented to the NC. Results of such performance evaluation of individual Directors are also used by the NC in appropriate circumstances, such as during the review of board composition and to support the appointment of new Directors or the re-election of retiring Directors. When evaluating the performance of a Director who is also a member of the NC, that member abstains from the discussions in order to avoid any conflict of interests.

For the financial year ended 31 December 2016, the Directors had completed the questionnaires which assessed the effectiveness of the Board, the Board Committees and the individual Directors. The results of the assessment indicated that the Board and Board Committees had functioned effectively and the contributions of individual Directors were satisfactory.

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. No external facilitator has been engaged for the financial year ended 31 December 2016.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To give the Directors sufficient time to prepare for the Board and the Board Committee meetings and to make informed decisions, the Management provides the Directors with complete, accurate, timely and detailed information, including background information, copies of disclosure documents, financial statements and other materials that are related to the agendas of these meetings. In general, such information is provided at least five days prior to the date of the relevant meeting. Draft agendas for Board and Board Committee meetings are circulated in advance to the Chairman and respective chairmen of the Board Committees for their review and approval. 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 Committee meetings are provided to all Directors.

At each ARC and Board meeting, the CEO gives a complete and comprehensive update on Perennial's business and operations, significant developments on the Group's business initiatives and industry developments. The Chief Financial Officer ("**CFO**") presents financial highlights of Perennial's performance as well as the material events and transactions. The Board is also apprised of risk management updates, regulatory regimes and analysts and press commentaries through other presentations by the Management. This allows the Directors to develop a good understanding of Perennial's business as well as the issues and challenges faced by the Group.

In addition to briefings by the CEO and CFO at every ARC and Board meeting, Management, auditors and external advisers engaged by Perennial also attend the Board and the Board Committee meetings to present key topics identified by the Board, provide insights into matters being discussed and respond to any questions that the Directors may have. All requests for additional information from the Directors are also dealt with promptly by the Management.

The Directors also receive operational and financial reports regarding the performance of Perennial. These reports include key financial indicators, variance analyses, property updates and strategic and business highlights. Additionally, informal briefings are conducted by Management to inform the Directors about potential business opportunities and developments at an early stage before formal Board approval is sought.

The Directors have separate, independent and unrestricted access to the CEO, the Management, Company Secretary and internal and external auditors at all times.

As a matter of good corporate governance, the role of the Company Secretary is clearly defined. The Company Secretary attends all Board meetings and provides secretariat support to the Board and the various Board Committees. She administers and prepares notices and minutes of meetings 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 chairmen 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 chairmen of the Board Committees in scheduling the respective meetings. She also advises the Board on all corporate governance matters and assists to implement and strengthen corporate governance practices and processes, including facilitating orientation for newly appointed Directors and continuing professional development for the Directors as required. In addition, the Company Secretary assists the Board on Perennial's compliance with the Company's Constitution and applicable laws and regulations, including requirements of the Companies Act, Chapter 50 of Singapore ("**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, ACRA and when necessary, the Shareholders. The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Board, whether as individual Director or as a Group, is entitled to seek independent professional advice in the furtherance of their duties at the expense of the Company.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Objectives of RC

- Reviews and recommends the remuneration framework to the Board
- Assists the Board to oversee the governance and ongoing appropriateness and relevance of the remuneration policy and other benefit programmes
- Reviews and recommends the specific remuneration packages for each Director, the CEO and key management personnel to the Board for approval, which covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, grant of shares and share options, and benefits-in-kind
- Approves or recommends any termination payments, retirement payments and other payments of similar nature to key management personnel
- Reviews and approves the design of all option plans, share plans and/or other equity based plans
- Oversees talent development and reviews succession planning for key management personnel and the leadership pipeline in the immediate, medium and longer term

The primary function of the RC is to ensure a formal and transparent process in developing remuneration policy and in determining the remuneration packages of individual Director and key management personnel. The RC aims to build a capable and committed management team, through competitive compensation packages and progressive policies which are aligned with the long-term interests and risk policies of Perennial, and which can attract, retain and motivate a pool of talented employees to drive business growth and strategy while creating long-term shareholder value.

The RC also reviews the Company's obligations arising from the termination of the employment contracts of the executive Director and key management personnel. The RC is of the view that the termination clauses are fair and reasonable as such contracts only contain the standard clause on notice period for termination. 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.

In discharging their duties, the RC has access to expert professional advice on human resource matters whenever there is a need for such external consultation. In the financial year ended 31 December 2016, no remuneration consultants were appointed. The RC also sought advice from the Human Resource Department as appropriate.

LEVEL AND MIX OF REMUNERATION, DISCLOSURE ON REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Remuneration for 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. A larger fee is accorded to the Chairman of each Board Committee in view of the greater responsibility. The Lead Independent Director also receives an additional fee which reflects his expanded responsibility.

There is no change to the annual fee structure for the Board for the financial year ended 31 December 2016 as compared to the preceding financial period. As per last financial period, the non-executive Directors do not receive any salary and their remuneration does not include any variable components.

The fee structure for non-executive Directors for the financial year ended 31 December 2016 is as follows:

Fee Structure	S$
Basic Retainer Fee	
Director	50,000
Appointment	
ARC Chairman	25,000
ARC Member	15,000
RC Chairman	10,000
RC Member	5,000
NC Chairman	10,000
NC Member	5,000
Lead Independent Director	10,000

The details of remuneration for the Directors and CEO for the financial year ended 31 December 2016 are provided in the table below.

Directors of the Company	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 %	Total S$
Executive Director						
Mr Pua Seck Guan	26.5	57.1	16.4	–	100	1,761,000
Non-Executive Directors						
Mr Kuok Khoon Hong	–	–	–	100	100	55,000
Mr Ron Sim	–	–	–	100	100	55,000
Mr Eugene Lai	–	–	–	100	100	90,000
Mr Ooi Eng Peng	–	–	–	100	100	74,000*
Mr Lee Suan Hiang	–	–	–	100	100	80,000
Mr Chua Phuay Hee	–	–	–	100	100	66,000*

* Mr Chua Phuay Hee stepped down as Chairman of ARC on 5 February 2016 and Mr Ooi Eng Peng was appointed as Chairman of ARC on the same day.

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 Executive Director and CEO of the Company, does not receive any Director's fees but he is remunerated for his role as a member of the Management. For the financial year ended 31 December 2016, no share options are issued to the independent non-executive Directors. The aggregate Directors' fees for non-executive Directors are subject to Shareholders' approval at the AGM.

Remuneration for Executive Director and Key Management Personnel

The Company advocates a remuneration system that is flexible and responsive to market conditions as well as a remuneration framework that is based on the key principle of aligning compensation to business performance and strategic objectives. Such performance-centric remuneration is linked to the achievement of corporate and individual performance targets, both in terms of short and long-term quantifiable objectives, as well as to support the ongoing enhancement of shareholder value.

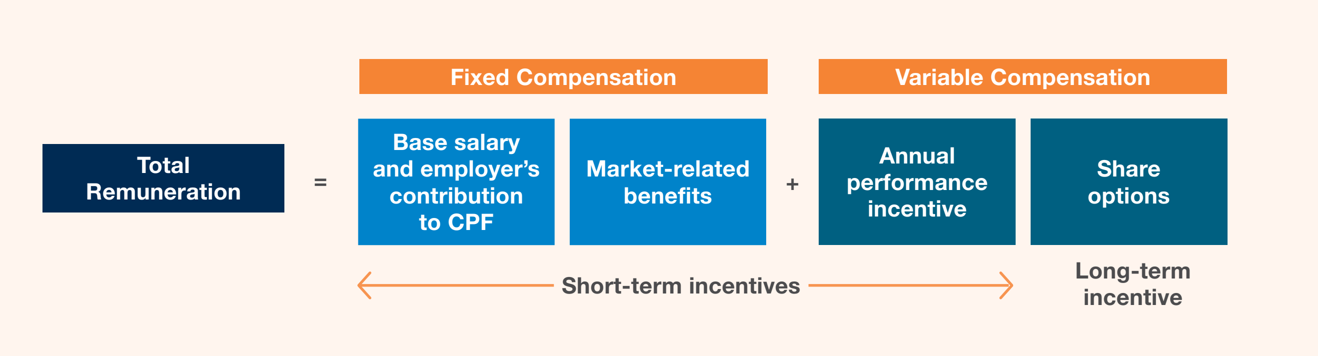
In designing the remuneration structure, the RC seeks to ensure that the level and mix of remuneration is competitive and relevant in attracting, motivating and retaining the employees. The RC also exercises independent judgement in ensuring that the remuneration structure is aligned with the interests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

The balance between fixed and variable compensation elements changes according to the individual employee's performance, rank and department, so as to incentivise employees into adopting appropriate risk behaviours and remaining focused on prudent risk management. The RC considers the mix of fixed and variable compensation to be appropriate for Perennial and for each individual role.

The remuneration structure also takes into account Perennial's risk policies and risk tolerance limits as well as the time horizon of risks, in order to build a sustainable leadership and business in the long-term. The RC is satisfied that there are adequate risk mitigation features in the Company's remuneration structure, such as prudent funding of annual cash compensation and the vesting feature in Perennial Employee Share Option Scheme 2014. The RC is also of the view that 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 also has the discretion not to award incentive in any year if an executive is involved in misconduct or fraud resulting in financial loss to Perennial. The RC will continue to undertake periodic reviews of compensation-related risks.

In determining the remuneration of key management personnel, the Company leverages 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.

The key remuneration components for key management personnel are summarised below:



The remuneration mix for key management personnel comprises four key components: fixed compensation, variable cash compensation, share-based compensation and market-related benefits. This mix of various fixed and variable compensation elements ensure a close linkage between total compensation and the achievement of long-term business objectives, thereby driving sustainable performance for Perennial.

(a) Fixed Compensation

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

(b) Variable Cash Compensation

The variable cash compensation is designed to support Perennial's business strategy and the ongoing creation of shareholder value through the delivery of annual financial and operational objectives. It includes an annual performance incentive that is linked to the achievement of short-term pre-agreed financial and non-financial performance targets for Perennial and individual employees. Company-wide performance targets are dependent on factors such as business performance, profitability 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.

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 are incentive plans that were designed to strengthen the pay-for-performance framework which serves to reward and recognise employees' contributions to Perennial's growth and shareholder value in the longer term. Such long-term remuneration is a retention tool and promotes the long-term success of the Company and the Group as a whole.

Perennial Employee Share Option Scheme 2014 ("**Perennial ESOS 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. Perennial ESOS 2014 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. Perennial ESOS 2014 was approved and adopted by the Shareholders of the Company on 10 October 2014.

Under Perennial ESOS 2014, share options were granted based on the achievement of corporate and individual performance targets. These performance targets, which are approved by the RC, are chosen as they are the key drivers of shareholder value creation and are aligned to Perennial's business objectives.

In the financial year, no share options were granted under Perennial ESOS 2014. The RC has reviewed and is satisfied that the quantum of performance-related bonuses and the value of share options vested under Perennial ESOS 2014 was fair and appropriate, taking into account the extent to which their performance conditions were met.

More information on the Perennial ESOS 2014 can be found in the Directors' Statement from pages 150 to 151 and in the Notes to Financial Statements from pages 193 to 194.

(d) Market-related Benefits

The employment-related benefits provided are comparable with local market practices.

For the financial year ended 31 December 2016, the details of remuneration for the top five key management personnel are set out below:

Name	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 %
Above S$500,000 to S$750,000				
Ivan Koh	59.8	26.8	13.4	100
Belinda Gan	71.1	28.9	–	100
Above S$250,000 to S$500,000				
Goh Soon Yong	82.7	17.3	–	100
Wong Weng Hong	84.7	15.3	–	100
Annie Lee*	59.8	25.3	14.9	100

* Annie Lee has taken sabbatical leave for 3 months.

The aggregate remuneration paid to the top five key management personnel of the Company (excluding the CEO) for the financial year was S$2,478,940.

For the financial year ended 31 December 2016, the Company does not have any employee who is an immediate family member of a Director or the CEO. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent. There were no termination, retirement or post-employment benefits granted to Directors, the CEO and any key management personnel. There were also no special retirement plan, "golden parachute" or special severance packages given to the key management personnel.

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Perennial believes that strict compliance with statutory reporting requirements and the adoption of good business practices are imperative to maintaining Shareholders' confidence and trust in the Group and at the same time, delivering sustainable value to its Shareholders.

Directors receive operational and financial reports regarding Perennial's performance, which includes key performance indicators, variance analyses, property updates, strategic and business highlights and key developments, in order to be updated and enable them to make a balanced and clear assessment of its performance, financial position and prospects. Shareholders are provided with quarterly and full-year financial results which are approved by the Board. In line with the 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. The Company has also procured undertakings from its directors and key officers under Rule 720(1) of the SGX-ST Listing Manual.

The Board also ensure that it is kept updated on relevant changes to laws and regulations so that it can monitor and supervise adequate compliance by Perennial. Changes to accounting standards and accounting issues which have a direct impact on the financial statements are also updated by Management and highlighted by the external auditor in their quarterly reviews with the ARC.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Risk management is an integral part of the manner in which Perennial manages and runs its businesses. The Board recognises the importance of a robust risk management and internal control system to safeguard the assets of Perennial and the Shareholders' interests. Together with the Management, the Board is fully committed to maintaining sound risk management and internal control systems. The Board, assisted by the ARC, has overall responsibility for Perennial's systems of risk management and internal control, and for reviewing the adequacy and integrity of these systems.

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 in the day-to-day operations at the Company and Group levels. The Board sets the overall strategic direction, governs the risk management strategy and framework, and determines the risk tolerance limits 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 limits as well as any potential emerging risks that Perennial may face.

The Board delegates the responsibility of overseeing Perennial's risk management framework and policies to the ARC. In discharging this responsibility, the ARC reviews, at least on an annual basis, the key organisational risks and the robustness of Perennial's risk management and internal control systems, including financial, operational, compliance and information technology ("**IT**") controls, and reports to the Board any observations and recommendations under its purview as it considers necessary. The ARC also recommends on the risk tolerance limits and other associated risk parameters, as well as determines the nature and extent of the significant risks which the Board is willing to assume in achieving Perennial's strategic objectives. The ARC also assesses the Group's compliance with the risk management framework to effectively identify, measure and manage risks.

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. In this regard, Perennial has implemented a comprehensive Enterprise Risk Management ("**ERM**") framework which enables Perennial to deal with business opportunities and uncertainties by identifying key risks and enacting the appropriate mitigating plans and actions.

The ERM framework, which is largely derived from ISO 31000 Risk Management – Principles and Guidelines (2009), lays out the governing policies, processes and systems to identify, evaluate and manage risks as well as to facilitate the assessment on the adequacy and effectiveness of the Group's risk management system. The ERM framework is approved by the ARC and the Board, and is reviewed annually to ensure its relevance to Perennial's business environment.

The Management, being responsible for the implementation of ERM and day-to-day management of risks in Perennial, deliberates over the risks and ensure that all findings, together with proposals to mitigate the risks, are reported to the ARC and the Board on a quarterly basis. Under the ERM framework, Perennial's risk profile is reviewed and refreshed to ensure relevancy and making sure that emerging risks are being considered and included for proper assessment, monitoring and reporting as appropriate. 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 by the ARC and reported to the Board annually at the minimum. Risk tolerance limits and key risk indicators are also approved by the ARC and the Board.

Once the risks are prioritised and key risks are identified, Management proactively assesses, manages and monitors them through developing and implementing adequate preventive and mitigating measures (collectively defined as "**controls**"). Such key risks are also consolidated at Group level for closer monitoring by the Management as well as by the business risk owners. Business risk owners are required to identify and manage risks, review the effectiveness of the controls implemented, and initiate necessary changes as the risk profile of the relevant asset changes. 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.

On a quarterly basis, Management reports to the ARC on the key risks as well as provides updates on the risk management activities of Perennial's business. At the same time, 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. For the financial year ended 31 December 2016, the ARC and Board had reviewed Perennial's risk management framework, policies and system, and are satisfied that the Group's risk management system continued to be adequate and effective.

Internal Controls

Supporting the ERM framework (Please refer to pages 140 to 143 of this report) is a system of internal controls, comprising group-wide governance and internal control policies, procedures and guidelines which cover financial, operational, IT and regulatory compliance matters. Such internal control mechanisms include 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 for continuous improvement and strengthening of controls.

Internal auditor and external auditor conduct audits that involve testing the adequacy and effectiveness of material internal controls, including financial, operational, compliance and IT controls. Such audits provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management procedures, governance framework and processes. Any material non-compliance or lapses in internal controls, together with corrective measures recommended by internal and external auditors, are reported to the ARC. The adequacy, timeliness and effectiveness of the measures taken by the Management in response to the recommendations made by the internal 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.

For the financial year, the Board has received written assurance from the CEO and CFO that the financial records of Perennial have been properly maintained, the financial statements for the financial year ended 31 December 2016 give a true and fair view of Perennial's operations and financial results, and that the internal controls and risk management systems of Perennial are adequate and effective in addressing the financial, operational, compliance and IT 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, and written 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 are adequate and effective to address the financial, operational, compliance and IT risks which the Group considers relevant and material to its current business scope and environment.

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 judgement 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.

Whistle-Blowing Policy

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 raise concerns about suspected fraud, corruption, dishonest practices or other probable improprieties in the workplace without fear of reprisals in any form. 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 will be taken.

The Whistle-blowing Policy is reviewed by the ARC annually. The Whistle-blowing Policy and procedures, together with the dedicated whistle-blowing communication channel, are disseminated via emails to all employees and also posted on Perennial's corporate website. The secured and protected whistle-blowing communication 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 financial year ended 31 December 2016, no whistle-blowing report was received.

AUDIT AND RISK COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Objectives of ARC

- Assist the Board to govern matters relating to financial and accounting, internal controls, risk management and compliance
- Oversees the Group's risk management framework and policies, risk profile and internal controls
- Assesses the adequacy and effectiveness of Perennial's risk management and internal control systems
- Recommends the risk tolerance limits and determines the nature and extent of the significant risks which the Board is willing to assume in achieving Perennial's strategic objectives
- Reviews the results of audits conducted, including any material non-compliance or lapses in internal controls, corrective measures recommended by auditors and the adequacy, timeliness and effectiveness of the measures taken by the Management

The ARC was chaired by Mr Chua Phuay Hee until 5 February 2016. Thereafter, Mr Chua Phuay Hee stepped down as Chairman of the ARC and Mr Ooi Eng Peng was appointed as Chairman of the ARC. Both Mr Chua Phuay Hee and Mr Ooi Eng Peng have recent and relevant accounting or related financial management expertise and experience. The Board considered the other ARC members to have the appropriate finance and business management knowledge and experience to discharge their responsibilities.

The ARC is guided by its terms of reference which is reviewed when necessary to ensure relevancy and compliance with good corporate governance and best practices. In particular, the ARC:

- reviews the quarterly, half-year and full year results announcements, accompanying press releases, presentation slides and financial statements of the Group, as well as the adequacy and accuracy of information disclosed prior to submission to the Board for approval;
- reviews significant financial reporting issues and key areas of management judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to Perennial's financial performance;
- reviews and reports to the Board at least annually on the adequacy and effectiveness of Perennial's internal controls, including financial and accounting, operational, compliance and IT controls, and risk management systems;
- reviews the effectiveness and adequacy of internal audit function, the scope and results of the audit reviews, the annual audit plan and the internal audit reports, including the adequacy of internal audit resources and its appropriate standing within Perennial;
- reviews the scope and results of the external audit, the annual audit plan, the audit reports and the independence and objectivity of the external auditor;

- makes recommendations to the Board on the nomination for the appointment, re-appointment and removal of external and internal auditors, and approves the remuneration and terms of engagement of the external and internal auditors;
- monitors Perennial's compliance with laws and regulations, particularly those of the Companies Act and the SGX-ST Listing Manual;
- reviews the whistle-blowing policy and arrangements put in place 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 actions; and
- oversees the procedures established to regulate interested person transactions and ensuring the compliance of such transactions with the Listing Manual.

The ARC has full access to the Management and 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 in carrying out all requests made by the ARC. The ARC also has direct access to the internal auditor and external auditor, and has full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal auditor and external auditor are given unrestricted access to the ARC. The ARC is also authorised to engage any firm of accountants, lawyers or other external independent professionals to provide independent advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the expense of Perennial.

The ARC met four times during the financial year ended 31 December 2016, and all other Directors (who are not members of the ARC) are invited to attend the ARC meetings. The CEO, CFO, Company Secretary, internal and external auditors as well as the other Management staff attended these ARC meetings. In addition, whenever necessary, other employees of Perennial 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. 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 auditor also highlighted changes in accounting standards and issues during their quarterly reviews with the ARC.

In the review of financial statements, the ARC has discussed with the Management on the accounting policies that were adopted and applied. The ARC has also considered the judgements and estimates made by the Management that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with the Management and KPMG, and were reviewed by the ARC:

Key Audit Matters	How the ARC reviewed and decided on these matters
Accounting for Acquisitions	There were a number of new acquisitions made during the financial year and this was an area of focus by the external auditor who has highlighted it as one of the key audit matters in its audit report for the year ended 31 December 2016 ("**FY2016**"). Please refer to page 153 of this report. The ARC reviewed the accounting treatment, judgement and estimates adopted by Management in relation to the acquisitions and was satisfied that the approach adopted was appropriate.
Valuation of investment properties **Valuation of development properties for sale**	The valuation of investment properties and development properties for sale were two other key focus areas of the auditor and are also included as key audit matters in the audit report for FY2016. The valuations of the properties for purpose of the financial reporting were carried out by professional independent external valuers. The external valuers have adopted valuation techniques which include the discounted cashflows method, the capitalisation approach and the direct comparison method. The ARC has considered and reviewed the reasonableness of the inputs and assumptions used and the methodologies adopted by the valuers in deriving the valuations and was satisfied that the methodologies used were appropriate and the valuations are within the expected range.
Impairment of goodwill	The Group has goodwill of S$63 million as at 31 December 2016 and this is another key focus area of the auditor. Management performed impairment test annually using discounted cashflows method to determine the value-in-use for the cash generating unit based on certain assumptions and bases. The ARC reviewed the assumptions and estimates used for the impairment tests and are satisfied that the parameters adopted are appropriate and reasonable.

Key Audit Matters	How the ARC reviewed and decided on these matters
Impairment of Capitol Investment Holdings Pte Ltd	The Group holds a 50% stake in Capitol Investment Holdings Pte Ltd and its subsidiaries ("**Capitol Entities**"). The Group has filed application for a Court winding-up of the Capitol Entities and the winding application was dismissed on 3 March 2017. The auditor has flagged the possible impairment of the Capitol Entities as one of the key audit matters in its audit report for FY2016. Capitol's main assets comprise investment properties and a development property for sale. The recoverable values of the Capitol Entities are dependent on the valuation of these assets. The valuations of these properties are carried out by a professional independent external valuer based on certain assumptions and methodologies. The ARC has reviewed the methodologies and the outcome of the valuer's valuations and are satisfied that the methodologies used are appropriate and the valuations are within expected range.

For the financial year, the ARC has also reviewed and is satisfied with the standard of the external auditor's work. Additionally, the ARC undertook a review of the independence of KPMG through reviewing the processes, policies and safeguards adopted by Perennial and KPMG relating to audit independence. Having also reviewed the nature, extent and volume of non-audit services provided to Perennial by KPMG and its affiliates, and the fees paid for such services, the ARC is satisfied that the provision of such services has not prejudiced KPMG's independence and objectivity. As at 31 December 2016, the aggregate fees paid/payable to KPMG was S$761,148, of which the fees for external audit services and non-audit services were S$653,576 and S$107,572 respectively.

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2017, the ARC has taken into consideration the adequacy of resources, experience and competence of KPMG as well as the quality of audits performed. Having satisfied that KPMG has demonstrated appropriate expertise and is adequately resourced and independent of the activities it audits, the ARC and Board have recommended the re-appointment of KPMG as the external auditor at the forthcoming AGM.

During the financial year, the ARC met with the external auditor and internal auditor, 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.

The Company confirms that it has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to its external auditor. No former partner or director of KPMG 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

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 providing an independent and objective evaluation of the adequacy and effectiveness of the internal controls and risk management processes, through assessing the design and operating effectiveness of controls that governs the key business processes and risks. In doing so, EY performs reviews to examine the safeguarding of assets, the timeliness and accuracy in the recording of transactions, the compliance with relevant laws, regulations and policies established by the Group as well as the steps taken by Management to address control deficiencies.

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 Board and the Management. 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 risks and internal controls of Perennial. Such significant controls comprise financial, operational, compliance and IT controls.

All internal audit reports, containing identified issues and corrective action plans, are submitted to the ARC and Board for deliberation, with copies of these reports extended to the CEO and relevant Management. At the quarterly ARC and Board meetings, EY also presents a summary of significant issues, recommendations and updates on the corrective actions taken by Management. The ARC has been satisfied that the recommendations made by EY were dealt with by the Management in a timely manner.

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 International Standards for the Professional Practice of Internal Auditing established by The Institute of Internal Auditor.

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 financial year, the ARC has reviewed and approved the appointment of EY and the fees payable to EY.

On an annual basis, the ARC also undertakes a review to assess the adequacy and effectiveness of the internal audit function. For the financial year, the ARC, having reviewed the Audit Plan, internal audit reports and quality and standard of the internal auditor's work performed for the year, is satisfied that EY is adequately resourced and has appropriate independent standing within Perennial to perform its functions effectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Communication with Shareholders

Perennial is committed to disclosing material and price-sensitive information in a timely, comprehensive and accurate manner as well as maintaining regular, effective and transparent communication with its Shareholders and the analysts, potential investors, the media and various stakeholders (together, the "**Investment Community**").

To uphold these commitments, Perennial has a dedicated Investor Relations and Corporate Communications ("**IRCC**") team that reports to the CEO to effectively execute the Group's IRCC policy which is published on Perennial's corporate website. The IRCC team focuses on facilitating communication with the Shareholders and the Investment Community and attending to their queries and concerns in a timely manner. The contact details of the IRCC team are listed on Perennial's corporate website and disclosed in this report to facilitate any queries from Shareholders and the Investment Community.

A dedicated investor relations section on Perennial's corporate website provides 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, shares and dividend information, updates on business and operations, and other relevant information.

Perennial engages the Shareholders and the Investment Community to communicate Perennial's strategic business plans and operating performance, share latest corporate and industry developments as well as to gather their views and feedback on a range of strategic and topical issues. Such 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. In addition to the AGM, which is used as the main forum for dialogue with Shareholders and Investment Community, the CEO and the Management also attended investors' conferences and seminars and held dialogue sessions during the financial year. Perennial also engages with the Shareholders and Investment Community through various platforms including phone calls, e-mail communications as well as publication content on Perennial's corporate website.

Perennial ensures 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 via SGXNET and Perennial's corporate website. Quarterly and full-year results are also announced by Perennial within the mandatory period. Perennial treats all its Shareholders fairly and equitably. To ensure a level playing field and provide confidence to Shareholders and the Investment Community, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group of stakeholders, an announcement on the same disclosure will be released as promptly as possible to the public via SGXNET.

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.

Shareholders Meetings

Perennial fully supports active Shareholders' participation and voting at AGMs and Extraordinary General Meetings ("**EGMs**") and views such general meetings as important engagement sessions with the Shareholders. All Shareholders are invited to attend, participate effectively in and vote at these general meetings, which are held at centralised locations in Singapore with convenient access to public transport.

The Shareholders are informed of the general meetings, together with the relevant rules and voting procedures of such meetings, through notices of general meetings of the Shareholders published in the local newspaper, reports or circulars sent to all Shareholders as well as via SGXNET and Perennial's corporate website. In compliance with the Company's Constitution and the prevailing laws and regulations, the Annual Report, Notice of AGM and related information are provided at least 14 days prior to the AGM to give Shareholders ample time to review the documents. Details and matters that require the Shareholders' consideration and approval are clearly documented in the Annual Report or circulars to allow the Shareholders to participate and vote effectively at the general meetings. The Notice of AGM, where relevant, may include explanatory notes on each item of special business. The Annual Report is also available to all of the Shareholders via Perennial's corporate website.

Pursuant to Rule 730 A(2) of the Listing Manual, Perennial 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. An independent external party is appointed as the scrutineer for its poll 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 AGM results will also be made in a timely manner via SGXNET on the same day as the meeting.

The Board Chairman, Chairman 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 auditor, KPMG, also attends the general meetings to assist in addressing queries from the Shareholders relating to the conduct of the external audit and the preparation and content of the auditors' report. External legal advisors and other consultants (where applicable) are also invited to attend the general meetings and will assist the Board and the Management to respond to queries, where relevant. The Shareholders also have the opportunity to communicate, discuss and interact with the Board and the Management after the general meetings.

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. 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. These minutes are made available to the Shareholders upon their request and are available on Perennial's corporate website.

Dividend Policy

Perennial has a formalised dividend policy 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.

DEALINGS IN SECURITIES

Perennial adopts a trading policy based on the SGX-ST's best practices on dealing in securities which has been communicated to all employees in the Group. 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 first three quarters of its financial year and, (iii) during the one month preceding, and up to the time of announcement of, Perennial's results for the full financial year. The Directors and employees of Perennial are notified by the Company Secretary in advance of the commencement of each period where dealings in the Company's securities are prohibited.

Directors and employees of Perennial are also required to refrain from dealing in the Company's securities on short-term considerations and are required to observe insider trading laws at all times. They are also 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.

BUSINESS CONDUCT

The Board and Management are committed to conducting business with integrity that is consistent with high standard of business ethics, as well as in compliance with all applicable laws and regulatory requirements. Perennial has in place an internal policy that governs the Employees' Code of Conduct, corporate gift guidelines and grievance handling procedures This business conduct policy crystallises the Group's business principles and practices that are expected of its employees with respect to the matters which may have ethical implications, such as corruption, bribery, conflicts of interest, misappropriation of assets, violation of laws and regulations, non-compliance with Perennial's policies and procedures, abuse of position and other misconduct.

The business conduct policy which is communicated to all Perennial's employees, provides a direct and understandable framework for employees to observe the Group's principles, such as integrity, honesty and responsibility, at all levels of the organisation.

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 and the findings are reported to the ARC. For the financial year ended 31 December 2016, the ARC is satisfied that the internal controls in respect of the identification, evaluation, review, approval and reporting of the IPTs are effective. Information on IPT for the financial year may be found in the supplemental information on page 225 in this report.

MATERIAL CONTRACTS

Since the end of the previous financial period ended 31 December 2015, there are no material contracts entered into by Perennial or any of its subsidiaries that involves the interests of any Director or a controlling shareholder of Perennial, and no such contract subsisted as at 31 December 2016, except for those IPTs announced via SGXNET from time to time that are in compliance with the SGX-ST Listing Manual.

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.	Yes, the Company has complied with all principles and guidelines of the Code in all material respects. To the extent that there are deviations, explanations have been provided in the report and alternative practices have been adopted by the Company.
(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	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 the capacity and circumstances of each individual Director. 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 the financial year, the NC has performed such an assessment by taking into account the effectiveness, contributions and the actual conduct of the individual Director including his participation and attendance at the Board meetings, and is satisfied that each 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.
Board Responsibility	
Guideline 1.5 What are the types of material transactions which require approval from the Board?	(i) Material 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 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 such review, the NC assesses the board size, composition as well as the diversity in skill, competencies, experience, age and gender. 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 establish the profile required for the role and the desirable competencies for the particular appointment in order for the Board to have an appropriate mix of core competencies to fulfil its roles and responsibilities.

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 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. Taking into account the scope and nature of Perennial's operations as well as the requirements of the business, the NC is of the view that the current size and composition of the Board provides for an appropriate balance and diversity of skills, experience and knowledge of the industry, and at the same time, facilitates effective decision-making at the Board and Board Committees. The Board also welcomes the push for greater gender diversity in the Board composition. However, it is also of the view that gender should not be the main selection criteria and that the appointment of a Director should be made based on merit, in the context of skills, experience and capabilities as well as the effective blend of competencies, skills, experience and knowledge of the Board as a whole.
(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	At least annually, the NC reviews the board size and composition to ensure that an appropriate balance and diversity of experience, skills, knowledge, perspectives, qualifications and other attributes in the relevant areas is maintained among the Directors in order to build an effective and cohesive Board. In doing this, the NC considers 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. 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.
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.	During the financial year, there was no appointment of new Directors. With respect to the retirement and re-election of Directors, the NC reviews the composition of the Board and the needs of Perennial at the relevant time as well as each of the retiring Director's performance and contributions, such as attendance, preparedness and participation, before making recommendations to the Board.
Board Responsibility	
Guideline 1.6 (a) Are new directors given formal training? If not, please explain why.	Yes, new Directors undergo an induction programme which includes comprehensive briefings on Board structure and responsibilities, overall strategic plans and direction for Perennial, corporate governance practices, group organisation structure and business activities as well as financial performance of Perennial. New Directors will also be briefed on their duties and statutory obligations as a Director of the Company.
(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	All existing 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. Site visits are also organised for the Directors to familiarise themselves with Perennial's assets and better understand the operational aspects of the Group.

CORPORATE GOVERNANCE

Guideline / Questions	How has the Company complied?
Board Responsibility	
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?	The Company has not prescribed a maximum number of listed company board representations for its Directors.
(b) If a maximum number has not been determined, what are the reasons?	The Board is of the view that the maximum number of listed company board representation should be based on the capacity and circumstances of each individual Director instead of prescribing a numerical limit.
(c) What are the specific considerations in deciding on the capacity of directors?	The NC conducts an annual assessment on the effectiveness of the Directors and their actual attendance, contributions, participation 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?	The Board evaluates its performance through the completion of various questionnaires by the Directors, which seek their views on the different aspects of performance by the Board, the Board Committees and the individual Directors. The results and feedback from the questionnaires are consolidated by the Company Secretary for analysis by the NC. The NC evaluates the assessment results and feedback, and deliberates on the areas of strengths and weaknesses to improve the effectiveness of the Board and the Board Committees.
(b) Has the Board met its performance objectives?	Yes
Independence of Directors	
Guideline 2.1	
(a) 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 / Questions	How has the Company complied?
Independence of Directors	
Guideline 2.4	
(a) 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.	None of the independent Directors has served more than nine years on the Board.
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?	Yes.
(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	The aggregate remuneration paid to the top five key management personnel of the Company for the financial year was S$2,478,940.
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.	There is no such employee.

Guideline / Questions	How has the Company complied?
Disclosure on Remuneration	
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 cash compensation, share-based compensation and market-related benefits. The fixed component comprises the base salary and employer's contribution to an employee's CPF, which is determined by benchmarking against similar and comparable industries. The variable cash compensation is tied to the achievement of short-term pre-agreed financial and non-financial performance targets for the Company and individual employees. The share-based compensation refers to Perennial ESOS 2014, which is a long-term incentive plan approved by the Shareholders, 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, profitability and operational growth 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 that are the key drivers of shareholder value creation and are aligned to Perennial's business objectives.
(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 Perennial ESOS 2014 was fair and appropriate, taking into account the extent to which their performance conditions for the financial year were met.
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?	Other than providing Directors with Board meeting materials generally at least five days prior to the date of the relevant meeting, the CEO gives a complete and comprehensive update on Perennial's business and operations, significant developments on the Group's business initiatives and industry developments, while the CFO presents the financial highlights of Perennial's performance. The Board is also apprised of risk management updates, regulatory regimes and analysts and press commentaries through other presentations by the Management. Directors are also provided with operational and financial reports on the performance of Perennial. 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. Directors have direct, independent and unrestricted access to the CEO, Management, Company Secretary and internal and external auditors at all times. Any request for additional information from the Directors is also dealt with promptly by the Management.
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?
Risk Management and Internal Controls	
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. Perennial has in place a comprehensive ERM framework which lays out the governing policies, processes and systems to identify, evaluate and manage risks as well as to facilitate the assessment on the adequacy and effectiveness of the Group's risk management system. The CEO and the Management are responsible for the implementation of ERM and day-to-day management of risks in Perennial. Under the ERM framework, Perennial's risk profile, risk registers and all identified risks and controls are reviewed by the ARC and reported to the Board at least annually. On a quarterly basis, Management updates the ARC on the key risks and the risk management activities of Perennial's business. The ARC and the Board also review the key risk indicators and risk dashboard, and discuss the status of the risk exposures and risk management action plans at the ARC meetings. For the financial year, the ARC and Board had reviewed Perennial's risk management framework, policies and system, and are satisfied that the Group's risk management system continued to be adequate and effective. 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 as well as checks and balances embedded in business processes. Internal auditor and external auditor conduct audits that involve testing the adequacy and effectiveness of material internal controls, including financial, operational, compliance and IT controls. Any material non-compliance or lapses in internal controls, together with corrective measures recommended by internal auditor and external auditor, are reported to and reviewed by the ARC. The adequacy, timeliness and effectiveness of the measures taken by the Management in response to the recommendations made by the internal auditor and external auditor are also reviewed by the ARC. Based on the ERM framework and internal controls established and maintained by Perennial, work performed by external and internal auditors, and written 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 are adequate and effective to address the financial, operational, compliance and IT risks which the Group considers relevant and material to its business scope and environment.
(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. The Board has received assurance from the CEO and CFO regarding part (i) and (ii).

CORPORATE GOVERNANCE

Guideline / Questions	How has the Company complied?
Risk Management and Internal Controls	
Guideline 12.6 (a) Please provide a breakdown of the fees paid in total to the external auditor for audit and non-audit services for the financial year.	As at 31 December 2016, the aggregate fees paid/payable to KPMG were S$653,576 for their external audit services and S$107,572 for their non-audit services.
(b) If the external auditor has 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 auditor.	The ARC undertook a review of the independence of KPMG through reviewing the processes, policies and safeguards adopted by Perennial and KPMG relating to audit independence. An assessment was also carried out by the ARC on the nature, extent and volume of the non-audit services provided by the external auditor and its affiliates, and the fees paid for such services. For the financial year ended 31 December 2016, the non-audit fees accounted for 14% of total fees paid to KPMG. The ARC has confirmed that the provision of such non-audit services by the external auditor has not affected 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 to communicate Perennial's strategic business plans and operating performance, share latest corporate and industry developments, and gather their views and feedback. In addition to the AGM which is used as the main forum for dialogue with Shareholders and Investment Community, the CEO and Management also attended investors' conferences and seminars and held dialogue sessions during the financial year ended 31 December 2016. Perennial also engages with the Shareholders and the Investment Community through phone calls, emails and its corporate website.
(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, Perennial has a dedicated IRCC team which facilitates communication with the Shareholders and the Investment Community and attends to their queries and concerns in a timely manner.
(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 its corporate website. A dedicated investor relations section on Perennial's corporate website provides the Shareholders and the Investment Community with pertinent financial and non-financial related information including financial results' announcements, presentation slides and press releases, circulars and annual reports, shares and dividend information, updates on business and operations, and other relevant information. The contact details of the IRCC team are also listed on Perennial's corporate website to facilitate any queries from Shareholders and the Investment Community.
Guideline 15.5 (a) If the Company is not paying any dividends for the financial year, please explain why.	Not applicable. A dividend has been proposed for the financial year ended 31 December 2016.

DISCLOSURE OF CORPORATE GOVERNANCE ARRANGEMENTS

Relevant Guideline or Principle (as per Code of Governance 2012)	Page Reference in this report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	114
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	114
Guideline 1.5 The type of material transactions that require board approval under guidelines	114
Guideline 1.6 The induction, orientation and training provided to new and existing directors	114
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	116
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	115
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	116
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	112, 117
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	117
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	117 - 118
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	28 - 31, 112, 116
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	118
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	112, 119

Relevant Guideline or Principle (as per Code of Governance 2012)	Page Reference in this report
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	120
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedures for setting remuneration	120 - 123
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 post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	121 - 123
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	121
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	123
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	123
Guideline 9.5 Details and important terms of employee share schemes	122, 150 - 151, 193 - 194
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	121 - 122

Relevant Guideline or Principle (as per Code of Governance 2012)	Page Reference in this report
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 a 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	124 - 125
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	112, 125
Guideline 12.6 Aggregate amount of fees paid to the external auditor for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	127
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	125
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	125 - 126
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	128
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	Not applicable. A dividend has been proposed for the financial year.

RISK MANAGEMENT

Perennial Real Estate Holdings Limited ("**Company**", and together with its subsidiaries, "**Perennial**" or "**Group**") has put in place an Enterprise Risk Management ("**ERM**") framework to identify, measure, manage and monitor its risks. The ERM framework, which includes the objectives, policies and procedures for risk management, has been approved by the board of directors of the Company ("**Board**") and is reviewed annually by the Board to ensure that such policies and measures stay relevant and are adequate to meet the business objectives of Perennial as well as to adapt to the changing business landscape and regulations.

Risk management is an integral part of Perennial's strategic and decision-making process, and the risk review and control processes are embedded in its day-to-day operations at all levels of Perennial. The Company strongly believes that a proactive approach towards risk management is effective in attaining its business objectives and strategies, thereby creating and preserving value for shareholders of the Company ("**Shareholders**").

RISK GOVERNANCE STRUCTURE

The Board is overall responsible for governing and managing the risks of Perennial. The Board is assisted by the Audit and Risk Committee ("**ARC**"), which in turn is supported by the ERM Manager and the risk owners at the various operational levels as outlined below.

Board of Directors

- Overall responsible for risk governance and ensuring a sound system of risk management and internal controls
- Governs the ERM framework and system
- Reviews risk profile, key risks and mitigation strategies
- Determines risk appetite and tolerance limits

ARC

- Assists the Board in its risk management oversight
- Formulates risk policies and oversees the design and implementation of risk management practices and internal controls
- Reviews adequacy and effectiveness of risk management and internal control systems
- Oversees internal and external audit processes

ERM Manager

- Co-ordinates ERM activities
- Performs risk evaluation, reviews and monitors all risks and risk management issues
- Assesses compliance with ERM framework and risk management practices
- Reports to ARC on the outcome of the risk assessments

Risk Owners

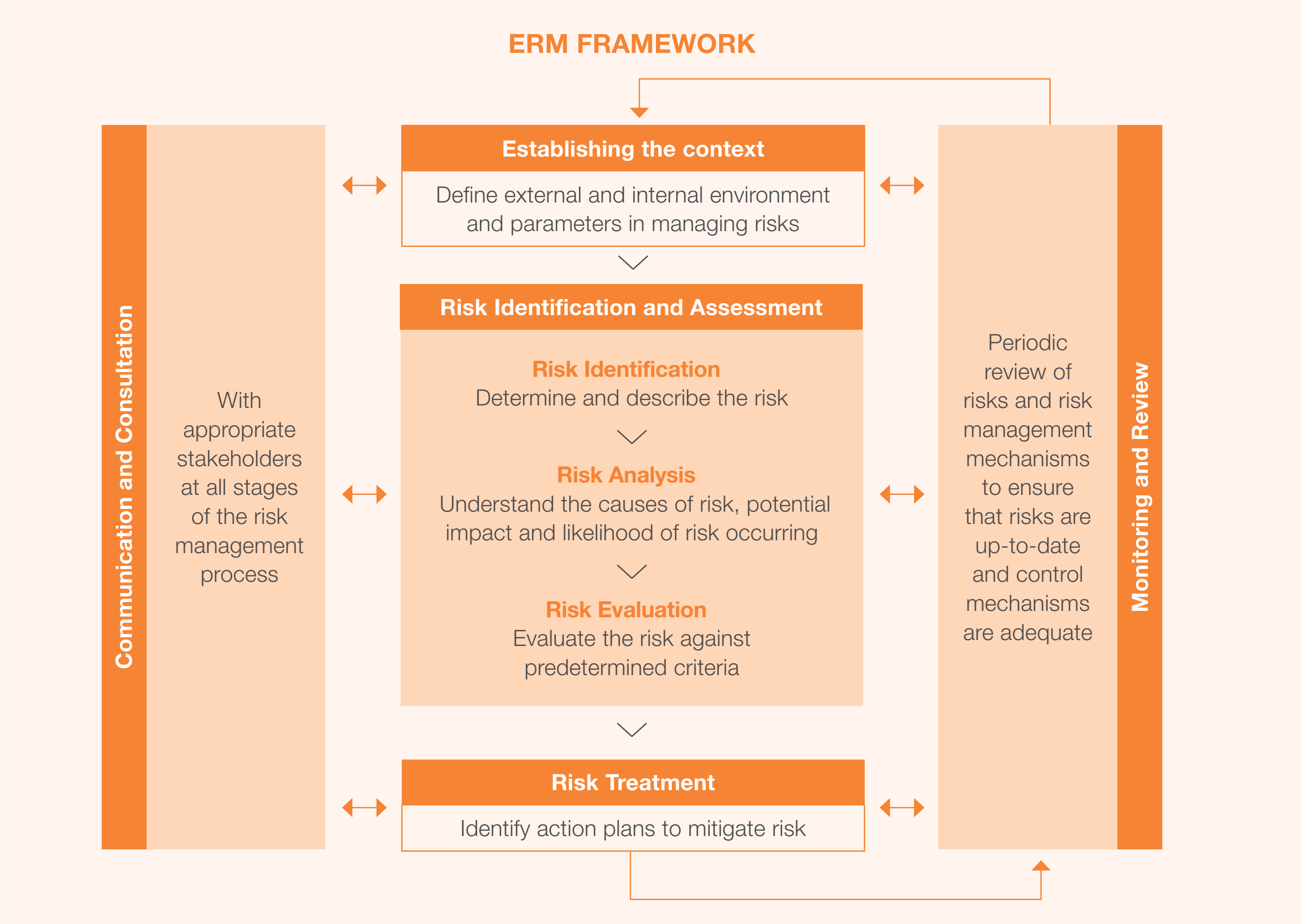
- Responsible for risk management practices and implements risk management action plans within the business functions or at the asset level
- Reports business and operational risks and highlights any probable risks to ERM Manager

ERM FRAMEWORK

The Company has put in place an effective and practical ERM framework to safeguard the employees and assets, protect the Shareholders' interests, make informed decisions for intrinsic value creation and ultimately uphold and enhance its reputation amongst the stakeholders. The Chief Executive Officer and the management team of Perennial ("**Management**") ensure the ERM framework are effectively implemented across Perennial.

Perennial's ERM framework sets out a systematic and structured approach for the identification, assessment, evaluation, monitoring and reporting of risks in an integrated, timely 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 be in line with the best practices.

The ERM framework encompasses a five-step risk management process of communication and consultation, establishment of context, risk identification and assessment, risk treatment as well as monitoring and review.



ERM PROCESS

In identifying and assessing the risks, the impact of financial, operational and reputational risks and their likelihood of occurrence are taken into account. 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 is extended to all the operating levels of the Group's assets, with the risk owners and their respective management team in charge of each asset being responsible for identifying and managing the risks within each of their functional areas.

Key risks are identified based on established risk tolerance limits and key risk indicators, which measure and monitor the exposures for such key risks. The Board, assisted by the ARC, approves the risk tolerance limits and key risk indicators. To ensure that the risk profile and risk management system remain relevant to business strategy and environment, the risk profile, risk registers and all identified risks and controls are updated by the ERM Manager and risk owners, and reviewed by the ARC and Board annually at the minimum.

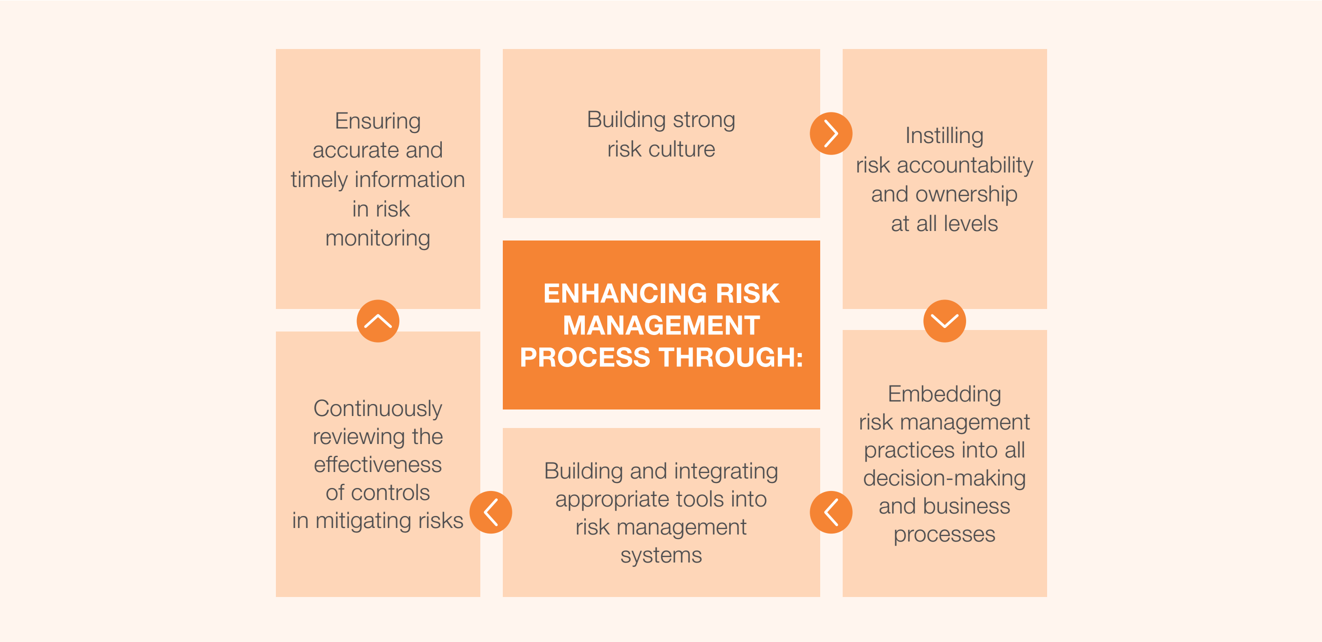
On a quarterly basis, the Management as well as the risk owners monitor the key risks and report to the ARC and Board via a risk dashboard which showcases the status of key strategic risks, the risk exposures and risk management action plans, any potential emerging risk or increase in risk exposures as well as areas that require immediate attention or pre-emptive actions. The ARC and Board are also apprised of the occurrence of significant risk events and the risk management activities undertaken by Perennial during the quarter.

PROACTIVE ERM

Perennial recognises that risk management is an ongoing process. The ERM framework and related risk management system are reviewed annually and, where appropriate, refined by the Management, the ARC and the Board, to take into account the changing business and operating environment. New risks relating to new business of Perennial, such as the medical and healthcare business, were identified and included for monitoring as Perennial expanded into medical and healthcare services.

Perennial is updated of the latest developments and good practices in risk management through participation in seminars and interacting with field practitioners. The Group seeks to enhance its risk management practices by strengthening the following aspects:

RISK MANAGEMENT



The Management aims to foster a strong risk-awareness culture in Perennial, which encourages prudent risk-taking in decision-making and business processes. 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, the internal audits conducted on the business operations provide an independent assurance to the ARC on the adequacy and effectiveness of the risk management, financial reporting processes and internal control and compliance systems. Formalised guidelines, such as Perennial's Human Resources policy, as well as structured monitoring and reporting processes are also established to promote good values and ethical behaviour among the employees which are key elements to an effective risk management system.

Through close collaboration with the various stakeholders, Perennial will continue to refine and improve its ERM framework, systems and processes to ensure that they remain adequate and effective and the risks are well managed and monitored throughout the Group. This will enable Perennial to capitalise on growth opportunities amid the risks of a dynamic and challenging business environment.

KEY RISKS

Perennial undertakes a comprehensive approach in identifying, monitoring, managing and reporting key risks across the Group. The risks identified include financial risk, macroeconomic risk, investment risk, compliance risk, project development risk, human resource risk, fraud and corruption risk, information technology risk and other risk such as political risk. Among these, the key risks that are closely tracked are as follows:

Key Risk	Impact	Mitigation Measures	Key Risk Indicators
Financial Risk	• Increased financing costs which adversely impact on financial performance • Inability to fulfil financial obligations or secure funding • Insufficient cash flows	• Active monitoring of debt maturity profile and cash flows • Maintaining an adequate level of cash flows and available loan facilities • Expanding sources of funding through retail bond market and multicurrency debt issuance programme • Instil financial discipline in all levels and maintaining a financially sound balance sheet • Improve cash flows through acquisition of new investments to generate recurring income and contribute to a stable income stream	• Gearing and debt ratios • Working capital ratio

Key Risk	Impact	Mitigation Measures	Key Risk Indicators
Macroeconomic Risk	• Reduced revenue • Negative impact on valuation as well as gearing and debt ratios • Increased cost of financing and holding cost of investment assets • Negative impact on asset divestment	• Adopting a disciplined approach towards financial management • Constantly reviewing business strategies to formulate pre-emptive mitigations • Vigilant monitoring of budgets and expenditures, key global economic trends and the macroeconomic environment of Perennial's investments • Strengthen competitiveness through product and service differentiation • Diversifying its investment portfolio across geographies and asset classes • Focusing on cities where the Management has a good understanding of or in countries where it can leverage on the knowledge of its sponsors	• Major economic indicators such as GDP growth
Investment Risk	• Investment loss • Adverse impact on financial and operational performance	• Adopting a systematic approach of risk assessment and risk evaluation for each investment proposal, including macro and project-specific risk analyses • Objective evaluation based on a comprehensive set of investment parameters, supported by due diligence, feasibility studies and sensitivity analyses on key investment assumptions and variables • Early identification of potential business and partnership synergies • Active tracking of project updates and overall investment portfolio performance	• Return on investment ratio • Overall portfolio asset valuation
Compliance Risk	• Penalty, legal actions and/or loss of operating licences • Financial and reputational damage	• Identify applicable laws and regulatory obligations, highlight emerging regulatory changes and inculcate active compliance into the day-to-day operations across all assets • Constantly keeping abreast of changes in laws and regulations by attending training and consulting its legal counsel or external professional advisors	• Regulatory queries, warnings and breaches
Project Development Risk	• Adverse impact on financial and operational performance • Reputational damage	• Proactive management process to monitor project progress per approved timeline • Stringent pre-qualification procedures to appoint well-qualified vendors with proven track records • Site visits by Management and asset managers	• Project cost overrun as a percentage of total project cost • Progress of the project

INVESTOR AND MEDIA RELATIONS

Perennial Real Estate Holdings Limited ("**Perennial**") is committed to regular, timely and transparent communication with its shareholders ("**Shareholders**"), as well as analysts, potential investors, the media and various stakeholders (together, the "**Investment Community**").

Perennial's Investor Relations and Corporate Communication ("**IRCC**") team, which reports directly to the Chief Executive Officer ("**CEO**"), proactively enables two-way communication with Shareholders and the Investment Community, empowers existing and potential investors to make better informed investment decisions, and equips senior management with a better understanding of stakeholders' perception of Perennial to facilitate key decision-making.

All material and sensitive information about Perennial are made available on a timely basis via announcements, press releases and presentations issued through the SGXNET and also made available on Perennial's website at www.perennialrealestate.com.sg. Shareholders and the Investment Community can also subscribe for email alerts to keep themselves abreast of the latest announcements or events, and access Perennial's website for information.

During the year, the IRCC team and the senior management team engaged with Shareholders and the Investment Community via various platforms, including emails, conference calls, one-on-one or group meetings, luncheons and conferences. These communication sessions provide Shareholders and the Investment Community with opportunities to be updated on Perennial's strategic plans, financial and operating performance, key developments and outlook. Concurrently, Perennial's senior management team would also get to hear from and better understand the views and concerns of the Shareholders and Investment Community.

To reach out to the retail investment community, Perennial also participated in the Securities Investors Association (Singapore) Shareholder Communication Services Programme. Site visits were conducted for existing or potential shareholders who are keen to gain insights into the operations and development progress of Perennial's Singapore and China assets.

With the completion of Perennial's first signature showcase of its integrated real estate and healthcare development in Chengdu in the second half of 2017, the IRCC plans to further intensify its communication activities, particularly in the area of site visits, to help Shareholders and the Investment Community better appreciate Perennial's unique integrated business model.

For the Annual General Meeting ("**AGM**") that was held on 25 April 2016, the full Board of Directors, CEO and key management team were present to engage with Shareholders. The AGM was well attended by about 200 shareholders. The AGM Minutes of Meeting was also made available on Perennial's website for the benefit of Shareholders who could not attend the AGM.

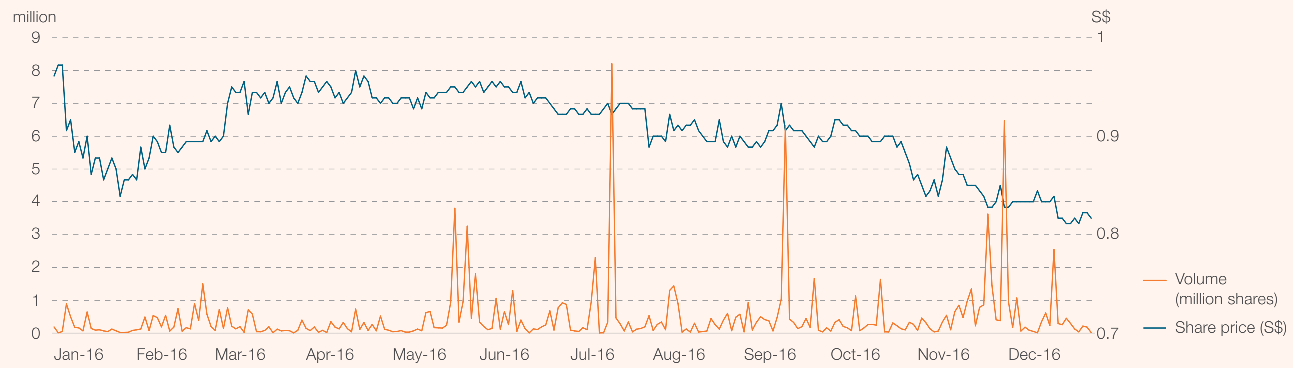
Perennial hosted combined analysts and media briefings during its half year and full year financial results announcements. During the 1H 2016 briefing, the analysts and media were given a tour of AXA Tower's office show suite that was established to facilitate the strata-sale of office spaces in the building. Perennial is currently covered by two sell-side research houses, being CIMB Research Pte Ltd and DBS Vickers Securities (Singapore) Pte Ltd.

Perennial believes that a comprehensive IRCC programme, coupled with a strong corporate governance culture and a high corporate disclosure standard, maximises shareholder value. In this regard, Perennial remains committed to upholding best practices and policies that enhance transparency, governance and reporting.

Perennial started trading on the Mainboard of the Singapore Exchange under the stock symbol 40S with effect from 26 December 2014. As at 30 December 2016, Perennial's closing share price was S$0.805, translating to a total market capitalisation of S$1.3 billion.

A first and final dividend of 0.4 Singapore cents was proposed for the financial year ended 31 December 2016.

Perennial Weekly Share Price and Volume FY2016



ENABLES
regular two-way communication with stakeholders

EMPOWERS
investors to make better informed investment decisions

EQUIPS
management with a better understanding of stakeholders' perception

INVESTOR RELATIONS CALENDAR FOR FY2016

Events	Date
1Q 2016 Results Announcement	13 May 2016
Annual General Meeting	25 April 2016
1H 2016 Results Announcement	5 August 2016
1H 2016 Results Analyst/Media Briefing	5 August 2016
Post-1H 2016 Investor Luncheon	5 August 2016
SGX-Credit Suisse Corporate Day	3 October 2016
3Q 2016 Results Announcement	8 November 2016
FY2016 Results Announcement	8 February 2017
FY2016 Results Analyst/Media Briefing	8 February 2017
Post-FY2016 Investor Luncheon	8 February 2017
Annual General Meeting	28 April 2017
Books Closure Date for Proposed Dividend	5 May 2017
Proposed Payment of FY2016 First and Final Dividend	19 May 2017

INVESTOR RELATIONS CALENDAR FOR FY2017

Events	Date
1Q 2017 Results Announcement	May 2017
1H 2017 Results Announcement	August 2017
3Q 2017 Results Announcement	November 2017
FY2017 Results Announcement	February 2018

RESILIENCE

坚韧不拔

在牢固的地下根系的支持下，竹子的结构赋予其本身经受时间考验并总能恢复原形的韧性。

RESILIENCE

Perennial's resilience is underpinned by its distinctive business model and robust balance sheet, enabling it to **adapt to adverse market conditions** to deliver sustainable returns.

Supported by its firm root system, the bamboo's structure gives it the tenacity to stand the test of time and always spring back to form.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the shareholders of the Company together with the audited financial statements for the financial year ended 31 December 2016.

In our opinion:

(a) the financial statements set out on pages 158 to 224 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 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date 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
Ron Sim
Eugene Paul Lai Chin Look
Ooi Eng Peng
Lee Suan Hiang
Chua Phuay Hee
Pua Seck Guan

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Pursuant to the approval granted by the shareholders of the Company at the Extraordinary General Meeting ("**EGM**") held on 10 October 2014, the Company made an offer to issue consideration shares of up to 9,675,915 ordinary shares to Mr Pua Seck Guan for acquisition of his 51% interest in Perennial Real Estate Pte. Ltd. (the "**Deferred PREPL Acquisition**"). The Deferred PREPL Acquisition was completed on 27 July 2016.

Except for the above and the disclosure under the "directors' interests in shares or debentures" and "share options" sections of this statement, neither at the end of nor at any time during the financial year 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 year (including those held by their spouses and infant children) in shares, debentures, and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Direct interest: Holdings at beginning of the financial year	Direct interest: Holdings at end of the financial year	Deemed interest: Holdings at beginning of the financial year	Deemed interest: Holdings at end of the financial year
The Company				
Ordinary shares				
Kuok Khoon Hong	–	–	978,270,066[1]	607,274,031[2]
Ron Sim[3]	252,365,164	253,370,564	2,059,035	2,059,035
Ooi Eng Peng	78,634	78,634	–	–
Lee Suan Hiang[4]	200,000	200,000	200,000	200,000
Pua Seck Guan	824,225	7,139,168	808,111,302[5]	164,024,526[6]

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(cont'd)*

Name of director and corporation in which interests are held	Direct interest: Holdings at beginning of the financial year	Direct interest: Holdings at end of the financial year	Deemed interest: Holdings at beginning of the financial year	Deemed interest: Holdings at end of the financial year
The Company *(cont'd)*				
$300 million 3-year 4.65% per annum Retail Bonds due 2018				
Kuok Khoon Hong[7]	–	–	20,500,000	20,000,000
$280 million 4-year 4.55% per annum Retail Bonds due 2020				
Kuok Khoon Hong[8]	–	–	–	33,713,000
Subsidiary				
Perennial Treasury Pte. Ltd.				
$125 million 3-year 4.90% per annum Fixed Rate Notes due 2019				
Kuok Khoon Hong[9]	–	–	–	1,250,000

Notes:

(1) The deemed interest of Mr Kuok Khoon Hong 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, 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) The deemed interest of Mr Kuok Khoon Hong in the shares arises from his shareholdings in HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Shun Yi Holdings Limited, Pearson Investments Limited and Kuok Hock Swee & Sons Sdn. Bhd., through Madam Yong Lee Lee (spouse of Mr Kuok Khoon Hong) and Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.

(3) The direct interests of Mr Ron Sim 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).

(4) Mr Lee Suan Hiang's deemed interest in the shares arises from the shares held through bank nominees.

(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.

(6) Mr Pua Seck Guan's deemed interest in the shares arises from his shareholdings in PSG Holdings Pte. Ltd. and shares held in the name of bank nominees.

(7) The deemed interest of Mr Kuok Khoon Hong in the Company's 3-year 4.65 per cent. Bonds due 2018 arises from his shareholdings in HPRY Holdings Limited.

(8) The deemed interest of Mr Kuok Khoon Hong in the Company's 4-year 4.55 per cent. Bonds due 2020 arises from the bonds held through a bank nominee and from his shareholdings in HPRY Holdings Limited.

(9) The deemed interest of Mr Kuok Khoon Hong in the subsidiary's 3-year 4.90 per cent. Fixed Rate Notes due 2019 arises from his shareholdings in HPRY Holdings Limited.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(cont'd)*

Name of director and corporation in which interests are held	Direct interest: Holdings at beginning of the financial year	Direct interest: Holdings at end of the financial year
Perennial Employee Share Option Scheme 2014		
Grant of options to subscribe for ordinary shares at $1.07 per share		
Eugene Paul Lai Chin Look	500,000	500,000
Lee Suan Hiang	500,000	500,000
Chua Phuay Hee	500,000	500,000
Grant of options to subscribe for ordinary shares at $0.95 per share		
Pua Seck Guan	5,100,000	5,100,000
Share options exercisable at $1.07 per share		
Eugene Paul Lai Chin Look	–	125,000
Lee Suan Hiang	–	125,000
Chua Phuay Hee	–	125,000
Share options exercisable at $0.95 per share		
Pua Seck Guan	–	1,275,000

By virtue of Section 4 of the Singapore Securities and Futures Act, Chapter 289, Mr Kuok Khoon Hong is 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 year had interests in shares or debentures of or share options of the Company, either at the beginning of the financial year and at the end of the financial year.

There was no change in the directors' interest in the shares or debentures or share options of the Company between the end of the financial year and 21 January 2017.

SHARE OPTIONS

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 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 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.

SHARE OPTIONS *(cont'd)*

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.

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

As at 31 December 2016, the total number of outstanding options under the grant was 16,880,000 (2015: 20,590,000).

No option was granted during the financial year ended 31 December 2016.

At the end of the financial year, details of the options granted on the unissued ordinary shares of the Company are as follows:

Unissued Shares under Perennial ESOS 2014

Date of grant	As at 1/1/2016 '000	No. of options granted during the year '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2016 '000	Exercise price per share $	Validity period
15/5/2015	15,490	–	(3,710)	–	11,780	1.07	16/5/2016 – 15/5/2020
8/10/2015	5,100	–	–	–	5,100	0.95	9/10/2016 – 8/10/2020
Total	20,590	–	(3,710)	–	16,880		

The number of outstanding options represents 1.01% of the total number of shares issued as at 31 December 2016.

During the financial year, except as disclosed in this 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.

The information on directors participating in the Perennial ESOS 2014 is as follows:

Name of directors	Aggregate options granted during the financial year '000	Aggregate options granted since commencement of the option scheme to 31/12/2016 '000	Aggregate options exercised since commencement of the option scheme to 31/12/2016 '000	Aggregate options lapsed since commencement of the option scheme to 31/12/2016 '000	Aggregate options outstanding as at 31/12/2016 '000
Eugene Paul Lai Chin Look	–	500	–	–	500
Lee Suan Hiang	–	500	–	–	500
Chua Phuay Hee	–	500	–	–	500
Pua Seck Guan	–	5,100	–	–	5,100
Total	–	6,600	–	–	6,600

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The Audit and Risk Committee ("**ARC**") comprises four independent directors. The members of the ARC during the year and at the date of this statement are:

Ooi Eng Peng (Chairman)
Eugene Paul Lai Chin Look
Chua Phuay Hee
Lee Suan Hiang

The ARC carried out its functions in accordance with Section 201B(5) of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance 2012.

The ARC has held four meetings since the last directors' statement. In performing its functions, the Audit Committee has met with the Company's external and internal auditors.

The ARC also reviewed the following:

- the appropriateness of quarterly, half-year and full year results announcements;
- reliability and integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- at least annually on the adequacy and effectiveness of Perennial's internal controls, including financial and accounting, operational, compliance and IT controls, and risk management systems;
- the effectiveness and adequacy of internal and external audits;
- the appointment, re-appointment and removal of external and internal auditors, and approves the remuneration and terms of engagement of the external and internal auditors;
- the Group's compliance with laws and regulations, particularly those of the Companies Act and the SGX-ST Listing Manual;
- the whistle-blowing policy; and
- the procedures established to regulate interested person transactions and ensuring the compliance of such transactions with the SGX-ST Listing Manual.

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

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 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
Perennial Real Estate Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Perennial Real Estate Holdings Limited ("**the Company**") and its subsidiaries ("**the Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 158 to 224.

In our opinion, the accompanying 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 Companies Act, Chapter 50 ("**the Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for acquisitions
(Refer to Note 27 to the financial statements)

Risk

The Group makes acquisitions as part of its business strategy. The acquisitions warranted additional audit focus due to the magnitude of these transactions. There is judgement and estimates involved in determining the valuation methods and assumptions applied in arriving at the fair values of the identifiable assets acquired and liabilities assumed in a business combination.

Our response

We compared the methodologies and key assumptions applied in arriving at the fair values of the identifiable assets acquired and liabilities assumed to generally accepted market practices and market data.

Findings

The methodologies used are in line with generally accepted market practices. The key assumptions applied in arriving at the fair values of the assets acquired and liabilities assumed, including the fair valuation of identified intangible assets, were balanced.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key audit matters *(cont'd)*

Valuation of investment properties

(Refer to Note 4 to the financial statements)

Risk

As at 31 December 2016, the Group has investment properties, mainly in Singapore and China, with a total carrying amount of $1.4 billion. These investment properties are stated at fair values based on independent external valuations obtained. The valuation process involves significant judgement by the independent external valuers in estimating the underlying assumptions to be applied. The fair values of the investment properties are sensitive to key assumptions applied, including those relating to future net income, price per square metre and capitalisation, discount and terminal yield rates. A change in the assumptions will have an impact on the valuation.

Our response

We assessed the competency and objectivity of the independent external valuers and held discussion with the valuers to understand their assumptions and basis used, where appropriate.

We compared the net income applied by the independent external valuers to historical levels of net income of the investment properties. We evaluated the appropriateness of the price per square metre and discount, capitalisation and terminal yield rates applied by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

Findings

The valuers are members of generally-recognised professional body for valuers. The key assumptions applied are comparable to the historical trends and within the range of available industry data.

Valuation of development properties for sale

(Refer to Note 9 to the financial statements)

Risk

Development properties for sale comprise completed commercial properties in Singapore and land parcels in China. The development properties for sale are stated at the lower of their cost and net realisable values ("**NRV**"). NRV represents the estimated selling price, less the estimated costs of completion and estimated selling expenses. As at 31 December 2016, the carrying value of development properties for sale amounted to $2.8 billion. The weak sentiments in the property market in both China and Singapore may exert downward pressure on transaction volumes and property prices in these markets.

The Group assessed the NRV of the completed commercial properties in Singapore by taking into consideration the expected selling prices.

For the land parcels in China, the Group engaged an independent external valuer to assess the NRV of the development properties. The independent external valuer's assessments take into consideration, among others, unit prices of comparable projects, gross development value of the development properties and the estimated costs to complete the development. In deriving the gross development value, the independent external valuer made certain assumptions, including market rent and capitalisation and discount rates.

Our response

For the completed commercial properties in Singapore, we assessed the Group's expected selling prices by comparing them to the recent transacted prices for the relevant property or prices of comparable properties located in the same vicinity as the Group's development properties.

For the land parcels in China, we independently validated the unit prices of the comparable projects and evaluated the reasonableness of market rent, capitalisation and discount rates by comparing to available industry data, taking into consideration comparability and market factors. We also compared the estimated cost to complete the properties assumed by the independent external valuer against construction costs of the comparable properties.

Findings

We found that the assumptions applied in the determination of net realisable values of the development properties for sale to be within the range of available industry data.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Key audit matters *(cont'd)*

Impairment of goodwill

(Refer to Note 6 to the financial statements)

Risk

The Group has recorded goodwill in relation to its management business, with an aggregate carrying value of $63 million as at 31 December 2016.

The Group has used the value-in-use approach in estimating the recoverable amount of the management business. The value-in-use was estimated using discounted cash flow method. In applying the discounted cash flow method, the Group uses a number of key assumptions, including cash flow projections of the management business, growth rates and discount rates.

Our response

We assessed the key assumptions used by management, including those relating to cash flow projections and growth rates, taking into consideration management's planned strategies around revenue streams and costs initiatives, and compared them against historical performance and committed management contracts. We also compared the discount rates used by management to available market data.

Findings

The key assumptions applied are assessed to be within the range of available market data, comparable to historical trends and take into consideration committed management contracts.

Impairment of Capitol Investment Holdings Pte. Ltd.

(Refer to Note 5 to the financial statements)

Risk

The Group equity accounts its 50% holding in a joint venture, Capitol Investment Holdings Pte. Ltd. and its subsidiaries ("**the Capitol Entities**"). As at 31 December 2016, the Group has an interest in the Capitol Entities of $121 million and shareholder's loan of $368 million maturing on 31 March 2017.

The High Court application for winding-up of the Capitol Entities filed by the Group on 14 April 2016 had triggered an indication of possible impairment in the carrying value of the Capitol Entities. On 3 March 2017, the High Court dismissed the winding-up applications of the Capitol Entities, which further contributed to the uncertainty over the long-term direction of the joint venture.

The recoverable amounts (determined on a fair value less cost of disposal basis) of the Capitol Entities have been estimated by management taking into consideration an independent external valuation of the underlying investment properties and development property. The fair values of the investment properties and development property are sensitive to the key assumptions applied in the valuations, including those relating to the future net income, capitalisation rate and expected selling prices.

Our response

We assessed the competency and objectivity of the independent external valuer and held discussion with the valuer to understand their assumptions and basis used, where appropriate.

We compared the net income applied by the valuer to historical levels of net income of the investment properties. We evaluated the appropriateness of the capitalisation rate used by comparing them against available industry data, taking into consideration comparability and market factors.

We compared the expected selling prices to recent transacted prices and prices of comparable properties located in the same vicinity as the development property.

Findings

The valuer is a member of a generally-recognised professional body for valuers. The key assumptions applied for valuation of the investment properties are comparable with historical trends and within the range of available industry data. The estimates used in the valuation of development property are considered mildly optimistic.

With the recent High Court's decision to dismiss the winding-up applications and uncertainty over the long-term direction of the Capitol Entities, there remains room for continuing developments in the imminent future, which may affect the recoverable amounts estimated for the Capitol Entities.

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Other Information

Management is responsible for the other information. The other information comprises Corporate Profile, Financial Highlights, Our Milestones, Our Presence, Our Business Model, Our Integrated Strategy, Signature Showcase, Letter to Shareholders (English), Interview with CEO (English), Board of Directors, Management Team, Market Trends, Business Overview, Business Structure, Business Review – Real Estate, Business Review – Healthcare, Financial Review, Value Added Statement, Sustainability Overview, Our Community, Our People, Corporate Governance, Risk Management, Investor and Media Relations, Supplemental Information, Corporate Information and Directors' Statement, which we obtained prior to the date of this auditors' report, the Letter to Shareholders (Chinese), Interview with CEO (Chinese), and the Statistics of Shareholdings (the "**Reports**") are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors 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 Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

Auditors' responsibilities for the audit of the financial statements *(cont'd)*

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore
8 March 2017

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

		GROUP		COMPANY	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current assets					
Plant and equipment		1,624	2,106	–	–
Investment properties	4	1,371,972	2,290,806	–	–
Subsidiaries	31	–	–	2,742,725	2,414,374
Associates and joint ventures	5	1,993,529	1,975,113	–	–
Intangible assets and goodwill	6	83,553	88,104	–	–
Other financial assets	7	67,214	53,956	67,214	48,037
Trade and other receivables	8	15,786	15,401	–	–
		3,533,678	4,425,486	2,809,939	2,462,411
Current assets					
Development properties	9	2,757,943	1,756,442	–	–
Trade and other receivables	8	528,493	106,310	78,546	52,511
Cash and cash equivalents	10	226,243	162,030	4,963	26,545
		3,512,679	2,024,782	83,509	79,056
Total assets		7,046,357	6,450,268	2,893,448	2,541,467
Non-current liabilities					
Loans and borrowings	11	1,892,456	1,741,404	605,578	297,326
Junior bonds	12	143,977	143,924	–	–
Redeemable preference shares	13	47,613	47,613	–	–
Trade and other payables	15	33,932	35,374	–	–
Deferred tax liabilities	16	61,375	59,394	–	–
		2,179,353	2,027,709	605,578	297,326
Current liabilities					
Loans and borrowings	11	823,062	170,256	29,125	–
Trade and other payables	15	257,111	364,693	21,996	21,455
Current tax liabilities		4,915	5,217	–	–
		1,085,088	540,166	51,121	21,455
Total liabilities		3,264,441	2,567,875	656,699	318,781
Net assets		3,781,916	3,882,393	2,236,749	2,222,686
Equity					
Share capital	17	2,208,267	2,195,373	2,208,267	2,195,373
Other reserves	18	439,756	448,658	7,764	1,623
Foreign currency translation reserve	18	(39,255)	70,766	–	–
Retained earnings		107,833	79,402	20,718	25,690
Equity attributable to owners of the Company		2,716,601	2,794,199	2,236,749	2,222,686
Non-controlling interests	19	1,065,315	1,088,194	–	–
Total equity		3,781,916	3,882,393	2,236,749	2,222,686

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Note	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Revenue	20	110,191	139,429
Cost of sales		(41,198)	(51,935)
Gross profit		68,993	87,494
Other income	21	36,316	112,613
Administrative expenses		(26,233)	(42,190)
Other operating expenses		(23)	(825)
Results from operating activities		79,053	157,092
Finance income		16,349	5,688
Finance costs		(73,662)	(74,141)
Net finance costs	22	(57,313)	(68,453)
Share of results of associates and joint ventures, net of tax		32,178	39,789
Profit before tax		53,918	128,428
Tax expense	23	(8,533)	(17,294)
Profit for the year/period	24	45,385	111,134
Profit for the year/period attributable to:			
Owners of the Company		35,053	79,040
Non-controlling interests		10,332	32,094
		45,385	111,134
Earnings per share (cents)			
Basic	26	2.11	6.85
Diluted	26	2.11	6.85

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2016

	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Profit for the year/period	**45,385**	111,134
Other comprehensive income for the year/period, net of tax		
Items that are or may be reclassified subsequently to profit or loss		
Net change in fair value of available-for-sale financial assets	**4,990**	(134)
Foreign currency translation (losses)/gains relating to foreign operations, net of tax	**(147,285)**	78,022
Foreign currency translation (losses)/gains on monetary item forming part of net investment in foreign operations, net of tax	**(2,657)**	276
	(144,952)	78,164
Total comprehensive income for the year/period	**(99,567)**	189,298
Total comprehensive income attributable to:		
Owners of the Company	**(69,978)**	149,672
Non-controlling interests	**(29,589)**	39,626
	(99,567)	189,298

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2016

	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
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
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 declared to non-controlling interests	–	–	–	–	–	(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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

	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
At 1 January 2016	2,195,373	448,658	70,766	79,402	2,794,199	1,088,194	3,882,393
Total comprehensive income for the year							
Profit for the year	–	–	–	35,053	35,053	10,332	45,385
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	–	4,990	–	–	4,990	–	4,990
Foreign currency translation losses relating to foreign operations, net of tax	–	–	(107,364)	–	(107,364)	(39,921)	(147,285)
Foreign currency translation losses on monetary item forming part of net investment in foreign operations, net of tax	–	–	(2,657)	–	(2,657)	–	(2,657)
Total other comprehensive income	–	4,990	(110,021)	–	(105,031)	(39,921)	(144,952)
Total comprehensive income for the year	–	4,990	(110,021)	35,053	(69,978)	(29,589)	(99,567)
Transactions with owners, recognised directly in equity							
Contributions and distributions to owners							
Share-based payment transactions	–	1,413	–	–	1,413	70	1,483
Dividends declared to owners of the Company (note 18)	–	–	–	(6,622)	(6,622)	–	(6,622)
Dividends declared to non-controlling interests	–	–	–	–	–	(856)	(856)
Non-reciprocal capital contribution made to a non-wholly-owned subsidiary	–	(8,435)	–	–	(8,435)	8,435	–
Capital injection by non-controlling interests	–	–	–	–	–	5,099	5,099
Total contributions and distributions to owners	–	(7,022)	–	(6,622)	(13,644)	12,748	(896)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without changes of control	12,894	(6,882)	–	–	6,012	(6,038)	(26)
Other capital transactions							
Share of reserves of joint venture	–	12	–	–	12	–	12
Total transactions with owners	12,894	(13,892)	–	(6,622)	(7,620)	6,710	(910)
At 31 December 2016	2,208,267	439,756	(39,255)	107,833	2,716,601	1,065,315	3,781,916

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2016

	Note	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Cash flows from operating activities			
Profit for the year/period		45,385	111,134
Adjustments for:			
Depreciation of plant and equipment		758	1,117
Bad debts written-off		62	37
Amortisation of intangible assets	6	2,604	3,295
Written-off of intangible assets	6	1,947	–
Change in fair value of investment properties	4	(24,409)	(90,870)
Foreign currency exchange gain (net)	21	(7,031)	(6,416)
Net finance costs	22	57,313	68,453
Share of results of associates and joint ventures, net of tax		(32,178)	(39,789)
Gain on disposal of other financial assets		(273)	–
Loss on disposal of an associate		62	–
Allowance for doubtful receivables		155	676
Equity-settled payment transactions		–	1,275
Equity-settled share-based payment transactions		1,483	1,733
Tax expense	23	8,533	17,294
		54,411	67,939
Changes in:			
– inventories		–	(885)
– development properties		(78,858)	(26,699)
– trade and other receivables		(12,310)	27,969
– trade and other payables		(36,945)	(153,632)
Cash used in operations		(73,702)	(85,308)
Tax paid		(4,673)	(2,932)
Net cash used in operating activities		(78,375)	(88,240)
Cash flows from investing activities			
Interest received		8,505	360
Acquisition of subsidiaries, net of cash acquired	27	–	110,054
Acquisition of plant and equipment		(316)	(1,554)
Proceeds from disposal of plant and equipment		3	–
Development expenditure – investment properties		(65,053)	(136,636)
Dividends from an associate		443	–
Loans to associates and joint ventures		(295,592)	(38,586)
Investment in associates and joint ventures		(101,382)	(113,818)
Other investments		(20,916)	(48,645)
Proceeds from disposal of other investments		3,871	–
Dividends from other investments		4,075	–
Net cash used in investing activities		(466,362)	(228,825)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2016

	Note	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Cash flows from financing activities			
Dividends paid to owners of the Company		**(6,622)**	–
Distribution paid to unitholders of a subsidiary		**–**	(10,884)
Proceeds from loans and borrowings		**1,369,598**	1,250,126
Payment of upfront debt arrangement costs		**(12,207)**	(12,352)
Repayments of loans and borrowings		**(686,983)**	(680,734)
Loan from joint venture		**33,125**	–
Loan from non-controlling interest		**995**	–
Capital injection by non-controlling interests		**5,099**	3,214
Dividends paid to non-controlling interests		**(856)**	(1,030)
Interest paid		**(93,730)**	(72,665)
Net cash from financing activities		**608,419**	475,675
Net increase in cash and cash equivalents		**63,682**	158,610
Cash and cash equivalents at beginning of the year/ period		**162,030**	2,730
Effect of exchange rate fluctuations on cash held		**531**	690
Cash and cash equivalents at end of the year/period	10	**226,243**	162,030

SIGNIFICANT NON-CASH TRANSACTIONS

During the year ended 31 December 2016, the Company:

- issued 9,675,915 ordinary shares to acquire non-controlling interest of a subsidiary for a consideration of $12.9 million.

During the period ended 31 December 2015, the Company:

- issued 1,644,878,639 ordinary shares in relation to the initial acquisition (see note 27).
- issued 2,932,433 ordinary shares to acquire non-controlling interest of a subsidiary 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 to the shareholders by way of a capital reduction.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE 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 2017.

1 DOMICILE AND ACTIVITIES

Perennial Real Estate 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 year ended 31 December 2016 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.

The principal activities of the Group are those of investment holding, real estate investment and development, asset and property management services, and healthcare services.

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.

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 judgements 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 9 – Classification of development properties
Note 27 – Acquisition of equity interest: business combination and asset acquisition

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included in the following notes:

Note 5 – Impairment test: recoverable amounts of interests in joint ventures
Note 6 – Impairment test: key assumptions underlying recoverable amounts of cash generating unit ("**CGU**") containing goodwill
Note 9 – Net realisable value of development properties

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, which 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.

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

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 – Investment properties
Note 14 – Share-based payment arrangements
Note 25 – Financial instruments
Note 27 – Acquisitions

3 SIGNIFICANT ACCOUNTING POLICIES

The Group adopted new or revised financial reporting standards and interpretations which became effective from financial year beginning 1 January 2016. 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, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(i) Business combinations (cont'd)

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.

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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(v) Investments in associates and joint ventures (equity-accounted investees) (cont'd)

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 from retranslation are recognised in profit or loss, except for the differences arising from 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.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising from 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 ("**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 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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 *(cont'd)*

3.3 Financial instruments *(cont'd)*

(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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Plant and equipment *(cont'd)*

(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 and comparative periods 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.

3.5 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.

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 year and comparative periods 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 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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.

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;
- 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 Development properties

Development properties under development and completed property held for sale 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. Development properties acquired through interests in subsidiaries, are accounted for as an acquisition of assets.

Borrowing costs that are directly attributable to the acquisition and development of the development property 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.

Development properties are classified as current assets in the statement of financial position. Payments received from purchasers arising from pre-sales of the property units prior to the completion or physical handover to the buyers are included as deferred income under current liabilities in the statement of financial position.

The sales are recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the units are delivered to the purchasers.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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, 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. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.9 Impairment *(cont'd)*

(ii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment properties and development properties 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 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.

3.10 Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plan 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.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Employee benefits *(cont'd)*

(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.

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.

3.12 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 development properties

Revenue from sales of development properties 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 the 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.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Revenue *(cont'd)*

(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.

3.14 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 year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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 from 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 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Earnings per share

The Group presents basic and diluted earnings per share 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.

3.16 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 development properties.

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 January 2016, and have not been applied in preparing these financial statements.

Applicable to 2018 financial statements
FRS 115 *Revenue from Contracts with Customers*
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 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group does not plan to adopt this standard early and is currently assessing the potential impact, on the financial statements of the Group and the Company.

FRS 109 *Financial Instruments*
FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement.* It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Overall, the Group does not expect a significant impact on its opening retained earnings.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.18 New standards and interpretations not adopted *(cont'd)*

FRS 109 *Financial Instruments (cont'd)*

The Group's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109.

Impairment

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group does not expect a significant increase in the impairment loss allowance.

Hedge accounting

The Group does not have hedge derivatives and does not adopt hedge accounting as at 31 December 2016.

The Group plans to adopt the standard when it becomes effective in 2018.

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 First-time adoption of International Financial Reporting Standards for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 Revenue from Contracts with Customers and SG-IFRS 9 Financial Instruments will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("**ROU**") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

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 INVESTMENT PROPERTIES

	GROUP	
	2016 $'000	2015 $'000
At beginning of the year/period	**2,290,806**	–
Additions	**81,435**	117,267
Acquisitions (note 27)	**–**	2,051,712
Reclassified to development properties	**(988,270)**	–
Change in fair value	**24,409**	90,870
Translation differences	**(36,408)**	30,957
At end of the year/period	**1,371,972**	2,290,806

The investment properties comprise 3 (2015:4) completed commercial properties which are leased to third parties and 1 (2015:1) investment property under development. The leases contain initial lease terms ranging from 1 year to 20 years. Subsequent renewals are negotiated with the lessees.

In 2015, the Group acquired various investment properties as part of the initial acquisition and the considerations were satisfied by the issuance of ordinary shares of the Company (see note 27).

Contingent rental, representing income based on sales turnover by the tenants, recognised in profit or loss amounted to $4.8 million (2015: $5.8 million).

The borrowing costs capitalised in investment property under development amounted to $11.6 million (2015: $8.5 million). These borrowing costs were incurred at interest rates ranging from 3.61% – 5.25% (2015: 2.31% – 6.38%) per annum.

Transfer to development properties

Following the change of the intended use of TripleOne Somerset, the Group reclassified the property from investment property to development property. The Group has also received various regulatory permits required for the planned asset enhancement work and strata-sale.

Measurement of fair value

The fair value of investment properties of the Group as at 31 December 2016 are based on valuation as at 31 December 2016 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.

Fair value hierarchy

The fair value measurement for the investment properties of $1,372.0 million (2015: $2,290.8 million) as at 31 December 2016 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 are set out in the table above.

4 INVESTMENT PROPERTIES *(cont'd)*

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 5.00% (2015: 4.40% – 5.00%)	The estimated fair value increases with decreases in the capitalisation rate.
Investment properties – People Republic of China ("**PRC**")	Discounted cash flow method	• Discount rate 8.75% (2015: 8.75%) • Terminal yield rate 6.50% (2015: 6.50%)	The estimated fair value increases with decreases in the discount rate and terminal yield rate.
	Direct comparison	• Average value of RMB9,000 – RMB22,000 (2015: RMB9,000 – RMB22,000) per square metre	The estimated fair value increases with increases in average value of a similar class of assets.
Investment property under development – PRC	Capitalisation approach	• Capitalisation rate 6.50% (2015: 6.50%)	The estimated fair value increases with decreases in the capitalisation rate.
	Direct comparison	• Average value of RMB13,000 – RMB13,500 (2015: RMB13,000 – RMB13,500) per square metre	The estimated fair value increases with increases in average value of a similar class of assets.

Security

As at 31 December 2016, investment properties with a total carrying amount of $1,372.0 million (2015: $2,290.8 million) were pledged as security for loans and borrowings (see note 11).

5 ASSOCIATES AND JOINT VENTURES

	GROUP 2016 $'000	GROUP 2015 $'000
Interests in associates	**628,691**	530,783
Interests in joint ventures	**1,284,278**	1,298,386
Loan to an associate	**71,998**	74,841
Loans to joint ventures	**8,562**	71,103
	1,993,529	1,975,113

The loans to an associate and joint ventures are unsecured, interest-free and settlement of these amounts were neither planned nor likely to occur in the foreseeable future. As these 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 (2015: $49.9 million) which are stapled together with the equity investment of the associate. The junior bonds bear interest at the lower of 10% per annum and excess fund (determined based on the profits for the period before interest on junior bonds).

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Associates

The Group has 5 (2015:3) 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 and healthcare services which are aligned to the Group's principal activities. All associates are equity-accounted. The following are material associates:

	Principal activities	Country of incorporation	Ownership interest held by the Group 2016 %	Ownership interest held by the Group 2015 %
Nation Mind Development Limited and its subsidiaries[(a)^#] ("**Nation Mind**")	Investment holding and property development	Hong Kong	**30.0**	30.0
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries[(b)] ("**Perennial Tongzhou Holdings**")	Investment holding and property development	Singapore	**46.6**	46.6
Perennial Shenton Investors Pte. Ltd. and its subsidiaries[(b)] ("**Perennial Shenton**")	Investment and property holding	Singapore	**31.2**	31.2
Perennial Chinatown Point LLP and its subsidiaries[(b)] ("**Chinatown Point**")	Investment and property holding	Singapore	**45.15**	1.47[(c)]
Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd[(a)^] ("**Aidigong**")	Maternal care operation	PRC	**20.0**	–

(a) Audited by other auditors.

(b) Audited by KPMG LLP, Singapore.

(c) Perennial Chinatown Point LLP was classified as other financial assets in 2015.

^ This associate is not considered significant to the Group as defined under the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual. For this purpose, an associated company is considered significant as defined under SGX-ST 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.

Effective interest held by the Group is 20%.

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.

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Associates *(cont'd)*

2016	Nation Mind $'000	Perennial Tongzhou Holdings $'000	Perennial Shenton $'000	Chinatown Point $'000	Aidigong $'000	Immaterial associate $'000	Total $'000
Revenue	–	–	69,615	898	20,594		
Profit/(Loss) after tax	(198)	(243)	9,781	9,290	3,004		
OCI	9,583	(23,481)	–	–	–		
Total comprehensive income	9,385	(23,724)	9,781	9,290	3,004		
Attributable to NCI	–	–	–	–	37		
Attributable to associate's shareholders	9,385	(23,724)	9,781	9,290	2,967		
Non-current assets	35	604,225	104,035	428,019	138,714		
Current assets	592,917	10,333	1,197,480	35,719	18,822		
Non-current liabilities	(238,231)	–	(839,415)	(6,706)	(3,578)		
Current liabilities	(5,773)	(179)	(30,882)	(292,460)	(9,496)		
Net assets	348,948	614,379	431,218	164,572	144,462		
Attributable to NCI	–	–	–	–	197		
Attributable to associate's shareholders	348,948	614,379	431,218	164,572	144,265		
Carrying amount of interest in associate at end of the year	104,685	286,309	134,540	74,300	28,857		
Group's interest in net assets of associate at beginning of the year	101,869	297,364	131,488	–	–	62	530,783
Group's share of:							
Profit/(Loss) after tax	(59)	(113)	3,052	4,537	593	–	8,010
OCI	2,875	(10,942)	–	307	(141)	–	(7,901)
Total comprehensive income	2,816	(11,055)	3,052	4,844	452	–	109
Acquisitions during the year (note 27)	–	–	–	67,552	28,405	–	95,957
Carrying amount of an available-for-sale financial asset acquired as an associate	–	–	–	2,347	–	–	2,347
Disposal	–	–	–	–	–	(62)	(62)
Dividends received during the year	–	–	–	(443)	–	–	(443)
Carrying amount of interest in associate at end of the year	104,685	286,309	134,540	74,300	28,857	–	628,691

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Associates *(cont'd)*

2015	Nation Mind $'000	Perennial Tongzhou Holdings $'000	Perennial Shenton $'000	Immaterial associate $'000	Total $'000
Revenue	–	–	39,208		
Profit after tax	12,758	955	56,637		
OCI	18,603	(4,243)	–		
Total comprehensive income	31,361	(3,288)	56,637		
Attributable to NCI	–	–	–		
Attributable to associate'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		
Carrying amount of interest in associate at end of the period	101,869	297,364	131,488		
Group's interest in net assets of associate at beginning of the period	–	–	–	–	–
Group's share of:					
Profit after tax	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 associate at end of the period	101,869	297,364	131,488	62	530,783

NOTES TO THE FINANCIAL STATEMENTS

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Joint ventures

The Group has 5 (2015: 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 and healthcare services which are aligned to the Group's principal activities. All joint ventures are equity accounted. The following are material joint ventures:

	Principal activities	Country of incorporation	Ownership interest held by the Group 2016 %	2015 %
Capitol Investment Holdings Pte. Ltd. and its subsidiaries[b] ("**Capitol Entities**")	Investment and property holding	Singapore	**50.0**	50.0
Chengdu Huifeng Commercial Real Estate Co., Ltd.[a] ("**Chengdu Huifeng**")	Property development	PRC	**50.0**	50.0
Chengdu Changfeng Real Estate Development Co., Ltd.[a] ("**Chengdu Changfeng**")	Property development	PRC	**50.0**	50.0
Shenyang Summit Real Estate Development Co., Ltd.[a] ("**Shenyang Summit**")	Investment and property holding	PRC	**50.0**	50.0
St. Stamford International Medical Pte. Ltd.[b] ("**St. Stamford**")	Investment holding	Singapore	**81.63**[c]	–

(a) Audited by other member firms of KPMG International.
(b) Audited by other auditors.
(c) Although the Group holds 81.63% equity interest in this entity, decisions about relevant activities that significantly affect the returns of the entity require unanimous consent of all parties to the arrangement. It is therefore determined that the Group participates in joint control.

The High Court application for winding-up of the Capitol Entities filed by the Group on 14 April 2016 had triggered an indication of possible impairment in the carrying value of the Capitol Entities. The recoverable amounts (on a fair value less cost of disposal basis) of the Capitol Entities have been estimated by the management based on an independent external valuation of the underlying investment properties and development property. The fair value of the investment properties and development property are sensitive to the key assumptions applied in the valuations, including those relating to the future net income, capitalisation rate and expected selling prices.

On 3 March 2017, the High Court dismissed the winding-up applications of the Capitol Entities, which further contributed to the uncertainty over the long-term direction of the joint venture business. This may affect the recoverable amounts of the Capitol Entities, and accordingly, the carrying value of the investment in joint ventures and loan to joint ventures (see note 8) may have to be written down in future periods.

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Joint ventures *(cont'd)*

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.

2016	Capitol Entities $'000	Chengdu Huifeng $'000	Chengdu Changfeng $'000	Shenyang Summit $'000	St. Stamford $'000	Immaterial joint ventures $'000	Total $'000
Revenue	26,153	–	–	43,993	–		
Profit/(Loss) after tax[a]	(41,084)	(10)	76,223	13,198	1,187		
OCI	–	(14,490)	(11,421)	–	–		
Total comprehensive income	(41,084)	(14,500)	64,802	13,198	1,187		
(a) Includes:							
Depreciation and amortisation	(90)	–	–	(63)	–		
Interest expense	(19,440)	–	–	–	–		
Tax expense	(262)	–	(25,618)	(2,753)	(59)		
Non-current assets	740,937	–	372,290	1,761,990	6,437		
Current assets[b]	303,669	367,009	121,587	135,491	155		
Non-current liabilities[c]	(17,614)	–	(56,980)	(303,557)	(59)		
Current liabilities	(785,930)	–	(70,255)	(42,440)	(10)		
Net assets	241,062	367,009	366,642	1,551,484	6,523		
Attributable to the Group	120,531	183,505	183,320	775,742	5,325		
Other adjustments	–	–	–	–	950		
Carrying amount of interest in joint venture at end of the year	120,531	183,505	183,320	775,742	6,275		
(b) Includes cash and cash equivalents	35,612	689	4,713	10,683	155		
(c) Includes non-current financial liabilities (excluding trade and other payables and provisions)	–	–	–	–	(59)		
Group's interest in net assets of joint venture at beginning of the year	141,073	190,755	150,920	799,884	–	15,754	1,298,386
Group's share of:							
Profit/(Loss) after tax	(20,542)	(5)	38,111	6,599	965	(960)	24,168
OCI	–	(7,245)	(5,711)	(30,741)	(15)	11	(43,701)
Total comprehensive income	(20,542)	(7,250)	32,400	(24,142)	950	(949)	(19,533)
Acquisitions during the year	–	–	–	–	5,325	100	5,425
Carrying amount of interest in joint venture at end of the year	120,531	183,505	183,320	775,742	6,275	14,905	1,284,278

5 ASSOCIATES AND JOINT VENTURES *(cont'd)*

Joint ventures *(cont'd)*

2015	Capitol Entities $'000	Chengdu Huifeng $'000	Chengdu Changfeng $'000	Shenyang Summit $'000	Immaterial joint ventures $'000	Total $'000
Revenue	46,313	–	–	51,467		
Profit/(Loss) after tax[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	(80)	–	(1)	(142)		
Interest expense	(10)	–	–	–		
Tax expense	(1,382)	–	–	(5,359)		
Non-current assets	727,651	–	177	1,843,924		
Current assets[b]	344,573	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	282,145	381,510	301,841	1,599,768		
Attributable to the Group	141,073	190,755	150,920	799,884		
Other adjustments	–	–	–	–		
Carrying amount of interest in joint venture at end of the period	141,073	190,755	150,920	799,884		
[b] Includes cash and cash equivalents	28,779	10	22,309	18,196		
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(4,168)	–	–	–		
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(609,701)	–	–	–		
Group's interest in net assets of joint venture at beginning of the period	–	–	–	–	–	–
Group's share of:						
Profit/(Loss) after tax	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 joint venture at end of the period	141,073	190,755	150,920	799,884	15,754	1,298,386

As at 31 December 2016, the shares in certain joint ventures were pledged as security for loans and borrowings (see note 11).

6 INTANGIBLE ASSETS AND GOODWILL

Group	Goodwill $'000	Management contracts $'000	Total $'000
Cost			
At 1 July 2014	–	–	–
Acquisitions (note 27)	63,155	28,244	91,399
At 31 December 2015	63,155	28,244	91,399
Write-off	–	(2,204)	(2,204)
At 31 December 2016	63,155	26,040	89,195
Accumulated amortisation			
At 1 July 2014	–	–	–
Amortisation charge for the period	–	(3,295)	(3,295)
At 31 December 2015	–	(3,295)	(3,295)
Amortisation charge for the year	–	(2,604)	(2,604)
Write-off	–	257	257
At 31 December 2016	–	(5,642)	(5,642)
Carrying amounts			
At 1 July 2014	–	–	–
At 31 December 2015	63,155	24,949	88,104
At 31 December 2016	63,155	20,398	83,553

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:

	2016 $'000	2015 $'000
Management business	**63,155**	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.

6 INTANGIBLE ASSETS AND GOODWILL *(cont'd)*

	2016 %	2015 %
Discount rate	**9.6 – 13.1**	9.6 – 11.4
Terminal value growth rate	**3.0 – 5.0**	3.0 – 5.0
Budgeted EBITDA growth rate	**3.0 – 5.0**	3.0 – 5.0

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	
	2016 %	2015 %
Discount rate	**1.10**	0.24

7 OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Available-for-sale				
Quoted equity securities	**67,214**	48,537	**67,214**	48,037
Unquoted equity securities	**–**	5,419	**–**	–
	67,214	53,956	**67,214**	48,037

The fair value of quoted equity securities are based on quoted bid price. In 2015, 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.

Quoted equity securities of $66.2 million (2015: Nil) are pledged as security to obtain credit facilities (see note 11).

Information about the Group and the Company's exposures to market risks and fair value measurement is included in note 25.

8 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables	**8,671**	10,226	**–**	–
Deposits	**4,854**	5,833	**–**	–
Trade amounts due from:				
– subsidiaries	**–**	–	**14,874**	2,964
– associates	**4**	386	**4**	–
– joint ventures	**2,746**	1,610	**–**	–
Non-trade amounts due from:				
– subsidiaries	**–**	–	**37,482**	46,029
– related corporations	**–**	2,247	**–**	–
– associates	**26,611**	37,168	**–**	–
– an affiliated company	**36,011**	–	**–**	–
– non-controlling interests	**34,111**	34,645	**–**	–
Loans to joint ventures	**375,709**	493	**–**	–
Interest receivables	**11,702**	3,058	**24,032**	1,766
Other receivables	**28,691**	11,085	**2,072**	1,715
	529,110	106,751	**78,464**	52,474
Prepayments	**15,169**	14,960	**82**	37
	544,279	121,711	**78,546**	52,511
Non-current	**15,786**	15,401	**–**	–
Current	**528,493**	106,310	**78,546**	52,511
	544,279	121,711	**78,546**	52,511

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Non-trade amounts due from associates are unsecured and repayable on demand. In respect of interest-bearing amounts owing by associates with carrying amounts of $17.9 million (2015: $37.0 million), interests are charged at 7.64% – 11.64% (2015: 7.64%) per annum.

Non-trade amounts due from related corporations and non-controlling interests are unsecured, interest-free and repayable on demand.

Non-trade amount due from an affiliated company is unsecured, interest-free and repayable in January 2017.

Loans to joint ventures are unsecured, interest-free and repayable on demand with the exception of the loan to a joint venture of $368.6 million, which bears an interest rate of 3.5% per annum, and maturing on 31 March 2017 with an option to renew.

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables is disclosed in note 25.

9 DEVELOPMENT PROPERTIES

	GROUP	
	2016 $'000	2015 $'000
Development properties, at cost	**2,757,943**	1,756,442

Development properties consist of completed commercial properties for sale and land parcels that the Group has intention to develop and sell upon completion. The Group assessed the net realisable value of the completed properties for sale by reference to the recent transacted prices. The net realisable values of the land parcels were assessed by reference to the gross development value of the properties and estimated costs to complete the development. The assessment of the gross development value involved making certain assumptions, including market rental, capitalisation and discount rates. Changes in market conditions may affect the net realisable value of the development properties and accordingly, the carrying value of the development properties may have to be written down in the future periods.

9 DEVELOPMENT PROPERTIES *(cont'd)*

The borrowing cost capitalised in development properties amounted to $13.1 million (2015: $7.6 million). These borrowing costs were incurred at interest rates ranging from 1.46% – 7.64% (2015: 4.68% – 7.64%) per annum.

The development properties recognised as 'cost of sales' amounted to $7.6 million (2015: Nil).

Transfer from investment properties

The Group reclassified one of its investment property, TripleOne Somerset, from investment property to development property (see note 4).

Security

As at 31 December 2016, development properties with a total carrying amount of $2,284.7 million (2015: Nil) were pledged as security for loans and borrowings (see note 11).

10 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Cash at bank and in hand	**155,908**	124,801	**4,963**	2,871
Short-term deposits	**70,335**	37,229	**–**	23,674
Cash and cash equivalents in the statements of financial position	**226,243**	162,030	**4,963**	26,545

Cash and cash equivalents amounting to $49.0 million (2015: $82.6 million) is charged or assigned by way of security for credit facilities granted to the Group (see note 11).

11 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	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Non-current liabilities				
Bank loans (secured)	**1,043,495**	1,146,424	**28,408**	–
Bank loans (unsecured)	**49,206**	198,274	**–**	–
Medium term notes (unsecured)	**222,585**	99,380	**–**	–
Retail bonds (unsecured)	**577,170**	297,326	**577,170**	297,326
	1,892,456	1,741,404	**605,578**	297,326
Current liabilities				
Bank loans (secured)	**703,062**	70,376	**29,125**	–
Bank loans (unsecured)	**120,000**	50,000	**–**	–
Medium term notes (unsecured)	**–**	49,880	**–**	–
	823,062	170,256	**29,125**	–

The Group and the Company's exposure to interest rate, foreign currency and liquidity risk are disclosed in note 25.

11 LOANS AND BORROWINGS *(cont'd)*

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					
2016					
Bank loans (secured)	RMB	4.90 – 6.15	2017 – 2021	286,531	286,484
Bank loans (secured)	SGD	1.26 – 4.12	2017 – 2019	1,469,199	1,460,073
Bank loans (unsecured)	SGD	2.12 – 4.15	2017 – 2018	170,000	169,206
Medium term notes (unsecured)[(1)]	SGD	4.25	2018	100,000	99,131
Medium term notes (unsecured)[(1)]	SGD	4.90	2019	125,000	123,454
Retail bonds (unsecured)	SGD	4.65	2018	300,000	298,278
Retail bonds (unsecured)	SGD	4.55	2020	280,000	278,892
				2,730,730	2,715,518
Company					
2016					
Bank loans (secured)	SGD	1.26 – 2.83	2017 – 2018	60,400	57,533
Retail bonds (unsecured)	SGD	4.65	2018	300,000	298,278
Retail bonds (unsecured)	SGD	4.55	2020	280,000	278,892
				640,400	634,703

	Currency	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
Group					
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					
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. The notes were fully redeemed on maturity.

11 LOANS AND BORROWINGS *(cont'd)*

Securities

As at 31 December 2016, the bank loans are secured on the followings:

- First legal mortgage over the investment properties and land use rights of the investment property under development (see note 4) and development properties (see note 9);
- First fixed charge over the bank accounts and other assets of certain subsidiaries (see note 10);
- 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.

12 JUNIOR BONDS

	GROUP	
	2016 $'000	2015 $'000
Junior bonds (secured)	**143,977**	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 2016 $'000	Face Value 2015 $'000	Carrying amount 2016 $'000	Carrying amount 2015 $'000
Junior bonds (secured)	SGD	Lower of 10% per annum and excess fund*	2018 – 2020	**144,042**	144,042	**143,977**	143,924

* Excess fund is determined based on the profits of the Subsidiaries for the year 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 property (see note 4) and the development property (see note 9);

(ii) an assignment of the insurance policy relating to the investment property and the development property; 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 the investment property and the development property.

13 REDEEMABLE PREFERENCE SHARES

	GROUP	
	2016 $'000	2015 $'000
Redeemable preference shares	**47,613**	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.

13 REDEEMABLE PREFERENCE SHARES *(cont'd)*

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.

14 SHARE-BASED PAYMENT ARRANGEMENTS

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014")

The Perennial ESOS 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.

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 1^{st} anniversary of the date of grant – 25% of options granted
- After 2^{nd} anniversary of the date of grant – 25% of options granted
- After 3^{rd} anniversary of the date of grant – 25% of options granted
- After 4^{th} 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 2^{nd} anniversary of the date of grant – 25% of options granted
- After 3^{rd} anniversary of the date of grant – 25% of options granted
- After 4^{th} anniversary of the date of grant – 25% of options granted
- After 4.5^{th} anniversary of the date of grant – 25% of options granted

As at 31 December 2016, the total number of outstanding options under the grant was 16,880,000 (2015: 20,590,000).

No option was granted during the financial year ended 31 December 2016.

14 SHARE-BASED PAYMENT ARRANGEMENTS *(cont'd)*

Perennial Employee Share Option Scheme 2014 ("Perennial ESOS 2014") *(cont'd)*

At the end of the financial year, details of the options granted on the unissued ordinary shares of the Company are as follows:

Unissued Shares under Perennial ESOS 2014

Date of grant	As at 1/1/2016 '000	No. of options granted during the year '000	No. of options lapsed/ cancelled '000	No. of options exercised '000	As at 31/12/2016 '000	Exercise price per share $	Validity period
15/5/2015	15,490	–	(3,710)	–	11,780	1.07	16/5/2016 – 15/5/2020
8/10/2015	5,100	–	-	–	5,100	0.95	9/10/2016 – 8/10/2020
Total	20,590	–	(3,710)	–	16,880		

The number of outstanding options represents 1.01% of the total number of shares issued as at 31 December 2016 (2015: 1.25%).

Measurement of fair values – Equity-settled share-based payment arrangements

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.

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

	2016 $'000	2015 $'000
Share options granted	1,483	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 2016 $	Number of options 2016 '000	Weighted average exercise price per share 2015 $	Number of options 2015 '000
Outstanding at the beginning of the year/period	1.04	20,590	0.15	360
Granted during the year/period	–	–	1.04	20,690
Lapsed/cancelled during the year/period	1.07	(3,710)	0.35	(460)
Outstanding at end of the year/period	1.03	16,880	1.04	20,590
Exercisable at end of the year/period	1.03	3,840	–	–

The options outstanding at 31 December 2016 have a weighted average exercise price of $1.03 (2015: $1.04) per share and a contractual life of 5 years.

15 TRADE AND OTHER PAYABLES

	GROUP 2016 $'000	GROUP 2015 $'000	COMPANY 2016 $'000	COMPANY 2015 $'000
Trade payables	2,825	2,149	–	–
Properties development expenditures	57,501	78,724	–	–
Accrued operating expenses	12,251	14,313	3,078	3,429
Interest payables	16,455	18,339	5,341	3,659
Other payables	25,817	28,411	436	988
Security deposits	14,669	18,490	–	–
Non-trade amounts due to:				
– a joint venture	49,042	31,889	–	–
– subsidiaries	–	–	13,141	13,379
– related corporations	48,211	34,836	–	–
– an affiliated company	30,178	130,599	–	–
– non-controlling interests	29,968	38,118	–	–
	286,917	395,868	21,996	21,455
Deferred income	337	337	–	–
Advance rental received	3,789	3,862	–	–
	291,043	400,067	21,996	21,455
Non-current	33,932	35,374	–	–
Current	257,111	364,693	21,996	21,455
	291,043	400,067	21,996	21,455

Non-trade amounts due to a joint venture are unsecured, bear interest at 0.01% (2015: 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 amount due to an affiliated company is unsecured, interest-free (2015: 7.64% per annum) and repayable in January 2017.

As at 31 December 2016, the non-trade amounts due to non-controlling interests consist of the followings:

(i) The loan of $24.8 million (2015: $25.8 million) which is unsecured, interest-free and repayable on demand from 2020 (2015: 2017);

(ii) The loan of $1.4 million (2015: Nil) which is unsecured, interest-free and repayable on demand; and

(iii) The remaining amount of $3.8 million (2015: $12.3 million) which is non-trade, 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 25.

16 DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Movements in temporary differences during the year are as follows:

Group	Balance as at 1/7/2014 $'000	Acquisition during the period (note 27) $'000	Recognised in profit or loss (note 23) $'000	Foreign exchange differences $'000	Balance as at 31/12/2015 $'000	Recognised in profit or loss (note 23) $'000	Foreign exchange differences $'000	Balance as at 31/12/2016 $'000
Investment properties	–	42,358	13,402	1,695	57,455	6,102	(2,182)	61,375
Undistributed profits of joint venture	–	1,269	669	1	1,939	(1,939)	–	–
	–	43,627	14,071	1,696	59,394	4,163	(2,182)	61,375

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	GROUP	
	2016 $'000	2015 $'000
Tax losses	**26,717**	20,889

The tax losses with expiry dates are as follows:

	GROUP	
	2016 $'000	2015 $'000
Within 5 years	**7,977**	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.

17 SHARE CAPITAL

	Ordinary shares	
	2016 '000	2015 '000
Company		
In issue at beginning of the year/period	**1,655,468**	382,871
Issuance of shares for initial acquisition	**–**	40,027,010
Share consolidation	**–**	(39,601,683)
	1,655,468	808,198
Issuance of shares for subsequent adjustments and acquisition	**–**	844,338
Issuance of shares for acquisition of non-controlling interest without change of control	**9,676**	2,932
In issue at end of the year/period	**1,665,144**	1,655,468

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.

18 RESERVES

Other reserves

	GROUP		COMPANY	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Capital reserve	**432,169**	447,179	**–**	–
Fair value reserve	**4,549**	(134)	**4,549**	(109)
Equity compensation reserve	**3,038**	1,613	**3,215**	1,732
	439,756	448,658	**7,764**	1,623

Capital reserve comprises mainly the difference between the paid up capital of the shares issued and the fair value of the initial acquisition acquired (see note 27) 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.

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

The Board of Directors of the Company has proposed a tax-exempt ordinary dividend of 0.4 Singapore cents per share in respect of the financial year ended 31 December 2016. This would amount to a payout of approximately $6.7 million based on the number of issued shares as at 31 December 2016. The tax-exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company and have not been provided for as at 31 December 2016.

For the financial period ended 31 December 2015, a tax-exempt ordinary dividend of 0.4 Singapore cents per share was approved at the annual general meeting held on 25 April 2016. The said dividends of $6.6 million were paid in May 2016.

19 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 2016 %	Ownership interest held by the NCI 2015 %
Chengdu Ruifeng Real Estate Development Co., Ltd. ("**Chengdu Ruifeng**")	PRC	**20.0**	20.0
Xi'an Perennial Cheng Tou West Real Estate Co., Ltd. ("**Xi'an West**")	PRC	**49.0**	49.0
Xi'an Perennial Cheng Tou East Real Estate Co., Ltd. ("**Xi'an East**")	PRC	**49.0**	49.0
Perennial Somerset Investors Pte. Ltd. and its subsidiaries ("**Perennial Somerset**")	Singapore	**49.8**	49.8
Perennial (CHIJMES) Pte. Ltd. and its subsidiaries ("**Perennial CHIJMES**")	Singapore	**48.4**	48.4
Perennial Tongzhou Development Pte. Ltd. and its subsidiaries ("**Perennial Tongzhou Development**")	Singapore	**47.4**	47.4
Perennial Hengqin Investment Group Pte. Ltd. ("**Perennial Hengqin**")	Singapore	**33.3**	33.3

19 NON-CONTROLLING INTERESTS *(cont'd)*

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.

2016	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
Revenue	–	–	–	45,193	13,805	–	–		
Profit/(Loss) after tax	17,919	(459)	(379)	4,111	(144)	(1,294)	3,116		
OCI	(11,815)	(9,269)	(7,586)	–	–	(59,777)	2,880		
Total comprehensive income	6,104	(9,728)	(7,965)	4,111	(144)	(61,071)	5,996		
Attributable to NCI:									
Profit/(Loss) after tax	8,089	(225)	(186)	2,047	(70)	(819)	935	561	10,332
OCI	(2,987)	(4,542)	(3,717)	–	–	(28,316)	960	(1,319)	(39,921)
Total comprehensive income	5,102	(4,767)	(3,903)	2,047	(70)	(29,135)	1,895	(758)	(29,589)
Non-current assets	603,736	173	215	14	334,256	4	176,682		
Current assets	5,574	246,133	192,379	1,024,879	10,729	1,427,424	1,795		
Non-current liabilities	(126,235)	–	–	(1,007,897)	(63,908)	(205,768)	(74,463)		
Current liabilities	(59,222)	(875)	(847)	(12,274)	(202,996)	(91,018)	(4)		
Net assets	423,853	245,431	191,747	4,722	78,081	1,130,642	104,010		
Net assets attributable to NCI	84,771	120,261	93,956	2,352	37,781	675,466	34,670	16,058	1,065,315
Cash flows from operating activities	(63)	(11,188)	(1,169)	1,461	(2,191)	(65,373)	(5)		
Cash flows from investing activities	(45,475)	(10)	(95)	(4,490)	23	(5)	–		
Cash flows from financing activities	28,247	13,169	–	(11,239)	3,105	143,288	–		
Net (decrease)/ increase in cash and cash equivalents	(17,291)	1,971	(1,264)	(14,268)	937	77,910	(5)		

19 NON-CONTROLLING INTERESTS *(cont'd)*

2015	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
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		

20 REVENUE

	GROUP	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Property rental and related income	79,493	102,735
Fee income from real estate management services	20,298	18,197
Sale of development properties	10,400	–
Acquisition fee	–	11,700
Entertainment business income	–	6,797
	110,191	139,429

21 OTHER INCOME

	GROUP	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Fair value gain on revaluation of investment properties	24,409	90,870
Amounts drawn down under the earn-out deed	–	7,270
Foreign currency exchange gains (net)	7,031	6,416
Others	4,876	8,057
	36,316	112,613

In the previous financial 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.

22 NET FINANCE COSTS

	GROUP	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Interest income on loans to associates and joint ventures	11,839	2,109
Interest income on junior bonds of an associate	3,740	3,111
Interest income on bank deposits	770	468
Finance income	16,349	5,688
Interest expense on financial liabilities measured at amortised cost	98,339	90,299
Less:		
Borrowing costs capitalised in:		
– investment properties	(11,575)	(8,537)
– development properties	(13,102)	(7,621)
Finance costs	73,662	74,141
Net finance costs recognised in profit or loss	57,313	68,453

23 TAX EXPENSE

		GROUP	
	Note	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Tax recognised in profit or loss			
Current tax expense			
Current year/period		3,262	3,223
Adjustment for prior period		1,108	–
		4,370	3,223
Deferred tax expense			
Origination and reversal of temporary differences		6,102	14,071
Adjustment for prior period		(1,939)	–
	16	4,163	14,071
Total tax expense		8,533	17,294
Reconciliation of effective tax rate			
Profit before tax		53,918	128,428
Share of results of associates and joint ventures, net of tax		(32,178)	(39,789)
		21,740	88,639
Tax using Singapore tax rate of 17% (2015: 17%)		3,696	15,069
Effect of tax rates in foreign jurisdictions		3,074	5,292
Non-deductible expenses		4,362	2,741
Tax exempt income		(1,493)	(9,358)
Deferred tax recognised in respect of undistributed profits of joint venture		–	669
Current year losses for which no deferred tax asset was recognised		1,540	–
Changes in temporary differences		(1,735)	2,929
Overprovision in prior period		(831)	–
Others		(80)	(48)
		8,533	17,294

24 PROFIT FOR THE YEAR/PERIOD

The following items have been included in arriving at profit for the year/period:

	GROUP	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Audit fees paid/payable to:		
– auditors of the Company	**654**	623
Non-audit fees paid/payable to:		
– auditors of the Company	**107**	958#
– other auditors	**71**	121
Operating lease expense	**844**	595
Direct operating expenses arising from rental of investment properties	**31,477**	29,544
Depreciation and amortisation expense	**3,362**	4,412
Intangible assets written-off	**1,947**	–
Employee benefits expense (see below)	**20,193**	30,077
Employee benefits expense		
Salaries, bonuses and other costs	**17,725**	26,738
Contributions to defined contribution plans	**985**	1,606
Equity-settled share-based payment transactions	**1,483**	1,733
	20,193	30,077

\# 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 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.

25 FINANCIAL INSTRUMENTS *(cont'd)*

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.

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	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
By geographical areas				
Singapore	**388,221**	50,525	**78,464**	52,474
PRC	**133,386**	51,218	**–**	–
Others	**7,503**	5,008	**–**	–
	529,110	106,751	**78,464**	52,474
By type of counterparty				
Related parties	**494,052**	76,549	**76,392**	48,993
Non-related parties	**35,058**	30,202	**2,072**	3,481
	529,110	106,751	**78,464**	52,474

(1) Excludes prepayments

As at 31 December 2016, the Group's most significant counterparty, a joint venture of the Group, accounts for $368.6 million (2015: an associate with $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.

25 FINANCIAL INSTRUMENTS *(cont'd)*

Credit risk *(cont'd)*

Impairment

The ageing of trade receivables that were not impaired at the reporting date was:

	GROUP		COMPANY	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Neither past due nor impaired	**6,937**	9,200	**3,910**	2,964
Past due 1 – 30 days	**615**	350	**–**	–
Past due 31 – 60 days	**297**	410	**–**	–
Past due over 60 days	**3,572**	652	**10,968**	–
	11,421	10,612	**14,878**	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 historic payment behaviour.

Movement in the allowance for impairment of trade and other receivables is as follows:

	GROUP	
	2016 $'000	2015 $'000
Individual impairments		
At beginning of the year/period	**639**	209
Distribution to owners of the Company	**–**	(209)
Impairment loss recognised	**155**	676
Amounts written-off	**(62)**	(37)
At end of the year/period	**732**	639

Cash and cash equivalents

The Group and Company held cash and cash equivalents of $226.2 million and $5.0 million respectively at 31 December 2016 (2015: $162.0 million and $26.5 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 development properties (see note 32).

25 FINANCIAL INSTRUMENTS *(cont'd)*

Liquidity risk *(cont'd)*

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Group	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
2016						
Non-derivative financial liabilities						
Loans and borrowings	2,715,518	(2,932,021)	(912,081)	(1,864,859)	(155,081)	–
Trade and other payables[(1)]	286,917	(288,092)	(254,157)	(33,935)	–	–
Junior bonds	143,977	(160,951)	(12,295)	(148,656)	–	–
Redeemable preference shares	47,613	(47,613)	–	–	–	(47,613)
	3,194,025	(3,428,677)	(1,178,533)	(2,047,450)	(155,081)	(47,613)
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)

(1) Excludes deferred income and advanced rental received.

Company	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	2 to 5 years $'000
2016				
Non-derivative financial liabilities				
Loans and borrowings	634,703	(709,769)	(57,989)	(651,780)
Trade and other payables	21,996	(21,996)	(21,996)	–
	656,699	(731,765)	(79,985)	(651,780)
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)

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 and securities drawn by its subsidiaries of $925.0 million (2015: $680.0 million). 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.

25 FINANCIAL INSTRUMENTS *(cont'd)*

Market risk

Market risk is the risk that changes in market prices, such as foreign currency 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 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 currency risk is as follows:

Group	USD $'000	RMB $'000
2016		
Cash and cash equivalents	50,141	1,046
Trade and other receivables	39,861	6,837
Trade and other payables	(856)	(48,112)
	89,146	(40,229)
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)

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.

	GROUP PROFIT OR LOSS	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
USD (5% strengthening)	**4,457**	(240)
RMB (5% strengthening)	**(2,011)**	(2,716)
USD (5% weakening)	**(4,457)**	240
RMB (5% weakening)	**2,011**	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.

25 FINANCIAL INSTRUMENTS *(cont'd)*

Interest rate risk *(cont'd)*

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 2016 $'000	2015 $'000	COMPANY NOMINAL AMOUNT 2016 $'000	2015 $'000
Fixed rate instruments					
Loans and borrowings	11	**(805,000)**	(450,000)	**(580,000)**	(300,000)
Variable rate instruments					
Loan to subsidiaries	31	**–**	–	**532,771**	214,541
Interest in associates – Junior bonds	5	**49,920**	49,920	**–**	–
Cash and cash equivalents	10	**226,243**	162,030	**4,963**	26,545
Loans and borrowings	11	**(1,925,730)**	(1,476,214)	**(60,400)**	–
Junior bonds	12	**(144,042)**	(144,042)	**–**	–
		(1,793,609)	(1,408,306)	**477,334**	241,086

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 $1.8 million (2015: $1.4 million) for the Group and increased profit or loss (before any tax effects) by $0.5 million (2015: $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.

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 $6.7 million (2015: $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 divest 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.

25 FINANCIAL INSTRUMENTS *(cont'd)*

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			
Group	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
2016									
Financial assets measured at fair value									
Other financial assets	7	–	67,214	–	67,214	67,214	–	–	67,214
Financial assets not measured at fair value									
Interest in associates									
– Junior bonds	5	49,920	–	–	49,920				
Trade and other receivables (1)	8	529,110	–	–	529,110				
Cash and cash equivalents	10	226,243	–	–	226,243				
		805,273	–	–	805,273				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Secured and unsecured bank loans	11	–	–	(1,915,763)	(1,915,763)				
– Medium term notes	11	–	–	(222,585)	(222,585)	(225,431)	–	–	(225,431)
– Retail bonds	11	–	–	(577,170)	(577,170)	(573,800)	–	–	(573,800)
Trade and other payables (2)	15	–	–	(272,248)	(272,248)				
Security deposits	15	–	–	(14,669)	(14,669)	–	–	(14,105)	(14,105)
Junior bonds	12	–	–	(143,977)	(143,977)	–	–	(144,042)	(144,042)
Redeemable preference shares	13	–	–	(47,613)	(47,613)	–	–	(47,613)	(47,613)
		–	–	(3,194,025)	(3,194,025)				

25 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classifications and fair values *(cont'd)*

		Carrying amount				Fair value			
Group	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
2015									
Financial assets measured at fair value									
Other financial assets	7	–	53,956	–	53,956	48,537	–	5,419	53,956
Financial assets not measured at fair value									
Interest in associates									
– Junior bonds	5	49,920	–	–	49,920				
Trade and other receivables (1)	8	106,751	–	–	106,751				
Cash and cash equivalents	10	162,030	–	–	162,030				
		318,701	–	–	318,701				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Secured and unsecured bank loans	11	–	–	(1,465,074)	(1,465,074)				
– Medium term notes	11	–	–	(149,260)	(149,260)	(149,675)	–	–	(149,675)
– Retail bonds	11	–	–	(297,326)	(297,326)	(303,600)	–	–	(303,600)
Trade and other payables (2)	15	–	–	(377,378)	(377,378)				
Security deposits	15	–	–	(18,490)	(18,490)	–	–	(17,759)	(17,759)
Junior bonds	12	–	–	(143,924)	(143,924)	–	–	(144,042)	(144,042)
Redeemable preference shares	13	–	–	(47,613)	(47,613)	–	–	(47,613)	(47,613)
		–	–	(2,499,065)	(2,499,065)				

25 FINANCIAL INSTRUMENTS *(cont'd)*

Accounting classifications and fair values *(cont'd)*

		Carrying amount				Fair value			
Company	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
2016									
Financial assets measured at fair value									
Other financial assets	7	–	67,214	–	67,214	67,214	–	–	67,214
Financial assets not measured at fair value									
Trade and other receivables[1]	8	78,464	–	–	78,464				
Cash and cash equivalents	10	4,963	–	–	4,963				
		83,427	–	–	83,427				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Secured bank loans	11	–	–	(57,533)	(57,533)				
– Retail bonds	11	–	–	(577,170)	(577,170)	(573,800)	–	–	(573,800)
Trade and other payables	15	–	–	(21,996)	(21,996)				
		–	–	(656,699)	(656,699)				
2015									
Financial assets measured at fair value									
Other financial assets	7	–	48,037	–	48,037	48,037	–	–	48,037
Financial assets not measured at fair value									
Trade and other receivables[1]	8	52,474	–	–	52,474				
Cash and cash equivalents	10	26,545	–	–	26,545				
		79,019	–	–	79,019				
Financial liabilities not measured at fair value									
Loans and borrowings									
– Retail bonds	11	–	–	(297,326)	(297,326)	(303,600)	–	–	(303,600)
Trade and other payables	15	–	–	(21,455)	(21,455)				
		–	–	(318,781)	(318,781)				

(1) Excludes prepayments

(2) Excludes security deposit, deferred income and advanced rental received

25 FINANCIAL INSTRUMENTS *(cont'd)*

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
Security deposits, junior bonds and redeemable preference shares	Discounted cash flows: The valuation model considers the present value of future principal and interest cash flows, discounted using a risk adjusted discount rate. The discount rate used are 2.15% – 7.50% (2015: 2.77% – 7.40%).

(ii) Transfers between the levels

There were no transfers between the levels during the 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 and 1 January 2016	5,419
Disposal	(3,097)
Change in fair value recognised in OCI	25
Reclassification to investment in associate	(2,347)
At 31 December 2016	–

Sensitivity analysis

For the fair value of unquoted 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.

Unquoted equity securities – available-for-sale

The Group does not have unquoted equity security – available-for-sale as at 31 December 2016.

	GROUP OCI, NET OF TAX	
2015	Increase $'000	Decrease $'000
Net asset values of the investee entities (10% movement)	542	(542)

26 EARNINGS PER SHARE

	GROUP	
	Year ended 31/12/2016	Period from 1/7/2014 to 31/12/2015
Earnings per share (cents)		
Basic	**2.11**	6.85
Diluted	**2.11**	6.85

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and weighted-average number of ordinary shares in issue during the year/period, calculated as follows:

	GROUP	
	Year ended 31/12/2016 $'000	Period from 1/7/2014 to 31/12/2015 $'000
Profit attributable to owners of the Company for the year/period	**35,053**	79,040

Weighted-average number of ordinary shares

	GROUP	
	Year ended 31/12/2016 Number of shares '000	Period from 1/7/2014 to 31/12/2015 Number of shares '000
Issued ordinary shares at beginning of the year/period	**1,655,468**	382,871
Effect of share consolidation	**–**	(375,214)
Effect of shares issued during the year/period	**4,177**	1,146,333
Weighted-average number of ordinary shares in issue during the year/period	**1,659,645**	1,153,990

Diluted earnings per share

The diluted earnings per share is the same as basic earnings per share as 16,880,000 (2015: 20,590,000) share options were not included in the calculation of diluted earnings per share. Diluted EPS is the same as the basic EPS as there are no dilutive potential ordinary shares in issue during the year.

27 ACQUISITIONS

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.

During the year, the Group has the following acquisitions:

(A) Acquisition of associates and joint ventures

The Group acquired the following equity interests:

- additional 26.56% in PRE 3 Investment Pte. Ltd. ("**PRE 3**") for a consideration of $5.8 million, which owns a 13.8% equity interest in Perennial Chinatown Point Limited Liability Partnership ("**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 has increased to 37.2% and PRE 3 became an associate of the Group. The Group's effective interest in PCP LLP has increased from 1.47% to 5.15%. The acquisition is accounted for as an acquisition of assets;
- additional 40% in PCP LLP for cash consideration $61.8 million. The Group's effective interest in PCP LLP has increased from 5.15% to 45.15%. The acquisition is accounted for as an acquisition of assets; and
- 20% equity interest in Shenzhen Aidigong Modern Maternal and Child Health Management Co., Ltd ("**Aidigong**") for a cash consideration of $28.4 million and 40% effective equity interest in Modern Hospital Guangzhou Limited Liability Company ("**Modern Hospital**") for a cash consideration of $2.7 million. The Group accounted for these acquisitions as business combination.

Details of the consideration transferred, the fair values attributed to the investee's identifiable assets acquired and liabilities assumed and goodwill at the acquisition dates, were as follows:

(i) Consideration transferred

	Aidigong $'000	Modern Hospital $'000
Total consideration transferred	28,405	2,670

(ii) Fair value of identifiable assets acquired and liabilities assumed

	Aidigong $'000	Modern Hospital $'000
Plant and equipment	1,721	2,234
Intangible assets	14,417	1,364
Deferred tax assets	192	–
Other financial assets	16,519	1,369
Trade and other receivables	1,388	4,914
Inventories	317	762
Cash and cash equivalents	10,381	1,119
Deferred tax liabilities	(3,576)	(341)
Trade and other payables	(7,044)	(5,280)
Current tax liabilities	(30)	(142)
Total identifiable net assets	**34,285**	**5,999**
Fair value of total identifiable net assets attributable to the Group	**6,857**	**2,400**

27 ACQUISITIONS *(cont'd)*

(A) Acquisition of associates and joint ventures *(cont'd)*

(iii) Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets	• Relief-from-royalty method: considers the discounted estimated royalty payment that are expected to be avoided as result of trademark being owned. • Multi-period excess earnings method: considers the present value of net cash flows related to contributory assets. • Differential cash flow method: consider the present value of forecasted cash flow from the favourable/unfavourable contract based on its remaining contract life.
Deferred tax liabilities	• Prevailing corporate tax rate applied to taxable temporary differences arising from the fair value of intangible assets acquired.

(iv) Goodwill

Goodwill arising from the acquisitions in the financial year ended 31 December 2016 has been recognised as follows:

	Aidigong $'000	Modern Hospital $'000
Total consideration transferred	28,405	2,670
Fair value of total identifiable net assets attributable to the Group	(6,857)	(2,400)
Goodwill	21,548	270

The goodwill arising mainly from non-contractual customer relationship, established distribution network and technical skills vested in the teams acquired that cannot be reliably measured separately.

(B) Acquisition of non-controlling interests

During the year, the Group issued 9.7 million ordinary shares of the Company as consideration to acquire 51% interest in Perennial Real Estate Pte. Ltd.. The acquisition was subject to certain terms and conditions and completed on 27 July 2016.

In 2015, the Group had the following 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 integrated real estate development projects located in Beijing, Chengdu, Xi'an and Zhuhai in the People's Republic of China ("**PRC**"), CHIJMES, TripleOne Somerset, Capitol Singapore, House of Tan Yeok Nee, Chinatown Point and 112 Katong in Singapore, approximately 28.03% interest in Perennial China Retail Trust ("**PCRT**") (collectively "**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**").

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 from Singapore Stock Exchange on 5 February 2015.

27 ACQUISITIONS *(cont'd)*

(A) Initial acquisition *(cont'd)*

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.

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 in the financial period ended 31 December 2015:

	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
Perennial (China) Retail Management Pte. Ltd.	Singapore	100.0
– Perennial (Shanghai) Retail Management Co., Ltd.	PRC	100.0

27 ACQUISITIONS *(cont'd)*

(A) Initial acquisition *(cont'd)*

	Country of incorporation	Ownership interest acquired %
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 for the financial period ended 31 December 2015, 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

27 ACQUISITIONS *(cont'd)*

(A) Initial acquisition *(cont'd)*

(iii) Fair value of identifiable assets acquired and liabilities assumed

	Note	$'000
Plant and equipment		1,614
Investment properties	4	2,051,712
Management contracts	6	28,244
Associates and joint ventures		1,694,629
Other financial assets		5,445
Development properties		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	16	(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 in the financial period ended 31 December 2015 are similar to those disclosed in note 4 and note 7 respectively.

(vi) Goodwill

Goodwill arising from the acquisition in the financial period ended 31 December 2015 has been recognised as follows:

	Note	$'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	6	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.

27 ACQUISITIONS *(cont'd)*

(B) Other acquisition

On 20 August 2015, the Group acquired a 55% stake in Skillplus Investments Ltd. ("Skillplus"). Skillplus, through its subsidiary, holds a development property 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
Development property	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 ended 31 December 2015, 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

During the period ended 31 December 2015, the Group acquired an additional 17.5% of Perennial China Retail Trust Management Pte. Ltd. by issuing 2.9 million ordinary shares of the Company, increasing the ownership from 82.5% to 100%.

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 as well as contribution from healthcare services. 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.

Information about reportable segments

	Singapore $'000	China $'000	Management businesses $'000	Corporate and others $'000	Eliminations $'000	Total $'000
31/12/2016						
Revenue:						
Sales to external customers	58,998	30,904	20,153	136	–	110,191
Inter-segment	–	–	14,710	13,137	(27,847)	–
Total revenue	58,998	30,904	34,863	13,273	(27,847)	110,191
Results:						
Segment results	31,369	35,959	18,534	(3,109)	(3,700)	79,053
Share of results of associates and joint ventures, net of tax	(13,738)	46,029	–	(113)	–	32,178
Net finance cost	(30,891)	(21,251)	1,090	(7,513)	1,252	(57,313)
Profit before tax						53,918
Tax expense						(8,533)
Profit for the year						45,385
Assets and liabilities:						
Segment assets	1,750,579	3,402,833	274,478	4,014,567	(4,442,701)	4,999,756
Associates and joint ventures	345,460	1,640,728	–	7,341	–	1,993,529
Unallocated assets						53,072
Total assets						7,046,357
Segment liabilities	2,046,794	2,283,830	307,062	699,787	(2,788,819)	2,548,654
Unallocated liabilities						715,787
Total liabilities						3,264,441
Capital expenditure	11,273	159,517	42	–	–	170,832

28 OPERATING SEGMENTS *(cont'd)*

Information about reportable segments *(cont'd)*

	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 $925.0 million (2015: $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 2016 $'000	COMPANY 2015 $'000
Within one year	**580,000**	170,000
After one year but within five years	**345,000**	510,000
	925,000	680,000

30 RELATED PARTIES

Key management personnel remuneration

Key management personnel compensation comprised:

	GROUP Year ended 31/12/2016 $'000	GROUP Period from 1/7/2014 to 31/12/2015 $'000
Salaries, bonuses and other costs	**3,706**	5,574
Contributions to defined contribution plans	**104**	90
Share-based payments	**430**	–
Directors' fees	**420**	447
	4,660	6,111

During the financial year, 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 Year ended 31/12/2016 $'000	GROUP Period from 1/7/2014 to 31/12/2015 $'000
Associates and joint ventures		
Acquisition fee income	**–**	11,700
Property and asset management fees income	**7,806**	3,588
Leasing fee income	**1,283**	1,653
Project management fees income	**7,667**	–

31 SUBSIDIARIES

	GROUP Year ended 31/12/2016 $'000	GROUP Period from 1/7/2014 to 31/12/2015 $'000
Equity investments at cost	**783,269**	783,269
Loans to subsidiaries:		
– Interest-bearing	**532,771**	214,541
– Interest-free	**1,426,685**	1,416,564
	2,742,725	2,414,374

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 2016, the effective interest rates ranged from 5.07% – 5.24% (2015: 4.68% – 5.24%) per annum.

As at 31 December 2016, the shares in certain subsidiaries were pledged as security for loans and borrowings (see note 11).

NOTES TO THE FINANCIAL STATEMENTS

31 SUBSIDIARIES *(cont'd)*

	Country of incorporation	Ownership interests 2016 %	2015 %
Directly held by the Company			
Perennial Treasury Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial China Retail Trust[1][5]	Singapore	**100.0**	100.0
Perennial China Investment Holdings Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial Singapore Investment Holdings Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial Management Investment Holdings Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial EM Holdings Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial Healthcare Pte. Ltd.[1]	Singapore	**100.0**	100.0
Directly or indirectly held by Perennial China Retail Trust			
Perennial China Retail Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Shenyang Retail 1 (BVI) Limited[3]	British Virgin Islands ("BVI")	**100.0**	100.0
– Shenyang Retail 2 (BVI) Limited[3]	BVI	**100.0**	100.0
– Perennial (Chengdu) Industries Co., Ltd.[1]	PRC	**100.0**	100.0
– Perennial Foshan Retail Co., Ltd.[1]	PRC	**100.0**	100.0
– Chengdu Ruifeng Real Estate Development Co., Ltd.[1]	PRC	**80.0**	80.0
Directly or indirectly held by Perennial China Investment Holdings Pte. Ltd.			
Perennial Xi'an Development Holding 1 Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Xi'an Perennial Cheng Tou West Real Estate Co., Ltd.[1]	PRC	**51.0**	51.0
Perennial Xi'an Development Holding 2 Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Xi'an Perennial Cheng Tou East Real Estate Co., Ltd.[1]	PRC	**51.0**	51.0
Perennial Hengqin Investment Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Perennial Hengqin Investment Group Pte. Ltd.[1]	Singapore	**66.7**	66.7
Perennial Tongzhou Development Pte. Ltd.[1][6]	Singapore	**52.6**	52.6
– Perennial Mei Rong Jia 1 Real Estate (Beijing) Company Limited[1]	PRC	**76.0**	76.0
– Perennial Mei Rong Jia 2 Real Estate (Beijing) Company Limited[1]	PRC	**76.0**	76.0
– Perennial Mei Rong Jia 3 Real Estate (Beijing) Company Limited[1]	PRC	**76.0**	76.0
Perennial Chenghua C Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial Chenghua D Pte. Ltd.[1]	Singapore	**100.0**	100.0
PRE 2 Investments Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Guangdong Pengxiang Management Co., Ltd.[3]	PRC	**70.0**	–
Directly or indirectly held by Perennial Singapore Investment Holdings Pte. Ltd.			
Perennial (CHIJMES) Pte. Ltd.[1]	Singapore	**51.6**	51.6
– PRE 8 Investments Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial Somerset Investors Pte. Ltd.[1]	Singapore	**50.2**	50.2
– Perennial (Somerset) Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial (Capitol) Pte. Ltd.[1]	Singapore	**100.0**	100.0
New Capitol Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial TYN Investment Pte. Ltd.[1]	Singapore	**100.0**	100.0

31 SUBSIDIARIES *(cont'd)*

	Country of incorporation	Ownership interests 2016 %	2015 %
Directly or indirectly held by Perennial Management Investment Holdings Pte. Ltd.			
Perennial Real Estate Pte. Ltd.[1]	Singapore	**100.0**	49.0[2]
– Perennial China Retail Trust Management Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial (Singapore) Asset Management Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial (Singapore) Retail Management Pte. Ltd.[1]	Singapore	**100.0**	100.0
Perennial (China) Retail Management Pte. Ltd.[1]	Singapore	**100.0**	100.0
– Perennial (Shanghai) Retail Management Co., Ltd.[1]	PRC	**100.0**	100.0
Directly or indirectly held by Perennial EM Holdings Pte. Ltd.			
Skillplus Investments Ltd.[3]	BVI	**55.0**	55.0
– Perennial Ghana Development Ltd. (formerly known as Shangri-La Hotel (Ghana) Ltd.)[4]	Ghana	**100.0**	100.0
Perennial Penang Pte. Ltd.[1]	Singapore	**100.0**	100.0
Directly or indirectly held by Perennial Healthcare Pte. Ltd.			
Chengdu Penghong Management Co., Ltd.[3]	PRC	**100.0**	–
Chengdu Pengyi Management Co., Ltd.[3]	PRC	**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-ST 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..

(6) Includes 13.27% interest indirectly held through Perennial China Retail Trust.

32 COMMITMENTS

At the reporting date, the Group has the following commitments:

	GROUP 2016 $'000	GROUP 2015 $'000
(a) Capital expenditure commitments contracted but not provided for in relation to investment properties under development and development properties	964,430	580,551

(b) The Group entered into an investment agreement and a joint venture agreement to acquire an effective equity interest of 49.9% in Shanghai RST Chinese Medicine Co., Ltd and an effective equity interest of 40% in Guangdong Boai Medical Group Co., Ltd, respectively. Under the agreements, the Group has committed to contribute, via capital injection in proportion to the respective investments, up to a maximum amount of $213.2 million. This amount will be contributed progressively and the commitment has not been recognised in the Group's consolidated financial statements as at 31 December 2016.

(c) The Group leases out its investment properties (see note 4). The future minimum lease receivable under non-cancellable leases are as follows:

	GROUP 2016 $'000	GROUP 2015 $'000
Within 1 year	63,735	64,563
After 1 year but within 5 years	142,795	113,120
After 5 years	145,986	117,034
	352,516	294,717

33 EVENTS OCCURRING AFTER THE REPORTING DATE

On 26 January 2017, the Group announced the proposed divestment of a 20.2% equity stake in Perennial Somerset Investors Pte. Ltd. ("**PSIPL**"), which owns TripleOne Somerset. The Group, through its wholly-owned subsidiary, held a 50.2% equity stake in PSIPL. Post divestment of the 20.2% stake, the Group will retain 30% stake and the retained stake will be remeasured at fair value.

On 3 March 2017, the High Court dismissed the Group's winding-up applications for the Capitol Entities (see note 5).

34 COMPARATIVE FIGURES

The comparative period for 2015 covered a 18-month period from 1 July 2014 to 31 December 2015 as the Company changed its financial year end from 30 June to 31 December.

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)[1] S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)[1] S$'000
Transactions with associates of Mr. Kuok Khoon Hong		
Interest paid/payable in relation to subscription of fixed rate notes issued by a subsidiary of the Company and retail bonds issued by the Company	6,471	–

[1] Perennial did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual of Singapore Exchange Securities Trading Limited during the financial year.

USE OF PROCEEDS FROM ISSUE OF RETAIL BONDS

On 29 April 2016, the Company issued S$280 million 4.55% per annum retail bonds due 29 April 2020. The net proceeds from the issue of the bonds were fully utilised as at 31 December 2016 to repay a bank loan, finance the working capital and investments of the Group, and partly fund the redemption of S$50 million 5.25% fixed rate notes due 2016 issued by Perennial China Retail Trust under its S$500 million Multicurrency Medium Term Note Programme.

STATISTICS OF SHAREHOLDINGS

As at 8 March 2017

Class of Shares	:	Ordinary Share (“**Shares**”)
No. of Ordinary Shares issued	:	1,665,144,368
No. of Ordinary Shareholders	:	6,202
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	No. of Shareholders	%	No. of Shares	%
1 – 99	423	6.82	15,796	0.00
100 – 1,000	703	11.33	352,380	0.02
1,001 – 10,000	3,107	50.10	13,848,343	0.83
10,001 – 1,000,000	1,938	31.25	87,217,969	5.24
1,000,001 and above	31	0.50	1,563,709,880	93.91
Total	6,202	100.00	1,665,144,368	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees (Private) Limited	335,267,678	20.13
2	DB Nominees (Singapore) Pte Ltd	243,232,426	14.61
3	Citibank Nominees Singapore Pte Ltd	235,647,716	14.15
4	Wii Pte Ltd	234,741,027	14.10
5	Raffles Nominees (Pte) Limited	135,037,534	8.11
6	PSG Holdings Pte Ltd	120,323,170	7.23
7	Shun Yi Holdings Limited	81,006,683	4.86
8	HSBC (Singapore) Nominees Pte Ltd	61,900,516	3.72
9	DBSN Services Pte Ltd	42,987,758	2.58
10	Longhlin Asia Limited	11,747,349	0.71
11	United Overseas Bank Nominees (Private) Limited	8,347,527	0.50
12	Pua Seck Guan*	7,139,168	0.43
13	Hong Lee Holdings (Pte) Ltd	5,873,412	0.35
14	DBS Vickers Securities (Singapore) Pte Ltd	5,105,954	0.31
15	Toh Tiong Wah	4,259,972	0.26
16	UOB Kay Hian Private Limited	3,480,475	0.21
17	Asdew Acquisitions Pte Ltd	3,464,797	0.21
18	S Nallakaruppan	2,530,519	0.15
19	OCBC Securities Private Limited	2,385,302	0.14
20	Phillip Securities Pte Ltd	2,269,989	0.14
	Total	1,546,748,972	92.90

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 8 March 2017, approximately 20.8% 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 compiled with.

* The above shareholding of Mr Pua Seck Guan does not include Shares registered in the name of bank nominees for his account.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

(Recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest	%
Mr Kuok Khoon Hong[(1)]	–	607,274,031	607,274,031	36.47
HPRY Holdings Limited[(2)]	–	407,128,651	407,128,651	24.45
Wilmar International Limited[(3)]	–	275,038,077	275,038,077	16.52
Wii Pte Ltd[(4)]	234,741,027	40,297,050	275,038,077	16.52
Mr Ron Sim[(5)]	254,421,564	2,059,035	256,480,599	15.40
Mr Pua Seck Guan[(6)]	7,139,168	164,024,526	171,163,694	10.28
PSG Holdings Pte Ltd	120,323,170	–	120,323,170	7.23

Notes:

(1) Mr Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in HPRY Holdings Limited (“**HPRY**”), Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Shun Yi Holdings Limited, Pearson Investments Limited and Kuok Hock Swee & Sons Sdn Bhd, through Madam Yong Lee Lee (spouse of Mr Kuok Khoon Hong) and Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.

(2) HPRY's deemed interest in the Shares arises from the Shares registered in the name of bank nominees for the account of HPRY.

(3) Wilmar International Limited's (“**Wilmar**”) deemed interest in the Shares arises from its shareholding in Wii Pte Ltd (“**Wii**”), a wholly-owned subsidiary of Wilmar, as well as the Shares registered in the name of bank nominees for the account of Wii.

(4) The deemed interest of Wii in the Shares arises from the Shares registered in the name of bank nominees for the account of Wii.

(5) 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).

(6) Mr Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in PSG Holdings Pte Ltd and Shares held in the name of bank nominees.

NOTICE OF ANNUAL GENERAL MEETING

PERENNIAL REAL ESTATE HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 200210338M

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Perennial Real Estate Holdings Limited (the "**Company**") will be held at Marina Mandarin Singapore, Leo and Capricorn Ballrooms, 6 Raffles Boulevard, Marina Square Level 1, Singapore 039594 on Friday, 28 April 2017 at 2.30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the financial year ended 31 December 2016 and the auditors' report thereon. — Resolution 1

2. To approve a final tax-exempt (one-tier) dividend of 0.4 Singapore cents per share in respect of the financial year ended 31 December 2016. — Resolution 2

3. To re-elect the following Directors retiring pursuant to the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Eugene Paul Lai Chin Look — Resolution 3a

   (b) Mr Chua Phuay Hee — Resolution 3b

4. To re-appoint KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration. — Resolution 4

5. To approve the payment of Directors' fees of S$420,000 (2015: S$447,151) for the financial year ended 31 December 2016. — Resolution 5

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

6. **General authority to allot and issue shares in the capital of the Company** — Resolution 6

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") authority be and is hereby given to the Directors of the Company to:

   (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, debenture 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 Constitution 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.

7. **Authority to allot and issue shares under the Perennial Employee Share Option Scheme 2014** — Resolution 7

   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:

   (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% 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.

8. **Renewal of Share Buyback Mandate** Resolution 8

That:

(1) for the purposes of Sections 76C and 76E of 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:

(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, in the case of both market purchase and off-market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(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.

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 5 May 2017 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 5 May 2017 will be registered to determine shareholders' entitlement to the dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 5 May 2017 will be entitled to the dividend.

The dividend, if approved at the Annual General Meeting to be held on 28 April 2017, will be paid on 19 May 2017.

By Order of the Board

SIM AI HUA
Company Secretary

6 April 2017
Singapore

EXPLANATORY NOTES:

1. **Ordinary Resolutions 3a and 3b**

   Mr Eugene Paul Lai Chin Look, Lead Independent Non-Executive Director will upon re-election, continue to serve as the Chairman of the Remuneration Committee and Member of the Audit and Risk Committee and Nomination Committee.

   Mr Chua Phuay Hee, Independent Non-Executive Director, will upon re-election continue to serve as a Member of the Audit and Risk Committee.

2. **Ordinary Resolution 6**

   Ordinary Resolution 6 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 7**

   Ordinary Resolution 7 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% 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 8**

   The Ordinary Resolution 8 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 8. Details of the proposed renewal of the Share Buyback Mandate are set out in the appendix to this notice dated 6 April 2017 (the "**Appendix**").

   As at the date of this notice, the Company has not purchased or acquired its Shares.

   The Company may use its internal resources or external borrowings or a combination of both to finance the purchase or acquisition of 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 are held in treasury or cancelled.

   Based on the total number of issued and paid-up Shares as at 8 March 2017 (the "**Latest Practicable Date**") and assuming no further Shares are issued, on or prior to the Annual General Meeting, the purchase by the Company of up to 5% of its Shares will result in the purchase or acquisition of 83,257,218 Shares. Assuming that the Company purchases or acquires 83,257,218 Shares at the Maximum Price, in the case of both market purchases and off-market purchases, of S$0.8946 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 83,257,218 Shares is approximately S$74,481,907.

   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 audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2016, based on certain assumptions, are set out in the Appendix and are for illustration purposes only. Please refer to the Appendix for more details.

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.

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 72 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, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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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 6 April 2017.
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 Marina Mandarin Singapore, Leo and Capricorn Ballrooms, 6 Raffles Boulevard, Marina Square Level 1, Singapore 039594 on Friday, 28 April 2017, at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions 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	Adoption of the Directors' statement and audited financial statements for the financial year ended 31 December 2016 and the auditors' report thereon		
2	Approval of a final dividend		
3a	Re-election of Director: Mr Eugene Paul Lai Chin Look		
3b	Re-election of Director: Mr Chua Phuay Hee		
4	Re-appointment of KPMG LLP as the Company's auditors and to authorise the Directors to fix their remuneration		
5	Approval of Directors' fees for the financial year ended 31 December 2016		
	SPECIAL BUSINESS		
6	Authority for Directors to issue shares and to make or grant convertible instruments		
7	Authority for Directors to issue shares pursuant to the exercise of options under the Perennial Employee Share Option Scheme 2014		
8	Proposed renewal of the Share Buyback Mandate		

* *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 ____________ 2017

Total number of Shares held (Note 1)

____
Signature(s)/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Notes:

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.
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 at Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 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 72 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

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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
Bank of China 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
(Company Registration No.: 200210338M)

8 Shenton Way
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