



(a business trust constituted on 22 February 2011 under the laws of the Republic of Singapore)

Managed by Perennial China Retail Trust Management Pte. Ltd.

PERENNIAL CHINA RETAIL TRUST

2014 Second Quarter Unaudited Financial Statements and Distribution Announcement

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Introduction

Perennial China Retail Trust (“**PCRT**”) was constituted by a trust deed dated 22 February 2011 (as amended) entered into by Perennial China Retail Trust Management Pte. Ltd. (the “**Trustee-Manager**”).

PCRT is Singapore’s first pure-play People’s Republic of China retail development trust. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 June 2011, PCRT has a market capitalisation of approximately S\$618.7 million as at 4 August 2014 and an asset value of approximately S\$1.86 billion (approximately RMB9.23 billion valued on an ‘as if complete’ basis) as at 30 June 2014. As at 30 June 2014, these assets are stated at S\$1.59 billion in the Consolidated Statement of Financial Position in accordance with their respective stages of development or completion.

PCRT’s portfolio comprises a 50.0% interest in each of Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices, a 100.0% interest in Perennial Jihua Mall, Foshan, a 100.0% interest in Perennial Qingyang Mall, Chengdu, a 50.0% interest and the right to acquire a further 30.0% interest in Perennial Dongzhan Mall, Chengdu, and a 10.0% interest in the predominantly retail Beijing Tongzhou Integrated Development (Phase One).

PCRT has access to a strong pipeline of projects from its Sponsor and its strategic partners, which includes the option to invest in the Xi’an North High Speed Railway Integrated Development, which is directly connected to the Xi’an North High Speed Railway Station, and the right of first refusal to invest in the block retail component of the Beijing Tongzhou Integrated Development (Phases One and Two).

PCRT aims to provide its Unitholders with sustainable total returns from the steady growth of PCRT’s net asset value per unit and regular distributions from stabilised income-producing assets. PCRT is sponsored by Perennial Real Estate Holdings Pte. Ltd. (“**Sponsor**”) and is managed by Perennial China Retail Trust Management Pte. Ltd.

PCRT’s distribution policy is to distribute at least 50.0% of PCRT’s distributable income. The distributable income comprises net income from operations, and realised gains, each as more particularly described in the prospectus dated 27 May 2011. The distribution of realised gains to Unitholders is at the discretion of the Trustee-Manager, after taking into consideration PCRT’s budget, operations and strategy. Distribution to Unitholders will be made semi-annually based on the half-yearly results of PCRT.

SUMMARY OF PCRT GROUP RESULTS

Quarter ended 30 June 2014	2Q 2014 ⁽¹⁾ S\$'000	2Q 2013 ⁽¹⁾ S\$'000	Variance %
Operating results			
Revenue	4,489	-	Nm
Net property income/(expenses)	780	(1,010)	Nm
Share of profit of joint venture, net of tax	2,143	1,077	99.0
Profit for the period attributable to Unitholders	11,299	2,500	Nm
Distributable income⁽³⁾	10,905	10,863	0.4

Half-year ended 30 June 2014	1H 2014 ⁽²⁾ S\$'000	1H 2013 ⁽²⁾ S\$'000	Variance %
Operating results			
Revenue	6,495	-	Nm
Net property income/(expenses)	989	(1,443)	Nm
Share of profit of joint venture, net of tax	4,676	1,610	Nm
Profit for the period attributable to Unitholders	21,702	7,476	Nm
Distributable income⁽³⁾	21,810	21,768	0.2

Footnotes:

- (1) The 2Q 2014 results of PCRT's foreign operations were translated using the average SGD/CNY rate of 4.9640 (2Q 2013: 4.9527).
- (2) The 1H 2014 results of PCRT's foreign operations were translated using the average SGD/CNY rate of 4.8770 (1H 2013: 5.0015).
- (3) For 2Q 2014 and 1H 2014, this related to the drawdown from the Additional Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant periods from 1 April to 30 June 2014 and 1 January to 30 June 2014 respectively, available for distribution to Unitholders.

For 2Q 2013 and 1H 2013, this related to the drawdown from the New Earn-out Deed (please refer to note 3 in Section 1(a)(i) for details) for the relevant periods from 1 April to 30 June 2013 and 1 January to 30 June 2013 respectively, which was distributed to Unitholders on 11 September 2013.

Please refer to Sections 1 and 8 for the review of performance and their comparative figures.

Distribution Details

Amount Available for Distribution	S\$21,810,000
Distribution Period	1 January 2014 to 30 June 2014
Distribution per Unit	1.90 Singapore cents
Units Trading Ex-Distribution	Wednesday, 13 August 2014 at 9.00 a.m.
Books Closure Date	Friday, 15 August 2014 at 5.00 p.m.
Distribution Payment Date	Friday, 5 September 2014

Nm: Not meaningful

1(a)(i) Consolidated Income Statement and Distribution Statement

	Note	2Q 2014 S\$'000	2Q 2013 S\$'000	Change %	1H 2014 S\$'000	1H 2013 S\$'000	Change %
Revenue	1	4,489	-	Nm	6,495	-	Nm
Property operating expenses	2	(3,709)	(1,010)	Nm	(5,506)	(1,443)	Nm
Net property income/(expenses)		780	(1,010)	Nm	989	(1,443)	Nm
Other income	3	11,315	10,905	3.8	23,628	21,813	8.3
Net change in fair value of investment properties	4	5,999	-	Nm	5,999	-	Nm
Trustee-Manager's fees		(1,556)	(1,427)	9.0	(3,073)	(2,742)	12.1
Other expenses	5	(588)	(4,914)	(88.0)	(1,024)	(7,664)	(86.6)
		15,950	3,554	Nm	26,519	9,964	Nm
Finance income	6	13	5	Nm	29	7	Nm
Finance costs	7	(3,459)	(2,198)	57.4	(6,071)	(4,235)	43.4
Net finance costs		(3,446)	(2,193)	57.1	(6,042)	(4,228)	42.9
Share of net profit of joint venture (excluding net change in fair value of investment properties, net of tax)		1,931	1,077	79.3	4,464	1,610	Nm
Share of net change in fair value of investment properties, net of tax		212	-	Nm	212	-	Nm
Share of profit of joint venture, net of tax	8	2,143	1,077	99.0	4,676	1,610	Nm
Profit before tax		14,647	2,438	Nm	25,153	7,346	Nm
Income tax expense		(1,677)	(93)	Nm	(1,804)	(120)	Nm
Profit for the period		12,970	2,345	Nm	23,349	7,226	Nm
Profit for the period attributable to:							
Unitholders of the Trust		11,299	2,500	Nm	21,702	7,476	Nm
Non-controlling interests		1,671	(155)	Nm	1,647	(250)	Nm
		12,970	2,345	Nm	23,349	7,226	Nm
Profit for the period attributable to Unitholders of the Trust		11,299	2,500	Nm	21,702	7,476	Nm
Add/(Less):							
- Trustee-Manager's management fees payable in units		-	1,320	Nm	-	2,533	Nm
- Unrealised foreign exchange (gain)/loss	3, 5	(285)	2,270	Nm	(1,790)	4,428	Nm
- Share of net change in fair value of investment properties of joint venture, net of tax		(212)	-	Nm	(212)	-	Nm
- Net change in fair value of investment properties, net of tax		(2,781)	-	Nm	(2,781)	-	Nm
- Amortisation of transaction costs on borrowings		434	262	65.6	785	525	49.5
- Net loss of group entities	9	2,363	4,463	(47.1)	3,943	6,718	(41.3)
- Others		87	48	81.3	163	88	85.2
Distributable income	10	10,905	10,863	0.4	21,810	21,768	0.2

Notes:

(1) Revenue

Revenue comprised rental revenue generated by Perennial Jihua Mall, Foshan (operational since 3Q 2013), and Perennial Qingyang Mall, Chengdu, which commenced operations in 2Q 2014.

(2) Property operating expenses

Property operating expenses in 1H 2014 comprised mainly operating costs of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, including staff costs, mall maintenance expenses and marketing and promotions expenses. They also comprised staff costs and pre-operation costs of Perennial Dongzhan Mall, Chengdu.

Property operating expenses in 1H 2013 comprised mainly staff costs and pre-operation costs incurred on Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu.

(3) Other income

Other income for 1H 2014 mainly comprised:

- (i) unrealised foreign exchange gain of S\$1.8 million on translation of payables denominated in foreign currencies, and
- (ii) drawdown of S\$21.8 million under the RMB342.0 million (S\$68.1 million) earn-out deed (the "Additional Earn-out Deed").

Other income for 1H 2013 comprised drawdown of S\$21.8 million under the RMB226.5 million (S\$45.5 million) earn-out deed (the "New Earn-out Deed").

Under the terms of the New and Additional Earn-out Deeds, the earn-out amounts are available for draw down for payment to Unitholders if the net property income of properties held by Shenyang Summit Real Estate Development Co., Ltd. ("Shenyang Summit") for each relevant period falls below a certain amount set out in these deeds. Following the drawdown of S\$21.8 million under the Additional Earn-out Deed for 1H 2014, the earn-out amount available to support distribution for 2H 2014 amounted to RMB132.6 million (S\$26.4 million).

(4) Net change in fair value of investment properties

In view of the Pre-conditional Voluntary Offer⁽¹⁾ announced by St. James Holdings Limited (which will be renamed "Perennial Real Estate Holdings Limited" post-completion of the announced corporate exercise by Perennial Real Estate Holdings Pte. Ltd.) to acquire all the issued units in the capital of PCRT on 14 March 2014, a valuation exercise was undertaken by an independent professional valuer to assess the fair value⁽²⁾ of PCRT's investment properties comprising (i) Perennial Jihua Mall, Foshan, (ii) Perennial Qingyang Mall, Chengdu, and (iii) Perennial Dongzhan Mall, Chengdu, as at 30 June 2014.

(1) Please refer to PCRT's SGXNet announcements released between 14 March 2014 and 18 March 2014 relating to this matter.

(2) The fair values were expressed in Chinese Renminbi and converted into Singapore dollars at the exchange rate prevailing on 30 June 2014.

(5) Other expenses

Other expenses of PCRT included recurring trust expenses such as annual listing fees, valuation fees, legal fees, registry and depository charges, audit and tax advisor's fees, investor relations costs and other miscellaneous expenses. It also included general and administrative, and operating expenses of the subsidiaries of PCRT.

In addition to the recurring trust expenses, included in other expenses for 1H 2013 were:

- (i) unrealised net foreign exchange loss of S\$4.4 million on translation of cash and cash equivalents and payables denominated in foreign currencies,
- (ii) realised net foreign exchange loss of S\$1.4 million on progress payments relating to Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, as well as project development costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, and
- (iii) expenses of S\$0.8 million relating to the management of the MTN Programme (as defined in note 7 on page 6).

(6) Finance income

Finance income comprised mainly interest income from deposits.

(7) Finance costs

1H 2014 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu. The related finance costs of Perennial Qingyang Mall, Chengdu, were taken to the profit or loss statement after the substantial completion of the mall in 2Q 2014; and
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015 and S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the S\$500.0 million Multicurrency Medium Term Note Programme established on 20 January 2012 (the "MTN Programme").

1H 2013 finance costs comprised mainly:

- (i) interest costs incurred on financing facilities relating to the acquisition of Perennial Jihua Mall, Foshan, and
- (ii) interest costs on the S\$130.0 million 6.375% Fixed Rate Notes due 2015 issued under the MTN Programme.

(8) Share of profit of joint venture, net of tax

Share of profit of joint venture related to PCRT Group's 50.0% equity interest in Shenyang Summit which owns Shenyang Red Star Macalline Furniture Mall ("Shenyang Furniture Mall"), Shenyang Longemont Shopping Mall and Shenyang Longemont Offices.

1H 2014 share of profit of joint venture included the change in fair value of investment properties held by Shenyang Summit, based on valuations performed by an independent valuer in view of the Pre-conditional Voluntary Offer described in note 4 on page 5.

(9) Net loss of group entities

Net loss of group entities referred to the net losses after applicable taxes attributable to the Trust and certain subsidiaries of the Group.

(10) Distributable income

Distributable income for 1H 2014 and 1H 2013 comprised drawdowns of S\$21.8 million each from the Additional and New Earn-out Deeds respectively (refer to note 3 on page 5).

Please refer to Section 8 for review of the performance.

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

	2Q 2014 S\$'000	2Q 2013 S\$'000	Change %	1H 2014 S\$'000	1H 2013 S\$'000	Change %
Profit for the period	12,970	2,345	Nm	23,349	7,226	Nm
Other comprehensive income for the period, net of tax						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation (loss)/gain relating to foreign operations, net of tax ⁽¹⁾	(9,521)	38,072	Nm	(50,449)	57,284	Nm
Foreign currency translation (loss)/gain on monetary item forming part of net investment in foreign operations, net of tax	(15)	64	Nm	(80)	99	Nm
	(9,536)	38,136	Nm	(50,529)	57,383	Nm
Total comprehensive income for the period	3,434	40,481	(91.5)	(27,180)	64,609	Nm
Total comprehensive income attributable to:						
Unitholders of the Trust	2,047	39,517	(94.8)	(27,300)	63,185	Nm
Non-controlling interests	1,387	964	43.9	120	1,424	(91.6)
	3,434	40,481	(91.5)	(27,180)	64,609	Nm

Footnote:

- (1) For 2Q 2014, this related to the fluctuation of foreign exchange rates between June 2014 and March 2014 (2Q 2013: June 2013 and March 2013) in respect of the Group's net assets denominated in Chinese Renminbi (RMB). For 1H 2014, this related to the fluctuation of foreign exchange rates between June 2014 and December 2013 (1H 2013: June 2013 and December 2012) in respect of the Group's net assets denominated in RMB.

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

	Note	Group			Trust		
		Jun 2014 S\$'000	Dec 2013 S\$'000	Change %	Jun 2014 S\$'000	Dec 2013 S\$'000	Change %
Non-current assets							
Plant and equipment		819	536	52.8	-	-	-
Investment properties	1	740,391	700,178	5.7	-	-	-
Subsidiaries		-	-	-	1,088,743	1,062,040	2.5
Joint venture	2	726,846	751,016	(3.2)	-	-	-
Available-for-sale investment	3	51,187	50,320	1.7	-	-	-
Other receivables	4	2,181	1,727	26.3	-	-	-
		1,521,424	1,503,777	1.2	1,088,743	1,062,040	2.5
Current assets							
Trade and other receivables	5	50,531	27,621	82.9	723	491	47.3
Cash and cash equivalents	6	18,317	41,665	(56.0)	8,082	33,489	(75.9)
		68,848	69,286	(0.6)	8,805	33,980	(74.1)
Total assets		1,590,272	1,573,063	1.1	1,097,548	1,096,020	0.1
Non-current liabilities							
Loans and borrowings	7	208,898	178,334	17.1	178,744	178,334	0.2
Deferred tax liabilities		41,901	41,657	0.6	-	-	-
		250,799	219,991	14.0	178,744	178,334	0.2
Current liabilities							
Loans and borrowings	7	243,376	233,362	4.3	243,376	233,362	4.3
Trade and other payables	8	225,010	199,633	12.7	33,470	28,296	18.3
		468,386	432,995	8.2	276,846	261,658	5.8
Total liabilities		719,185	652,986	10.1	455,590	439,992	3.5
Net assets		871,087	920,077	(5.3)	641,958	656,028	(2.1)
Unitholders' funds							
Units in issue		721,594	721,594	-	721,594	721,594	-
Capital reserve	9	(8,300)	(8,300)	-	-	-	-
Foreign currency translation reserve	10	42,784	91,786	(53.4)	-	-	-
Accumulated profits/(losses)		74,836	74,944	(0.1)	(79,636)	(65,566)	21.5
Net assets attributable to Unitholders		830,914	880,024	(5.6)	641,958	656,028	(2.1)
Non-controlling interests	11	40,173	40,053	0.3	-	-	-
		871,087	920,077	(5.3)	641,958	656,028	(2.1)

Notes:

(1) Investment properties

Investment properties related to Perennial Jihua Mall, Foshan (operational), Perennial Qingyang Mall, Chengdu (commenced operations in April 2014), and Perennial Dongzhan Mall, Chengdu (under development).

The increase was mainly attributable to:

- (i) S\$49.0 million in project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu,
- (ii) S\$4.3 million of capitalised finance costs relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu,
- (iii) S\$8.7 million of accrued progress payments relating to Perennial Dongzhan Mall, Chengdu, and
- (iv) S\$6.0 million of fair value gain on the investment properties, which at 30 June 2014 and 31 December 2013, were stated at fair values based on independent professional valuations.

The valuations were expressed in Chinese Renminbi and converted into Singapore dollars at the exchange rate prevailing on 30 June 2014.

This increase was offset by S\$27.8 million in foreign exchange loss on translation of the value of the investment properties denominated in Chinese Renminbi (RMB).

(2) Joint venture

This related to PCRT's 50.0% equity interest in Shenyang Summit that owns Shenyang Furniture Mall, Shenyang Longemont Shopping Mall and Shenyang Longemont Offices, which at 30 June 2014 and 31 December 2013, were stated at fair values based on independent professional valuations. The valuations were expressed in Chinese Renminbi and converted into Singapore dollars at the exchange rate prevailing on 30 June 2014.

The decrease arose mainly from foreign exchange loss of S\$28.8 million on translation of the financial statements of Shenyang Summit, which was partially mitigated by the Group's share of profit of S\$4.5 million in the joint venture and fair value gain of S\$0.2 million on the above investment properties.

(3) Available-for-sale investment

Available-for-sale investment of S\$51.2 million related to PCRT's effective equity interest of 10.0% in the Beijing Tongzhou Integrated Development (Phase One). An additional S\$0.9 million was invested in the development in 1Q 2014.

(4) Other receivables (non-current)

Other receivables (non-current) pertained to unamortised lease incentives of S\$1.5 million and S\$0.7 million in respect of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, respectively.

(5) Trade and other receivables (current)

The increase of S\$22.9 million in trade and other receivables (current) was mainly attributed to an increase in the (i) unamortised rent-free lease incentives of S\$0.6 million and S\$1.4 million for Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, respectively, (ii) accounts receivables of S\$0.4 million relating to Perennial Qingyang Mall, Chengdu, (iii) prepaid construction costs of S\$0.4 million and S\$8.9 million pertaining to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, respectively, and (iv) a refundable USD-denominated advance of S\$11.0 million made to an entity within the Beijing Tongzhou (Phase One) group of companies to bridge land funding requirements imposed by the PRC land authority. These were offset by a decrease of S\$0.4 million in utilities recoverables from tenants of Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu.

(6) Cash and cash equivalents

Please refer to Section 1(c) Consolidated Statement of Cash Flows for details.

(7) Loans and borrowings (non-current and current)

Loans and borrowings comprised:

- (i) loans drawn from the S\$285.0 million (previously S\$325.0 million) bank credit facilities to finance progress payments and project development costs for Perennial Qingyang Mall, Chengdu, and progress payments for Perennial Jihua Mall, Foshan. These loans mature in December 2014 and were classified as current liabilities as at 30 June 2014;
- (ii) non-current onshore loan facilities of RMB396.0 million under which RMB150.0 million were drawn as at 30 June 2014, pertaining to the Perennial Dongzhan Mall, Chengdu;
- (iii) non-current borrowings of S\$130.0 million 6.375% Fixed Rate Notes due 2015 issued under the MTN Programme in 2012; and
- (iv) non-current borrowings of S\$50.0 million 5.25% Fixed Rate Notes due 2016 issued under the MTN Programme in 2013.

(8) Trade and other payables (current)

The increase of S\$25.4 million in trade and other payables was mainly attributed to (i) higher payables of S\$14.1 million relating to the project development costs of Perennial Dongzhan Mall, Chengdu, and Perennial Qingyang Mall, Chengdu, (ii) higher tenancy-related deposits of S\$3.6 million, (iii) higher accrued interest payables of S\$2.2 million, and (iv) an increase of S\$7.7 million in entrustment loans from joint venture. These were offset by a decrease of S\$7.5 million on payments made for mall improvement works and the final progress payment relating to Perennial Jihua Mall, Foshan.

(9) Capital reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(10) Foreign currency translation reserve

Please refer to Section 1(d) Statement of Changes in Unitholders' Funds for more details.

(11) Non-controlling interests

Non-controlling interests pertained to the 20.0% interest of the non-controlling shareholder of the subsidiary that holds Perennial Dongzhan Mall, Chengdu.

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

	Group		
	Jun 2014 S\$'000	Dec 2013 S\$'000	Change %
Secured bank borrowings			
- Amount repayable within one year	243,376	233,362	4.3
- Amount repayable after one year	30,154	-	Nm
Unsecured borrowings⁽¹⁾			
- Amount repayable within one year	-	-	-
- Amount repayable after one year	178,744	178,334	0.2
Total borrowings⁽²⁾	452,274	411,696	9.9

Footnotes:

- (1) On 21 September 2012, PCRT issued S\$130.0 million 6.375% Fixed Rate Notes due 2015, payable semi-annually in arrears, under the MTN Programme. On 26 July 2013, PCRT issued S\$50.0 million 5.25% Fixed Rate Notes due 2016, payable semi-annually in arrear, under the MTN Programme. All sums payable in respect of the Notes are unconditionally and irrevocably guaranteed by Perennial China Retail Pte. Ltd., a wholly-owned subsidiary of PCRT.
- (2) The above borrowings were stated net of unamortised transaction costs.

Details of collaterals for secured borrowings

As at 30 June 2014, the Group has:

- (i) offshore bank credit facilities of S\$285.0 million (previously S\$325.0 million), out of which S\$244.3 million were utilised; and
- (ii) onshore bank credit facilities of RMB396.0 million (S\$79.6 million), out of which RMB150.0 million (S\$30.2 million) were utilised.

The offshore bank credit facilities of S\$285.0 million (previously S\$325.0 million) are secured on the following:

- (a) share charges over all the shares in certain subsidiaries, namely, Perennial China Retail Pte. Ltd., Shenyang Retail (BVI) 1 Limited, Shenyang Retail (BVI) 2 Limited, Shenyang Retail 1 Limited, Shenyang Retail 2 Limited, Perennial Qingyang Retail (BVI) Limited, Perennial Qingyang Retail Limited, Sky Surpass Investments Limited and Best Field Holdings Limited (collectively, the “Offshore Companies”);
- (b) an equity pledge over the Group’s 50.0% equity interest in the joint venture, Shenyang Summit;
- (c) equity pledges over all the shares in Perennial (Chengdu) Industries Co., Ltd. and Perennial Foshan Retail Co., Ltd. (collectively, the “WFOEs”) which hold Perennial Qingyang Mall, Chengdu, and Perennial Jihua Mall, Foshan, respectively;
- (d) assignments by PCRT and the Offshore Companies of all rights under intercompany loans to the Offshore Companies and WFOEs;
- (e) assignments by the Offshore Companies of all rights under intercompany loans to PCRT;
- (f) corporate guarantees from the Offshore Companies; and
- (g) debentures over the Offshore Companies.

The onshore bank credit facilities of RMB396.0 million are secured on land use rights (国有土地使用权) held by Chengdu Ruifeng Real Estate Development Co., Ltd.

1 (c) Consolidated Statement of Cash Flows

	Note	Group			
		2Q 2014 S\$'000	2Q 2013 S\$'000	1H 2014 S\$'000	1H 2013 S\$'000
Cash flows from operating activities					
Profit before tax		14,647	2,438	25,153	7,346
Adjustments for:					
Depreciation of plant and equipment		55	18	99	27
Finance income		(13)	(5)	(29)	(7)
Finance costs		3,459	2,198	6,071	4,235
Trustee-Manager's management fees payable in units		-	1,320	-	2,533
Unrealised foreign exchange (gain)/loss		(285)	2,270	(1,790)	4,428
Share of profit of joint venture, net of tax		(2,143)	(1,077)	(4,676)	(1,610)
Net change in fair value of investment properties		(5,999)	-	(5,999)	-
Operating profit before changes in working capital		9,721	7,162	18,829	16,952
Changes in working capital:					
Trade and other receivables	1	(21,862)	(10,518)	(23,191)	(21,602)
Trade and other payables	2	14,937	3,283	14,809	167
		(6,925)	(7,235)	(8,382)	(21,435)
Cash from/(used in) operating activities		2,796	(73)	10,447	(4,483)
Income tax paid		-	(17)	-	(105)
Net cash from/(used in) operating activities		2,796	(90)	10,447	(4,588)
Cash flows from investing activities					
Additions to investment properties under development	2	(32,199)	(58,760)	(42,834)	(111,983)
Additions to available-for-sale investment	3	-	-	(867)	-
Purchase of plant and equipment		(331)	(111)	(409)	(169)
Interest received		13	4	29	6
Net cash used in investing activities		(32,517)	(58,867)	(44,081)	(112,146)
Cash flows from financing activities					
Distribution payment to Unitholders	4	-	-	(21,768)	(22,093)
Proceeds from loans and borrowings	5	36,404	27,000	39,223	71,918
Interest paid		(14)	(1,386)	(6,860)	(6,718)
Withdrawal of cash in escrow accounts	6	-	-	-	22,135
Net cash from financing activities		36,390	25,614	10,595	65,242
Net increase/(decrease) in cash and cash equivalents		6,669	(33,343)	(23,039)	(51,492)
Cash and cash equivalents at beginning of the period		11,856	76,053	41,657	94,192
Effect of exchange rate fluctuations on cash held		(216)	34	(309)	44
Cash and cash equivalents at end of the period		18,309	42,744	18,309	42,744

Comprising:

	Group			
	2Q 2014 S\$'000	2Q 2013 S\$'000	1H 2014 S\$'000	1H 2013 S\$'000
Cash at bank and in hand	18,317	27,645	18,317	27,645
Fixed deposits with a financial institution	-	18,000	-	18,000
Cash and cash equivalents	18,317	45,645	18,317	45,645
Less: Restricted cash ⁽¹⁾	(8)	(2,901)	(8)	(2,901)
Cash and cash equivalents in the consolidated statement of cash flows	18,309	42,744	18,309	42,744

Footnote:

- (1) Restricted cash related to funds deposited into escrow accounts under the various Earn-out Deeds (please refer to notes 3 and 10 in Section 1(a)(i) for details) entered into by the Group.

Notes:

- (1) Changes in trade and other receivables included a refundable advance of S\$11.1 million made to an entity within the Beijing Tongzhou (Phase One) group of companies, income support receivable of S\$21.8 million, increase of S\$2.0 million in lease incentives pertaining to Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, and prepaid construction costs of S\$9.8 million relating to Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu. These were offset by the receipt of the earn-out amount of S\$21.8 million for 2H 2013 distribution to Unitholders on 11 March 2014.
- (2) In 1H 2014, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu.
 In 1H 2013, this related mainly to project development costs for Perennial Qingyang Mall, Chengdu, and Perennial Dongzhan Mall, Chengdu, and progress payment and mall improvement works for Perennial Jihua Mall, Foshan.
- (3) In 1H 2014, an additional S\$0.9 million was invested in Beijing Tongzhou Integrated Development (Phase One).
- (4) In 1H 2014, a distribution of S\$21.8 million for the period from 1 July to 31 December 2013 was made to Unitholders on 11 March 2014.
 In 1H 2013, a distribution of S\$22.1 million for the period from 1 July to 31 December 2012 was made to Unitholders on 18 March 2013.
- (5) In 1H 2014, the following bank loans were drawn down:
 (i) S\$9.1 million to finance the ongoing project development costs for Perennial Qingyang Mall, Chengdu; and
 (ii) RMB150.0 million (equivalent to S\$30.2 million) to finance the ongoing project development costs for Perennial Dongzhan Mall, Chengdu.
 In 1H 2013, the following bank loans were drawn down:
 (i) S\$44.9 million to finance the progress payments and ongoing project development costs for Perennial Qingyang Mall, Chengdu; and
 (ii) S\$27.0 million to finance the progress payment for Perennial Jihua Mall, Foshan.
- (6) In 1H 2013, the movement in restricted cash related to the drawdown of earn-out amounts of S\$22.1 million for the period 1 July to 31 December 2012, which was distributed to Unitholders on 18 March 2013.

**1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust
(2Q 2014 vs 2Q 2013)**

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 April 2014	721,594	(8,300)	52,036	74,442	839,772	38,786	878,558
Total comprehensive income for the period							
Profit for the period	-	-	-	11,299	11,299	1,671	12,970
Other comprehensive income							
Foreign currency translation loss relating to foreign operations, net of tax	-	-	(9,237)	-	(9,237)	(284)	(9,521)
Foreign currency translation loss on monetary item forming part of net investment in foreign operations, net of tax	-	-	(15)	-	(15)	-	(15)
Total other comprehensive income	-	-	(9,252)	-	(9,252)	(284)	(9,536)
Total comprehensive income for the period	-	-	(9,252)	11,299	2,047	1,387	3,434
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Amount available for distribution to Unitholders ⁽³⁾	-	-	-	(10,905)	(10,905)	-	(10,905)
Total transactions with Unitholders	-	-	-	(10,905)	(10,905)	-	(10,905)
At 30 June 2014	721,594	(8,300)	42,784	74,836	830,914	40,173	871,087

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Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 April 2013	720,274	(8,300)	39,166	61,308	812,448	34,775	847,223
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	2,500	2,500	(155)	2,345
Other comprehensive income							
Foreign currency translation gain relating to foreign operations, net of tax	-	-	36,953	-	36,953	1,119	38,072
Foreign currency translation gain on monetary item forming part of net investment in foreign operations, net of tax	-	-	64	-	64	-	64
Total other comprehensive income	-	-	37,017	-	37,017	1,119	38,136
Total comprehensive income for the period	-	-	37,017	2,500	39,517	964	40,481
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Units issued and to be issued as payment of Trustee- Manager's management fees	1,320	-	-	-	1,320	-	1,320
Amount available for distribution to Unitholders ⁽⁴⁾	-	-	-	(10,863)	(10,863)	-	(10,863)
Total transactions with Unitholders	1,320	-	-	(10,863)	(9,543)	-	(9,543)
At 30 June 2013	721,594	(8,300)	76,183	52,945	842,422	35,739	878,161

Trust	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 April 2014	721,594	(61,613)	659,981
Total comprehensive income for the period			
Loss for the period	-	(7,118)	(7,118)
Transaction with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Amount available for distribution to Unitholders ⁽³⁾	-	(10,905)	(10,905)
Total transactions with Unitholders	-	(10,905)	(10,905)
At 30 June 2014	721,594	(79,636)	641,958

At 1 April 2013	720,274	(34,563)	685,711
Total comprehensive income for the period			
Loss for the period	-	(6,631)	(6,631)
Transactions with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Units issued and to be issued as payment of Trustee-Manager's management fees	1,320	-	1,320
Amount available for distribution to Unitholders ⁽⁴⁾	-	(10,863)	(10,863)
Total transactions with Unitholders	1,320	(10,863)	(9,543)
At 30 June 2013	721,594	(52,057)	669,537

Footnotes (2Q 2014 vs 2Q 2013):

- (1) The capital reserve related to the reserve arising from the capital contribution made by the Group to a non-wholly owned subsidiary.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations and joint venture, and foreign exchange differences arising from a monetary item forming part of net investment in foreign operations.
- (3) This related to the earn-out amount in respect of the relevant period from 1 April to 30 June 2014, available for distribution to Unitholders.
- (4) This related to the earn-out amount in respect of the relevant period from 1 April to 30 June 2013 and, together with the earn-out amount for the period from 1 January to 31 March 2013, was paid to Unitholders on 11 September 2013.

**1 (d)(i) Statement of Changes in Unitholders' Funds for the Group and the Trust
(1H 2014 vs 1H 2013)**

Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2014	721,594	(8,300)	91,786	74,944	880,024	40,053	920,077
Total comprehensive income for the period							
Profit for the period	-	-	-	21,702	21,702	1,647	23,349
Other comprehensive income							
Foreign currency translation loss relating to foreign operations, net of tax	-	-	(48,922)	-	(48,922)	(1,527)	(50,449)
Foreign currency translation loss on monetary item forming part of net investment in foreign operations, net of tax	-	-	(80)	-	(80)	-	(80)
Total other comprehensive income	-	-	(49,002)	-	(49,002)	(1,527)	(50,529)
Total comprehensive income for the period	-	-	(49,002)	21,702	(27,300)	120	(27,180)
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Amount available for distribution to Unitholders ⁽³⁾	-	-	-	(21,810)	(21,810)	-	(21,810)
Total transactions with Unitholders	-	-	-	(21,810)	(21,810)	-	(21,810)
At 30 June 2014	721,594	(8,300)	42,784	74,836	830,914	40,173	871,087

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Group	Units in issue S\$'000	Capital reserve ⁽¹⁾ S\$'000	Foreign currency translation reserve ⁽²⁾ S\$'000	Accumu- lated profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total S\$'000
At 1 January 2013	719,061	(8,300)	20,474	67,237	798,472	34,315	832,787
Total comprehensive income for the period							
Profit/(loss) for the period	-	-	-	7,476	7,476	(250)	7,226
Other comprehensive income							
Foreign currency translation gain relating to foreign operations, net of tax	-	-	55,610	-	55,610	1,674	57,284
Foreign currency translation gain on monetary item forming part of net investment in foreign operations, net of tax	-	-	99	-	99	-	99
Total other comprehensive income	-	-	55,709	-	55,709	1,674	57,383
Total comprehensive income for the period	-	-	55,709	7,476	63,185	1,424	64,609
Transactions with Unitholders, recorded directly in equity							
Distributions to Unitholders							
Units issued and to be issued as payment of Trustee- Manager's management fees	2,533	-	-	-	2,533	-	2,533
Amount available for distribution to Unitholders ⁽⁴⁾	-	-	-	(21,768)	(21,768)	-	(21,768)
Total transactions with Unitholders	2,533	-	-	(21,768)	(19,235)	-	(19,235)
At 30 June 2013	721,594	(8,300)	76,183	52,945	842,422	35,739	878,161

Trust	Units in issue S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2014	721,594	(65,566)	656,028
Total comprehensive income for the period			
Profit for the period	-	7,740	7,740
Transaction with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Amount available for distribution to Unitholders ⁽³⁾	-	(21,810)	(21,810)
Total transactions with Unitholders	-	(21,810)	(21,810)
At 30 June 2014	721,594	(79,636)	641,958

At 1 January 2013	719,061	(40,177)	678,884
Total comprehensive income for the period			
Profit for the period	-	9,888	9,888
Transactions with Unitholders, recorded directly in equity			
Contributions by and distributions to Unitholders			
Units issued and to be issued as payment of Trustee-Manager's management fees	2,533	-	2,533
Amount available for distribution to Unitholders ⁽⁴⁾	-	(21,768)	(21,768)
Total transactions with Unitholders	2,533	(21,768)	(19,235)
At 30 June 2013	721,594	(52,057)	669,537

Footnotes (1H 2014 vs 1H 2013):

- (1) The capital reserve related to the reserve arising from the capital contribution made by the Group to a non-wholly owned subsidiary.
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations and joint venture, and foreign exchange differences arising from a monetary item forming part of net investment in foreign operations.
- (3) This related to the earn-out amount in respect of the relevant period from 1 January to 30 June 2014, available for distribution to Unitholders.
- (4) This related to the earn-out amount in respect of the relevant period from 1 January to 30 June 2013 and was paid to Unitholders on 11 September 2013.

1 (d)(ii) Details of any Changes in Units

	2Q 2014 Number of Units '000	2Q 2013 Number of Units '000	1H 2014 Number of Units '000	1H 2013 Number of Units '000
Units in issue at the beginning of the period	1,145,654	1,141,332	1,145,654	1,139,290
Creation of new units relating to: - Trustee-Manager's management fees paid in units	-	1,898	-	3,940
Total Units in issue at the end of the period	1,145,654	1,143,230	1,145,654	1,143,230
Units to be issued: - Trustee-Manager's management fees payable in units ⁽¹⁾	-	2,430	-	2,430
Total Units in issue and to be issued at the end of the period	1,145,654	1,145,660	1,145,654	1,145,660

Footnote:

(1) The actual number of units to be issued was determined based on the volume-weighted average traded price per unit, for the period of 10 business days following the date of release of results.

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

Pursuant to the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers, the financial information set out in Sections 1(a), 1(b)(i), 1(c) and 1(d)(i) of this announcement has been reviewed by the Trust's independent auditors in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

The comparative figures for the financial period ended 30 June 2013 have not been audited or reviewed by the auditors.

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

Please refer to the independent auditor's review report dated 5 August 2014 appended to this announcement.

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

Except as disclosed in Section 5 below, the accounting policies and methods of computation applied are consistent with those described in the audited financial statements for the financial year ended 31 December 2013.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for financial periods beginning 1 January 2014, including FRS 111 *Joint Arrangements*.

The adoption of these new standards, amendments to standards and interpretations has no significant impact on the Group's consolidated financial statements.

6 Earnings per Unit and Distribution per Unit

Earnings per unit ("EPU")

Profit for the period attributable to Unitholders (S\$'000)

Weighted average number of units for the period ('000)

Basic

Diluted

EPU (Singapore cents)

Basic

Diluted

	2Q 2014	2Q 2013	1H 2014	1H 2013
Profit for the period attributable to Unitholders (S\$'000)	11,299	2,500	21,702	7,476
Weighted average number of units for the period ('000)				
Basic	1,145,654	1,142,213	1,145,654	1,141,121
Diluted	1,145,654	1,142,213	1,145,654	1,141,121
EPU (Singapore cents)				
Basic	0.99	0.22	1.89	0.66
Diluted	0.99	0.22	1.89	0.66

Distribution per unit ("DPU")

Amount available for distribution (S\$'000)

Number of units entitled to distribution⁽¹⁾ ('000)

DPU (Singapore cents)

	2Q 2014	2Q 2013	1H 2014	1H 2013
Amount available for distribution (S\$'000)	10,905	10,863	21,810	21,768
Number of units entitled to distribution ⁽¹⁾ ('000)	1,145,654	1,145,660	1,145,654	1,145,660
DPU (Singapore cents)	0.95	0.95	1.90	1.90

Footnote:

(1) Being the total units in issue and to be issued at the end of the period.

7 Net Asset Value per Unit

Net asset value ("NAV") per unit

Group		Trust	
30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
S\$0.73	S\$0.77	S\$0.56	S\$0.57

Note:

NAV per unit was computed based on net assets attributable to the Unitholders and total units in issue and to be issued at the end of the current period and the immediately preceding financial year.

The lower NAV per unit was mainly affected by fluctuation in the SGD/CNY rate, which moved from 4.7845 as at 31 December 2013 to 4.9744 as at 30 June 2014.

8 Review of the Performance

	2Q 2014 S\$'000	2Q 2013 S\$'000	Change S\$'000	Change %	1H 2014 S\$'000	1H 2013 S\$'000	Change S\$'000	Change %
Revenue	4,489	-	4,489	Nm	6,495	-	6,495	Nm
Property operating expenses	(3,709)	(1,010)	(2,699)	Nm	(5,506)	(1,443)	(4,063)	Nm
Net property income/(expenses)	780	(1,010)	1,790	Nm	989	(1,443)	2,432	Nm
Other income	11,315	10,905	410	3.8	23,628	21,813	1,815	8.3
Net change in fair value of investment properties	5,999	-	5,999	Nm	5,999	-	5,999	Nm
Trustee-Manager's fees	(1,556)	(1,427)	(129)	9.0	(3,073)	(2,742)	(331)	12.1
Other expenses	(588)	(4,914)	4,326	(88.0)	(1,024)	(7,664)	6,640	(86.6)
	15,950	3,554	12,396	Nm	26,519	9,964	16,555	Nm
Finance income	13	5	8	Nm	29	7	22	Nm
Finance costs	(3,459)	(2,198)	(1,261)	57.4	(6,071)	(4,235)	(1,836)	43.4
Net finance costs	(3,446)	(2,193)	(1,253)	57.1	(6,042)	(4,228)	(1,814)	42.9
Share of net profit of joint venture (excluding net change in fair value of investment properties, net of tax)	1,931	1,077	854	79.3	4,464	1,610	2,854	Nm
Share of net change in fair value of investment properties, net of tax	212	-	212	Nm	212	-	212	Nm
Share of profit of joint venture, net of tax	2,143	1,077	1,066	99.0	4,676	1,610	3,066	Nm
Profit before tax	14,647	2,438	12,209	Nm	25,153	7,346	17,807	Nm
Income tax expense	(1,677)	(93)	(1,584)	Nm	(1,804)	(120)	(1,684)	Nm
Profit for the period	12,970	2,345	10,625	Nm	23,349	7,226	16,123	Nm
Profit for the period attributable to:								
Unitholders of the Trust	11,299	2,500	8,799	Nm	21,702	7,476	14,226	Nm
Non-controlling interests	1,671	(155)	1,826	Nm	1,647	(250)	1,897	Nm
	12,970	2,345	10,625	Nm	23,349	7,226	16,123	Nm

2Q 2014 vs 2Q 2013

Perennial Jihua Mall, Foshan, generated revenue of S\$2.1 million in 2Q 2014. Perennial Qingyang Mall, Chengdu, which commenced operations in 2Q 2014, generated revenue of S\$2.4 million in the same quarter.

The increase of S\$2.7 million in property operating expenses for 2Q 2014 as compared to 2Q 2013 was attributable to:

- S\$0.8 million in respect of Perennial Jihua Mall, Foshan, which was operational and hence incurred property operating expenses in 2Q 2014; the mall was not operational in 2Q 2013;
- S\$1.8 million in respect of Perennial Qingyang Mall, Chengdu, which commenced operations in 2Q 2014, due mainly to marketing and promotions expenses relating to its official opening activities, property operating expenses such as maintenance and utilities costs, and higher staff costs; and
- S\$0.1 million in respect of Perennial Dongzhan Mall, Chengdu, due mainly to marketing expenses.

Net property income for 2Q 2014 increased by S\$1.8 million over 2Q 2013 as a result of the above.

2Q 2014 vs 2Q 2013 (cont'd)

Excluding the effect of total realised and unrealised foreign exchange gain of S\$0.4 million in 2Q 2014 results, other income for both 2Q 2014 and 2Q 2013 were S\$10.9 million each, and related to drawdowns under the Additional Earn-out Deed in 2Q 2014 and the New Earn-out Deed in 2Q 2013 for distribution to Unitholders.

In view of the Pre-conditional Voluntary Offer announced by St. James Holdings Limited (which will be renamed "*Perennial Real Estate Holdings Limited*" post-completion of the announced corporate exercise by Perennial Real Estate Holdings Pte. Ltd.) to acquire all the issued units in the capital of PCRT on 14 March 2014, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of PCRT's investment properties comprising (i) Perennial Jihua Mall, Foshan, (ii) Perennial Qingyang Mall, Chengdu, and (iii) Perennial Dongzhan Mall, Chengdu, as at 30 June 2014. Please refer to note 4 on page 5 for more information on the announced corporate exercise. The gain of S\$6.0 million in the fair values was mainly contributed by the higher valuation of Perennial Qingyang Mall, Chengdu, which was substantially completed in 2Q 2014.

The increase of S\$0.1 million or 9.0% in Trustee-Manager's fees for 2Q 2014 as compared to 2Q 2013 was attributed to the increase in total assets value as at end of 2Q 2014 as compared to 2Q 2013.

Excluding 2Q 2013's effect of net foreign exchange loss of S\$3.5 million and one-off expenses of S\$0.8 million relating to the management of the MTN Programme, other expenses for 2Q 2014 and 2Q 2013, which included recurring trust expenses, remained stable at S\$0.6 million in both quarters.

The higher finance costs of S\$1.3 million or 57.4% for 2Q 2014 as compared to 2Q 2013 were mainly due to:

- (i) an increase of S\$0.1 million in interest costs incurred on financing facilities relating to the progress payments for Perennial Jihua Mall, Foshan;
- (ii) S\$0.7 million in interest costs incurred on financing facilities relating to Perennial Qingyang Mall, Chengdu. As the mall was substantially completed in 2Q 2014, the related interest costs were taken to the profit or loss statement; and
- (iii) additional S\$0.4 million in interest costs relating to the S\$50.0 million Fixed Rate Notes issued under the MTN Programme in July 2013.

Share of profit of joint venture increased by S\$1.1 million or 99.0% in 2Q 2014 as compared to 2Q 2013. This was mainly attributed to:

- (i) improvement of S\$0.9 million or 79.3% in operating results arising from:
 - higher net property income from Shenyang Longemont Shopping Mall following the mall's tenancy remixing and reconfiguration initiatives; and
 - higher net property income from Shenyang Longemont Offices arising from improved occupancy since 1Q 2014.
- (ii) in view of the Pre-conditional Voluntary Offer announced by St. James Holdings Limited (which will be renamed "*Perennial Real Estate Holdings Limited*" post-completion of the announced corporate exercise by Perennial Real Estate Holdings Pte. Ltd.) to acquire all the issued units in the capital of PCRT on 14 March 2014, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of (i) Shenyang Furniture Mall, (ii) Shenyang Longemont Shopping Mall, and (iii) Shenyang Longemont Offices, as at 30 June 2014. Please refer to note 4 on page 5 for more information on the announced corporate exercise. The gain of S\$0.2 million in the fair values, net of deferred tax, was contributed by the marginal increase in the valuation of Shenyang Longemont Shopping Mall.

Income tax expense for 2Q 2014 increased by S\$1.6 million as compared to 2Q 2013. This was mainly attributed to higher deferred tax expense in line with the increase in fair values of investment properties.

Excluding S\$4.7 million of net gain in fair values and the corresponding deferred tax expense of the investment properties, but including those held by Shenyang Summit, the profit after tax for 2Q 2014 was S\$8.3 million, an increase of S\$5.9 million over 2Q 2013. This was mainly attributable to the absence of net foreign exchange loss, higher net property income from Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, which were both operational in 2Q 2014 but not in 2Q 2013, and improved results from joint venture.

1H 2014 vs 1H 2013

Perennial Jihua Mall, Foshan, generated revenue of S\$4.0 million in 1H 2014. Perennial Qingyang Mall, Chengdu, which commenced operations in 1H 2014, generated revenue of S\$2.5 million in the half-year period.

The increase of S\$4.1 million in property operating expenses for 1H 2014 as compared to 1H 2013 was attributable to:

- (i) S\$1.9 million in respect of Perennial Jihua Mall, Foshan, which was operational and hence incurred property operating expenses in 1H 2014; the mall was not operational in 1H 2013;
- (ii) S\$2.0 million in respect of Perennial Qingyang Mall, Chengdu, which commenced operations in 1H 2014, due mainly to marketing and promotions expenses relating to its official opening activities, property operating expenses such as maintenance and utilities costs, and higher staff costs; and
- (iii) S\$0.2 million in respect of Perennial Dongzhan Mall, Chengdu, due mainly to marketing expenses.

Net property income for 1H 2014 increased by S\$2.4 million over 1H 2013 as a result of the above.

Excluding the effect of total realised and unrealised foreign exchange gain of S\$1.8 million in 1H 2014 results, other income for both 1H 2014 and 1H 2013 were S\$21.8 million each, and related to drawdowns under the Additional Earn-out Deed in 1H 2014 and the New Earn-out Deed in 1H 2013 for distribution to Unitholders.

In view of the Pre-conditional Voluntary Offer announced by St. James Holdings Limited (which will be renamed "*Perennial Real Estate Holdings Limited*" post-completion of the announced corporate exercise by Perennial Real Estate Holdings Pte. Ltd.) to acquire all the issued units in the capital of PCRT on 14 March 2014, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of PCRT's investment properties comprising (i) Perennial Jihua Mall, Foshan, (ii) Perennial Qingyang Mall, Chengdu, and (iii) Perennial Dongzhan Mall, Chengdu, as at 30 June 2014. Please refer to note 4 on page 5 for more details. The gain of S\$6.0 million in the fair values was mainly contributed by the higher valuation of Perennial Qingyang Mall, Chengdu, which was substantially completed in 1H 2014.

The increase of S\$0.3 million or 12.1% in Trustee-Manager's fees for 1H 2014 as compared to 1H 2013 was attributed to the increase in total assets value as at end of 1H 2014 as compared to 1H 2013.

Excluding 1H 2013's effect of net foreign exchange loss of S\$5.8 million and one-off expenses of S\$0.8 million relating to the management of the MTN Programme, other expenses for 1H 2014 and 1H 2013, which included recurring trust expenses, remained stable at S\$1.0 million and S\$1.1 million respectively.

The higher finance costs of S\$1.8 million or 43.4% for 1H 2014 as compared to 1H 2013 were mainly due to:

- (i) an increase of S\$0.2 million in interest costs incurred on financing facilities relating to the progress payments for Perennial Jihua Mall, Foshan;
- (ii) S\$0.7 million in interest costs incurred on financing facilities relating to Perennial Qingyang Mall, Chengdu. As the mall was substantially completed in 2Q 2014, the related interest costs were taken to the profit or loss statement; and
- (iii) additional S\$0.7 million in interest costs relating to the S\$50.0 million Fixed Rate Notes issued under the MTN Programme in July 2013.

Share of profit of joint venture increased by S\$3.1 million in 1H 2014 as compared to 1H 2013. This was mainly attributed to:

- (i) improvement of S\$2.9 million in operating results arising from:
 - higher net property income from Shenyang Longemont Shopping Mall following the mall's tenancy remixing and reconfiguration initiatives; and
 - higher net property income from Shenyang Longemont Offices arising from improved occupancy since 4Q 2013.
- (ii) in view of the Pre-conditional Voluntary Offer announced by St. James Holdings Limited (which will be renamed "*Perennial Real Estate Holdings Limited*" post-completion of the announced corporate exercise by Perennial Real Estate Holdings Pte. Ltd.) to acquire all the issued units in the capital of PCRT on 14 March 2014, a valuation exercise was undertaken by an independent professional valuer to assess the fair value of (i) Shenyang Furniture Mall, (ii) Shenyang Longemont Shopping Mall, and (iii) Shenyang Longemont Offices, as at 30 June 2014. Please refer to note 4 on page 5 for more information on the announced corporate exercise. The gain of S\$0.2 million in the fair values, net of deferred tax, was contributed by the marginal increase in the valuation of Shenyang Longemont Shopping Mall.

Income tax expense for 1H 2014 increased by S\$1.7 million as compared to 1H 2013. This was mainly attributed to higher deferred tax expense in line with the increase in fair values of investment properties.

Excluding S\$4.7 million of net gain in fair values and the corresponding deferred tax expense of the investment properties, but including those held by Shenyang Summit, the profit after tax for 1H 2014 was S\$18.6 million, an increase of S\$11.4 million over 1H 2013. This was mainly attributable to the absence of net foreign exchange loss, higher net property income from Perennial Jihua Mall, Foshan, and Perennial Qingyang Mall, Chengdu, which were operational in 1H 2014 and 2Q 2014 respectively, but not in 1H 2013, and improved results from joint venture.

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

No forecast, or a prospect statement, has been previously disclosed.

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

China's Gross Domestic Product ("GDP") grew at 7.5% year-on-year in 2Q 2014. The Chinese government continues with its targeted initiatives to steer the economy towards consumption-driven growth. However, it is not certain how the emerging geopolitical risks in many parts of the world may affect its economic performance.

We continue to see challenging quarters ahead as we work on stabilising our operating assets in Shenyang and Foshan, and ramping up the performance of our newly-opened Perennial Qingyang Mall, Chengdu, which commenced operations in April 2014. We are also intensifying our leasing efforts to prepare Perennial Dongzhan Mall, Chengdu, for its target opening in 2015.

Shenyang Market Update

In 1Q 2014, Shenyang's GDP grew 7.5% year-on-year to RMB169.0 billion. In 1Q 2014, retail sales of consumer goods reached RMB84.8 billion, an increase of 12.0% over 1Q 2013. Per capita disposable income grew 10.1% year-on-year to RMB7,855 (source:- Statistics Bureau of Shenyang).

The retail stock in Shenyang remains 434,054 sm in 1Q 2014 (source:- DTZ Research).

According to DTZ Research, the total stock of Grade A offices increased by 43,000 sm to 503,707 sm in 1Q 2014. In the same quarter, the overall vacancy rate increased to 20.8%, primarily due to the new office supply. The average rent for Grade A offices achieved in this quarter increased by 1.9% over the previous quarter to RMB112.9 per sm per month (source:- DTZ Research).

Chengdu Market Update

In 1Q 2014, Chengdu's GDP grew 7.8% year-on-year to RMB232.0 billion. Retail sales of consumer goods in 1Q 2014 reached RMB102.8 billion, an increase of 12.4% compared to 1Q 2013. Per capita disposable income in 1Q 2014 grew 9.9% year-on-year to RMB9,029 (source:- Statistics Bureau of Chengdu).

In 1Q 2014, the average city vacancy rate decreased by 0.5% to 7.8%. Strong occupancy boosted the net absorption of the retail market to 267,962 sm in the first quarter of 2014 (source:- DTZ Research).

Rents in Chengdu remained flat at RMB685 per sm per month (source:- DTZ Research).

Foshan Market Update

In 1Q 2014, Foshan's GDP grew 7.4% year-on-year to RMB156.2 billion. Retail sales of consumer goods in 1Q 2014 reached RMB59.9 billion, an increase of 10.1% year-on-year (source:- Foshan Statistics Bureau).

11 Distribution

(a) Current financial period

Any distribution declared for the current financial period?	Yes
Distribution Period	1 January 2014 to 30 June 2014
Distribution per Unit	1.90 Singapore cents

(b) Corresponding period of the immediately preceding financial year

Any distribution declared for the corresponding period of the immediately preceding financial year?	Yes
Distribution Period	1 January 2013 to 30 June 2013
Distribution per Unit	1.90 Singapore cents

(c) Tax Rate

: The Distribution will be exempt from Singapore income tax in the hands of all Unitholders. The Distribution is also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits for any taxes paid by Perennial China Retail Trust Management Pte. Ltd., the trustee-manager of PCRT, on the income of PCRT against their Singapore income tax liability.

(d) Date Payable

: Friday, 5 September 2014

(e) Books Closure Date

: Friday, 15 August 2014 at 5.00 p.m.

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

Not applicable.

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

PCRT did not obtain a general mandate from Unitholders for interested person transactions.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Trustee-Manager of Perennial China Retail Trust which may render the unaudited interim financial results of the Group and the Trust as at and for the period from 1 January 2014 to 30 June 2014, to be false or misleading in any material aspect.

On behalf of the Board of the Trustee-Manager

Pua Seck Guan

Chief Executive Officer / Executive Director

By Order of the Board

Perennial China Retail Trust Management Pte. Ltd.

(as Trustee-Manager of Perennial China Retail Trust)

(Company registration no. 201024622Z)

Sim Ai Hua

Company Secretary

5 August 2014



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Report on review of Interim Financial Information

The Board of Directors
Perennial China Retail Trust Management Pte. Ltd.
(as Trustee-Manager of Perennial China Retail Trust)

Introduction

We have reviewed the accompanying financial information of Perennial China Retail Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Trust as at 30 June 2014, the statement of profit or loss, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows of the Group for the six-month period then ended, and a summary of significant accounting policies and certain explanatory notes (the "Interim Financial Information"). Management of the Trustee-Manager is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its interim financial information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG WP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
5 August 2014