

APPENDIX DATED 2 APRIL 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisor immediately.

If you have sold all your shares in the capital of Perennial Real Estate Holdings Limited (the “**Company**”), you should immediately forward this Appendix (as defined herein) to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser.

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

DATED 2 APRIL 2018

IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

This page has been intentionally left blank.

TABLE OF CONTENTS

LETTER TO SHAREHOLDERS	2
1. Introduction	2
2. The Proposed Renewal of the Share Buyback Mandate	2
3. Interests of Directors and Substantial Shareholders	13
4. Directors' Recommendation	14
5. Directors' Responsibility Statement	14
DEFINITIONS	15

LETTER TO SHAREHOLDERS
PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 200210338M

Registered Office
8 Shenton Way
#36-01 AXA Tower
Singapore 068811

Directors:

Mr Kuok Khoon Hong (*Chairman, Non-Independent Non-Executive Director*)
Mr Ron Sim (*Vice-Chairman, Non-Independent Non-Executive Director*)
Mr Eugene Paul Lai Chin Look (*Lead Independent Non-Executive Director*)
Mr Chua Phuay Hee (*Independent Non-Executive Director*)
Mr Lee Suan Hiang (*Independent Non-Executive Director*)
Mr Ooi Eng Peng (*Independent Non-Executive Director*)
Mr Pua Seck Guan (*Executive Director, Chief Executive Officer*)

2 April 2018

To: The Shareholders of Perennial Real Estate Holdings Limited

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Dear Sir/Madam

1. INTRODUCTION

1.1 AGM

The directors of the Company (the “**Directors**”) refer to the Notice of AGM dated 2 April 2018 issued by the Company for the purpose of convening the AGM to be held on Tuesday, 24 April 2018 at Marina Mandarin, Leo and Capricorn Ballrooms, 6 Raffles Boulevard, Marina Square Level 1, Singapore 039594 at 2.30 p.m. (the “**AGM**”) to seek Shareholders’ approval for the proposed renewal of the Share Buyback Mandate (the “**Share Buyback Mandate**”).

1.2 Appendix

The purpose of this Appendix (as defined herein) is to provide Shareholders (as defined herein) with information on and to explain the rationale of the above proposal and to seek Shareholders’ approval for such proposal at the AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

At the 2017 AGM (as defined herein), Shareholders had approved the renewal of the Share Buyback Mandate (the “**Share Buyback Mandate**”) to enable the Company to purchase or otherwise acquire its issued Shares (as defined herein). The rationale for, the authority and limitations on, and the financial effects of the Share Buyback Mandate were set out in the 2017 Appendix and the Ordinary Resolution set out in the Notice of the 2017 AGM.

The Share Buyback Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2017 AGM and will expire on the date of the forthcoming AGM to be held on 24 April 2018. Accordingly, Shareholders' approval is being sought for the proposed renewal of the Share Buyback Mandate at the AGM. The terms of the proposed renewal of the Share Buyback Mandate at the AGM is similar to that sought at the 2017 AGM, save for the maximum price to be paid for Shares in the case of an Off-Market Purchase.

As at 5 March 2018, the latest practicable date prior to the printing of this Appendix (the "**Latest Practicable Date**"), the Company had purchased or acquired an aggregate of 1,569,300 Shares by way of Market Purchases (as defined in paragraph 2.3.3(a) below) pursuant to the Share Buyback Mandate approved by Shareholders at the 2017 AGM. The highest and lowest price paid was S\$0.88 and S\$0.845 per Share respectively and the total consideration paid for all purchases was S\$1,371,475.92, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, 1,569,300 Shares were held as treasury shares.

2.2 Rationale

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

2.2.1 In line with international practice, the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.

2.2.2 Shares which are purchased by the Company pursuant to the Share Buyback Mandate and held in treasury may be transferred for the purposes of employee share schemes implemented by the Company, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 5% limit described in paragraph 2.3.1 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Group (as defined herein) as a whole and or affect the listing status of the Company on the SGX-ST.

2.3 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buyback Mandate, if approved at the AGM, are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 5% of the total number of issued Shares as at the date of the AGM at which the proposed renewal of the Share Buyback Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Rules (as defined herein)) will be disregarded for purposes of computing the 5% limit. As at the Latest Practicable Date, the Company held 1,569,300 treasury shares and none of the subsidiaries of the Company hold any Shares in the Company.

FOR ILLUSTRATIVE PURPOSES ONLY: on the basis of 1,663,575,068 Shares in issue, after disregarding 1,569,300 Shares held in treasury as at the Latest Practicable Date and assuming that:

- (a) no further Shares are issued; and
- (b) no further Shares are purchased or acquired by the Company; and
- (c) there was no usage and/or cancellation of treasury shares; and

on or prior to the AGM, not more than 83,178,753 Shares (representing 5% of the total number of issued Shares (disregarding the Shares held in treasury)) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the proposed renewal of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) (“**Market Purchase(s)**”) transacted on the SGX-ST through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (“**Off-Market Purchase(s)**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) (as defined in Section 76C of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”)) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Rules and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase in accordance with an equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same (except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Rules.

2.3.4 Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Shares Buyback Mandate. The purchase price to be paid for the Shares as determined by the Directors, in the case of a Market

Purchase and an Off-Market Purchase pursuant to an equal access scheme, must not exceed 105% of the Average Closing Price of the Shares, in either case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are traded on the SGX-ST immediately preceding the date of the Market Purchase(s) by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase(s), 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; and

“**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 foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase(s).

2.4 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code (as defined herein):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares, stating the following details:

- (a) the date of the sale, transfer, cancellation and/or use of such treasury shares;
- (b) the purpose of such sale, transfer, cancellation and/or use of such treasury shares;
- (c) the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (d) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use; and
- (e) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company may purchase or acquire its own Shares out of capital, as well as from its distributable profits. The Company will use its internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would materially affect the working capital requirements of the Group.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares.

The financial effects on the Group, based on the audited consolidated financial statements of the Company and the Group for the financial year ended 31 December 2017, are based on the assumptions set out below:

2.7.1 Purchase or Acquisition out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

2.7.2 Number of Shares Acquired or Purchased

Based on the number of issued and paid-up Shares of 1,663,575,068 as at the Latest Practicable Date (and disregarding the Shares held as treasury shares) and on the assumptions set out in paragraph 2.3.1 above, the purchase by the Company of up to the maximum limit of 5% of its issued Shares will result in the purchase or acquisition of 83,178,753 Shares.

2.7.3 Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires 83,178,753 Shares at the Maximum Price, in the case of both Market Purchase(s) and Off-Market Purchase(s), of S\$0.8999 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days (as defined herein) 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 83,178,753 Shares is approximately S\$74,852,560.

2.7.4 Illustrative Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.2 and 2.7.3 above, the financial effects on the consolidated financial statements of the Company and the Group for the financial year ended 31 December 2017 based on a purchase or acquisition of Shares by the Company of up to 5% of the total number of its issued Shares would have been as follows⁽¹⁾:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Total Equity ⁽²⁾	3,915,878	3,839,143	2,262,220	2,185,485
Total Borrowings ⁽³⁾	2,344,761	2,404,599	616,568	676,407
Cash and cash equivalents	111,678	94,781	6,080	–
Profit attributable to owners of the Company	100,299	98,417	9,384	7,502
Weighted Average Number of Shares for the year ('000)	1,665,083	1,581,904	1,665,083	1,581,904
Financial Ratio				
Net Assets Value per Share (S\$)	1.66	1.70	1.36	1.38
Net Gearing Ratio ⁽⁴⁾ (times)	0.57	0.60	0.27	0.31
Current Ratio (times)	1.87	1.86	0.31	0.29
Earnings per Share ⁽⁵⁾ (Singapore cents)	6.02	6.22	0.56	0.47

Notes:

- (1) Based on the assumption that the Company will partially finance the share buybacks from cash within the Group.
- (2) “**Total Equity**” means the aggregate amount of issued share capital, other reserves, foreign currency translation reserve, retained earnings and non-controlling interests.
- (3) “**Total Borrowings**” means the aggregate amount of loans from banks, medium term notes and retails bonds.
- (4) “**Net Gearing Ratio**” is defined as the ratio of the net borrowings to total equity.
- (5) “**Earnings per Share**” is calculated based on Profit attributable to owners of the Company and Weighted Average Number of Shares for the year.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 December 2017, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 5% of the issued Shares, the Company may not necessarily purchase or acquire part of or the entire 5% of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 Listing Status of the Shares

The Listing Rules require a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. As at the Latest Practicable Date, approximately 16.57% of the total number of issued Shares (excluding the Shares held in treasury) is held by public Shareholders.

The Company will ensure there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 5% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 Listing Rules

Rule 886(1) of the Listing Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Rules) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares through Market Purchase(s) and Off-Market Purchase(s) during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of the financial year.

2.11 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (i) the following companies:
 - (a) a company;
 - (b) the parent company of (a);
 - (c) the subsidiaries of (a);
 - (d) the fellow subsidiaries of (a);
 - (e) the associated companies of any of (a), (b), (c) or (d);
 - (f) companies whose associated companies include any of (a), (b), (c), (d) or (e); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the interests of the substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 3.2 below, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the acquisition or purchase by the Company of the maximum limit of 5% of the total number of its issued Shares as at the Latest Practicable Date.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings are as follows:

Directors	Direct Interest		Deemed Interest		Number of Shares comprised in Outstanding Share Options
	No. of Shares	%	No. of Shares	%	
Mr Kuok Khoon Hong ⁽¹⁾	–	–	593,419,431	35.67	–
Mr Ron Sim ⁽²⁾	254,535,564	15.30	2,059,035	0.12	–
Mr Eugene Paul Lai Chin Look	–	–	–	–	1,500,000 ⁽⁵⁾
Mr Ooi Eng Peng	78,634	0.005	–	–	1,000,000 ⁽⁶⁾
Mr Lee Suan Hiang ⁽³⁾	200,000	0.01	200,000	0.01	1,500,000 ⁽⁵⁾
Mr Chua Phuay Hee	–	–	–	–	1,500,000 ⁽⁵⁾
Mr Pua Seck Guan ⁽⁴⁾	7,256,768	0.44	164,024,526	9.86	10,200,000 ⁽⁷⁾

Notes:

- (1) Mr Kuok Khoon Hong's deemed interest in the Shares arises from his shareholdings in HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, Kuok Hock Swee & Sons Sdn. Bhd., Pearson Investments Limited, through Madam Yong Lee Lee (spouse of Mr Kuok Khoon Hong) and through Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.
- (2) Mr Ron Sim's direct interest includes the Shares held through bank nominees. Mr Ron Sim is deemed interested in the Shares held by Madam Teo Sway Heong (spouse of Mr Ron Sim).
- (3) Mr Lee Suan Hiang's deemed interest in the Shares arises from the Shares held through bank nominees.
- (4) Mr Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in PSG Holdings Pte. Ltd. and Shares held in the name of bank nominees.
- (5) 500,000 and 1,000,000 Options were granted to each of Mr Eugene Paul Lai Chin Look, Mr Lee Suan Hiang and Mr Chua Phuay Hee on 15 May 2015 and 12 May 2017 respectively.
- (6) 1,000,000 Options were granted to Mr Ooi Eng Peng on 12 May 2017.
- (7) 5,100,000 Options were granted to Mr Pua Seck Guan on 8 October 2015 and 12 May 2017 respectively.

3.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest		Number of Shares comprised in Outstanding Share Options
	No. of Shares	%	No. of Shares	%	
Mr Kuok Khoon Hong ⁽¹⁾	–	–	593,419,431	35.67	–
HPRY Holdings Limited ⁽²⁾	–	–	474,280,734	28.51	–
WCA Pte. Ltd.	333,028,874	20.02	–	–	–
Wilmar International Limited ⁽³⁾	–	–	333,028,874	20.02	–
Mr Ron Sim ⁽⁴⁾	254,535,564	15.30	2,059,035	0.12	–
PSG Holdings Pte. Ltd.	120,323,170	7.23	–	–	–
Mr Pua Seck Guan ⁽⁵⁾	7,256,768	0.44	164,024,526	9.86	10,200,000 ⁽⁶⁾

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, Kuok Hock Swee & Sons Sdn. Bhd., Pearson Investments Limited, through Madam Yong Lee Lee (spouse of Mr Kuok Khoon Hong) and through Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.
- (2) HPRY's deemed interest in the Shares arises from the Shares registered in the name of bank nominees for the account of HPRY.
- (3) The deemed interest of Wilmar International Limited ("Wilmar") in the Shares arises from its shareholding in WCA Pte. Ltd., a wholly-owned subsidiary of Wilmar.
- (4) Mr Ron Sim's direct interest includes the Shares held through bank nominees. Mr Ron Sim is deemed interested in the Shares held by Madam Teo Sway Heong (spouse of Mr Ron Sim).
- (5) Mr Pua Seck Guan's deemed interest in the Shares arises from his shareholdings in PSG Holdings Pte. Ltd. and Shares held in the name of bank nominees.
- (6) 5,100,000 Options were granted to Mr Pua Seck Guan on 8 October 2015 and 12 May 2017 respectively.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate to be proposed at the AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Share Buyback Mandate and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Appendix:

“AGM”	:	The annual general meeting of Shareholders to be held at Marina Mandarin, Leo and Capricorn Ballrooms, 6 Raffles Boulevard, Marina Square Level 1 Singapore 039594 on Tuesday, 24 April 2018 at 2.30 p.m., to approve the matters set out in the Notice of Annual General Meeting
“Appendix”	:	This Appendix to Shareholders dated 2 April 2018
“Average Closing Price”	:	Shall have the meaning ascribed to it in paragraph 2.3.4
“Companies Act”	:	Companies Act, Chapter 50 of Singapore
“Company”	:	Perennial Real Estate Holdings Limited
“Date of the making of the offer”	:	Shall have the meaning ascribed to it in paragraph 2.3.4
“Directors”	:	The directors of the Company as at the date of this Appendix
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Appendix, being 5 March 2018
“Listing Rules”	:	The Listing Rules of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase(s)”	:	Shall have the meaning ascribed to to it in paragraph 2.3.3(a)
“Maximum Price”	:	105% of the Average Closing Price of the Shares excluding related expenses of the purchase or acquisition
“Off-Market Purchase(s)”	:	Shall have the meaning ascribed to to it in paragraph 2.3.3(b)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
“Shareholders”	:	Registered holders of the Shares except that where the registered holder is The Central Depository (Pte) Limited, the term “Shareholders” shall, in relation to such Shares and where the context admits, means the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company

“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“2017 AGM”	:	The annual general meeting of Shareholders held on 28 April 2017
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Rules or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Rules or any modification thereof, as the case may be, unless the context requires otherwise.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the amounts listed and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded to one decimal place.

This page has been intentionally left blank.

