

Chengdu East High Speed Railway Integrated Development, PRC



Xi'an North High Speed Railway Integrated Development, PRC



Beijing Tongzhou Integrated Development, PRC



Capitol Singapore



TripleOne
Somerset,
Singapore



CHIJMES, Singapore



These pictures reflect the artist's impression of Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development, Beijing Tongzhou Integrated Development, Capitol Singapore and CHIJMES, and may differ from the actual view of the completed property.

**Offer Document
Dated 10 November 2014**

**THIS OFFER DOCUMENT IS
IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY.**

**For each
PCRT unit:
S\$0.70
to be satisfied
by 0.52423
PREHL Shares**

**ACCEPTANCES SHOULD BE RECEIVED BY
THE CLOSE OF THE OFFER AT 5.30 P.M.
(SINGAPORE TIME) ON 8 DECEMBER
2014 OR SUCH LATER DATE(S) AS MAY BE
ANNOUNCED FROM TIME TO TIME BY OR
ON BEHALF OF THE OFFEROR.**

The procedures for acceptance of the Offer are set out in **Appendix B** to this Offer Document and in the FAA.

DBS Bank Ltd. and Standard Chartered Bank acted as joint financial advisers to PREHL in relation to the reverse takeover of PREHL which was completed on 27 October 2014.

VOLUNTARY CONDITIONAL GENERAL OFFER

By


PERENNIAL
(PERENNIAL REAL ESTATE HOLDINGS LIMITED)
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200210338M)

For Units of


PERENNIAL
CHINA RETAIL TRUST

(PERENNIAL CHINA RETAIL TRUST)
(Incorporated in the Republic of Singapore)
(Business Trust Registration No.: 2011002)

other than those already owned, controlled or agreed to be acquired by
Perennial Real Estate Holdings Limited, its related corporations and their respective nominees

Joint Financial Advisers to the Offeror


DBS
DBS BANK LTD.


**Standard
Chartered**
STANDARD CHARTERED BANK


UOB
大華銀行
UNITED OVERSEAS BANK LIMITED

If you are in any doubt about the Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. The Joint Financial Advisers are acting for and on behalf of Perennial Real Estate Holdings Limited (the "Offeror" or "PREHL") and do not purport to advise the unitholders of Perennial China Retail Trust ("PCRT") ("Unitholders") and/or any other person. Unless otherwise defined, terms appearing on the cover of this Offer Document bear the same meanings as defined in this Offer Document.

If you have sold or transferred all your units of PCRT ("Units") held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Offer Document and the accompanying FAA (as defined herein) to the purchaser or transferee, as CDP will arrange for a separate Offer Document and the FAA to be sent to the purchaser or transferee.

The views of the independent directors ("Independent Directors") of Perennial China Retail Trust Management Pte. Ltd. (the "Trustee-Manager") and the independent financial adviser to the independent directors of the Trustee Manager (the "IFA") on the Offer will be made available to you in due course in the circular to be despatched by the Trustee-Manager to Unitholders (the "PCRT Circular"). You may wish to consider their views before taking any decision on the Offer. The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

HIGHLIGHTS OF THE OFFER

1 WHAT DO I GET FOR MY PCRT OFFER UNITS?

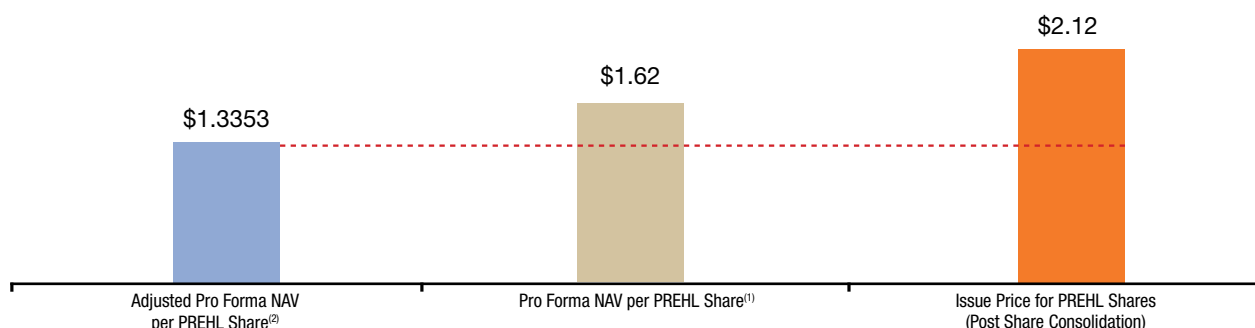


- PREHL makes voluntary conditional general offer (the “Offer”) to acquire all the remaining Units (“Offer Units”) in exchange for new shares in PREHL (“PREHL Shares”)
- PCRT Unitholders offered S\$0.70 for each Offer Unit (“Offer Price”), to be satisfied by the issuance of 0.52423 PREHL Shares at an issue price of approximately S\$1.3353

2 HOW DO I EVALUATE THE OFFER?

(i) Value of the Offer is underpinned by PREHL’s Strong Net Asset Value (“NAV”) per PREHL Share

The issue price of approximately S\$1.3353 for each PREHL Share is at a considerable discount of 17.6 per cent. and 37.0 per cent. to PREHL’s pro forma NAV of S\$1.62⁽¹⁾ per PREHL Share and adjusted pro forma NAV of S\$2.12⁽²⁾ per PREHL Share.



(ii) Opportunity to Acquire PREHL Shares at Sizeable Discounts to PREHL’s Pro Forma NAV and Adjusted Pro Forma NAV

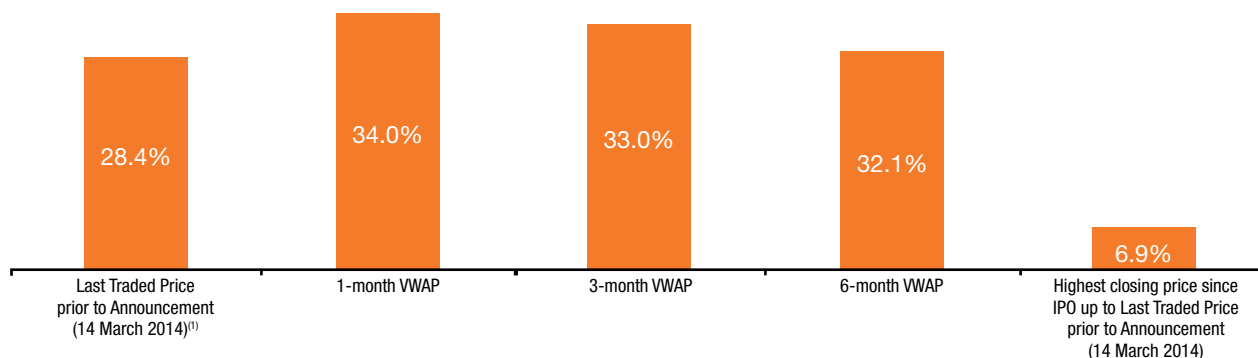
Based on the swap ratio of 0.52423 PREHL Shares for each Offer Unit, Unitholders would effectively need to tender 1.91 Offer Units to acquire 1 PREHL Share. Based on PCRT’s closing price of S\$0.52 per Unit as at 24 October 2014, the Offer entitles Unitholders to swap their Offer Units for PREHL Shares at an implied market entry price of approximately S\$0.99 (i.e. 1.91 x S\$0.52) for each PREHL Share. This implied market entry price represents:

- (i) a discount of 38.9 per cent. to the pro forma NAV of S\$1.62⁽¹⁾ per PREHL Share; and
- (ii) a discount of 53.3 per cent. to the adjusted pro forma NAV of S\$2.12⁽²⁾ per PREHL Share.

⁽¹⁾ Based on the pro forma NAV per PREHL Share as at 31 March 2014 and assuming (i) the Deferred Acquisitions have taken place; and (ii) acquisition of 100 per cent. of PCRT.

⁽²⁾ The adjusted pro forma NAV per PREHL Share is calculated on the basis that development works or asset enhancement works to PREHL’s assets will be completed based on current plans and accordingly the adjusted pro forma NAV per PREHL Share is subject to change as a result of, *inter alia*, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated and failure to obtain approvals from the relevant authorities. The adjusted pro forma NAV per PREHL Share should be read together with the assumptions and accounting policies, based on which the 31 March 2014 pro forma NAV was derived, as set out in Appendix J of this Offer Document. The adjusted pro forma NAV per PREHL Share is not intended to be a forecast and is for illustrative purposes only and on the basis of the assumptions and accounting policies set out in this Offer Document and may not give a true picture of the actual total returns and financial position of PREHL.

(iii) Offer Price Represents a Premium to Historical Traded Prices



(iv) The Offer Price exceeds the highest closing price in the one year period before the Pre-Conditional Voluntary General Offer Announcement Date



3 WHAT DOES PREHL INTEND TO DO WITH PCRT?

If the Offeror receives valid acceptances (or otherwise acquires Offer Units during the offer period other than through valid acceptances of the Offer) in respect of not less than 90 per cent. of the Offer Units, the Offeror can compulsorily acquire all the remaining Offer Units from Unitholders who have not accepted the Offer, on the same terms as those offered under the Offer. In such event, the Offeror intends to exercise its right of compulsory acquisition and proceed to delist PCRT from the Official List of the SGX-ST.

4 WHAT IS REQUIRED FOR THE OFFER TO TURN UNCONDITIONAL?

The Offer will become unconditional when valid acceptances received by PREHL, together with the Units owned, controlled or agreed to be acquired by PREHL and parties acting in concert, exceed 50.0% of the total outstanding Units.

IMPORTANT NOTICE

The information in this section is a summary of the Offer Document and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Offer Document. In the event of any inconsistency or conflict between this summary and this Offer Document, the terms set out in this Offer Document shall prevail.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Unitholders or any other party. The Joint Financial Advisers are acting for and on behalf of the Offeror and do not purport to advise any Unitholder.

Unitholders are advised to exercise caution when dealing in their Units and refrain from taking any action in relation to their Units which may be prejudicial to their interest until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA as set out in the PCRT Circular. Unitholders are encouraged to read this Offer Document and the PCRT Circular carefully and in their entirety.

⁽¹⁾ This refers to the last transacted price of the Units on 14 March 2014, being the last Market Day on which the Units were traded prior to the Pre-Conditional Voluntary General Offer Announcement, before the trading halt of PCRT from 1.58 p.m. on 14 March 2014.

INSTRUCTIONS TO ACCEPT THE OFFER

1 IF YOU WISH TO ACCEPT THE OFFER, LOCATE THE FORM OF ACCEPTANCE AND AUTHORISATION FOR OFFER UNITS (“FAA”) IN THIS PACKAGE, OR OBTAIN:

- a) the FAA from the Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or
- b) electronic copies of the FAA from the website of the SGX-ST at www.sgx.com

2 FILL IN YOUR DETAILS AND SIGN THE FAA

- Under Part A, fill in the number of Offer Units in the “Free Balance” of your CDP Securities Account that you wish to accept.

SECTION A – ACCEPTANCE THROUGH FAA		
I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of Offer Units to the Securities Account maintained with CDP of the Offeror or the Transferee:		
		Please indicate the number of Offer Units you wish to tender in acceptance of the offer
Part A	Number of Offer Units now standing to the credit of the “Free Balance” of my/our Securities Account in respect of which the Offer is accepted.	
Note: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Units above.		

- Please fill in the applicable date and proceed to sign on the bottom right hand corner of the FAA.

 [INSERT DATE HERE]	 PLEASE SIGN HERE
Date	Signature(s)/Thumbprint(s) of Depositor(s)/Joint Depositors. For corporations, please sign as per your signing mandate and where appropriate, the Common Seal to be affixed in accordance with your Memorandum and Articles of Association or relevant constitutive documents.

- Further instructions for completing the FAA are set out in the FAA and Appendix B to this Offer Document.

- 3 RETURN THE COMPLETED FAA IN THE ENCLOSED PRE-ADDRESSED ENVELOPE (PRE-PAID FOR POSTING IN SINGAPORE ONLY) NO LATER THAN 5.30 P.M. (SINGAPORE TIME) ON MONDAY, 8 DECEMBER 2014 (OR SUCH LATER DATES AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR).**

IMPORTANT DATES

Despatch of Offer Document	10 November 2014
Last date for the despatch of the PCRT Circular	24 November 2014
First Closing Date of the Offer	8 December 2014
Expected date of lifting of the suspension of trading of PREHL Shares	No later than 31 December 2014

NEED HELP?

Please contact the Joint Financial Advisers at the following hotlines during office hours if you have any enquiries about the Offer Document or if you need assistance to complete the FAA.

DBS Bank Ltd.
(65) 6878 4223

Standard Chartered Bank
(65) 6596 7525

United Overseas Bank Limited
(65) 6539 7066

IMPORTANT NOTICE TO OVERSEAS UNITHOLDERS

Overseas Unitholders

The availability of the Offer to Unitholders whose addresses are outside Singapore in the Depository Register (**"Overseas Unitholders"**) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Unitholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Unitholders (as defined herein) respectively, including those to whom this Offer Document and the FAA accompanying this Offer Document have not been, or will not be, sent, provided that this Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful, and the Offer is not being made into any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Unitholders in any such jurisdiction.

Overseas Jurisdictions

It is the responsibility of any Overseas Unitholder who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. If any Unitholder is in any doubt about his position, he should consult his stock broker, bank manager, solicitor or other professional adviser immediately.

Regulatory Notice

The disclosure below is made pursuant to the conditions of the waiver granted by the Securities Industry Council (the “**SIC**”) to Perennial Real Estate Holdings Pte Ltd (“**PREH**”) and its concert parties (the “**PREH Concert Party Group**”), in relation to the reverse takeover of St James Holdings Limited (now known as PREHL). Capitalised terms not defined herein shall have the same meaning set out in the circular dated 18 September 2014 issued by PREHL in respect of, *inter alia*, the approval of the Acquisition (the “**Offeror Circular**”).

Details of the Whitewash Resolution

On 14 March 2014, the SIC had granted the PREH Concert Party Group a waiver of the requirement to make a general offer for PREHL under Rule 14 of the Code upon the issue of the Consideration Shares pursuant to the Acquisition. The SIC has granted its waiver, subject to the conditions set out in the Offeror Circular. On 10 October 2014, the shareholders of PREHL (the “**Shareholders**”) passed the Whitewash Resolution waiving their rights to receive a general offer from the PREH Concert Party Group for their PREHL Shares. For the purposes of the Whitewash Resolution, the issue of the Consideration Shares for the Initial Acquisition must be completed within three months of 10 October 2014 and the issue of the remaining Consideration Shares to the PREH Concert Party Group must be completed by 10 June 2015 (the “**Final Issue Date**”), being the date falling two months from the Final Long Stop Date.

Holdings and Interests of the PREH Concert Party Group and the Maximum Potential Interests of the PREH Concert Party Group

As at the date hereof, (i) the PREH Concert Party Group holds in aggregate 680,752,625 PREHL Shares; and (ii) in the event that the Deferred Beijing Acquisition takes place on or prior to Final Long Stop Date, the PREH Concert Party Group is entitled to receive up to an additional 294,997,019 PREHL Shares on or prior to the Final Long Stop Date. In addition, Mr Pua Seck Guan is entitled to receive up to 7,307,996 PREHL Shares on or about 27 July 2016 in relation to the Consideration Shares to be issued in respect of the Deferred PREPL Acquisition. In addition, the PREH Concert Party Group may receive up to an additional 58,367,000 PREHL Shares pursuant to net asset value adjustments for the Initial Acquisition and the Deferred Acquisitions. Save as disclosed herein, none of the PREH Concert Party Group holds PREHL Shares and instruments convertible into, rights to subscribe for and options in respect of PREHL Shares. Accordingly, the maximum potential interest of the PREH Concert Party Group is 1,041,424,640 PREHL Shares, representing approximately 88.4 per cent. of the PREHL Shares in issue, assuming no other PREHL Shares are issued.

Cautionary Statement

Shareholders should note that, having approved the Whitewash Resolution, Shareholders have waived their rights to receive a general offer from the PREH Concert Party Group at the highest price paid by the PREH Concert Party Group for PREHL Shares in the past six months preceding the date of the Whitewash Resolution.

Shareholders should also note that, having approved the Whitewash Resolution, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the outstanding PREHL Shares which may be allotted and issued on or prior to the Final Issue Date for the Deferred Beijing Acquisition (if completed).

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DEFINITIONS

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

“3Q Distribution”	:	The distribution for the period of 1 July 2014 to 30 September 2014 declared by PCRT to Unitholders, the details of which are set out in PCRT’s announcement dated 4 November 2014.
“Acquisition”	:	The Initial Acquisition and the Deferred Acquisitions.
“Acquisition Agreements”	:	The conditional acquisition agreements dated 14 March 2014, as from time to time amended, modified or supplemented, under the terms of which the Offeror proposed to acquire from PREH and other vendors effective equity interests in certain real estate assets and businesses.
“Acquisition Closing”	:	Completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreements.
“AEI”	:	Asset enhancement initiatives.
“Ancillary Services”	:	The corporate secretarial services, accounting services and corporate finance advisory services to be provided by the Offeror Group to the Relevant Entities in accordance with the Related Agreements.
“Books Closure Date”	:	5.00 p.m. on 12 November 2014, being the time and date at and on which the register of PCRT will be closed to determine the entitlements of Unitholders to receive the 3Q Distribution.
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore.
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST.
“CDP”	:	The Central Depository (Pte) Limited.
“Closing Date”	:	5.30 p.m. on 8 December 2014 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer.
“Code”	:	The Singapore Code on Take-overs and Mergers.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore.
“Completion Shares”	:	New PREHL Shares issued pursuant to the Initial Acquisition Closing on 27 October 2014.
“Consideration Shares”	:	New PREHL Shares to be allotted and issued in satisfaction of the purchase consideration for the Acquisition.
“Date of Receipt”	:	The date of receipt of the FAA by CDP on behalf of the Offeror.
“DBS Bank”	:	DBS Bank Ltd..
“Deferred Acquisitions”	:	The Deferred Beijing Acquisition and the Deferred PREPL Acquisition.

“Deferred Acquisitions Closing”	:	Completion of the Deferred Acquisitions in accordance with the terms and conditions of the Acquisition Agreements.
“Deferred Beijing Acquisition”	:	The acquisition in relation to Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2.
“Deferred Beijing Acquisition Closing”	:	Completion of the Deferred Beijing Acquisition in accordance with the terms and conditions of the Acquisition Agreements.
“Deferred PREPL Acquisition”	:	The acquisition by the Offeror of the Deferred PREPL Shares.
“Deferred PREPL Acquisition Closing”	:	The completion of the Deferred PREPL Acquisition, which will take place on 27 July 2016.
“Deferred PREPL Shares”	:	51.00 per cent. of the issued ordinary shares of PREPL that are held by Mr Pua Seck Guan as at the Latest Practicable Date.
“Despatch Date”	:	10 November 2014, being the date on which this Offer Document is despatched to Unitholders.
“Directors”	:	The directors on the board of the Offeror for the time being.
“Dissenting Unitholders”	:	Unitholders who have not accepted the Offer as at the close of the Offer.
“Distribution”	:	The Offeror’s distribution <i>in specie</i> of all the issued shares in CityBar Holdings Limited to the existing shareholders of the Offeror prior to completion of the Initial Acquisition by way of a capital reduction.
“Electronic Acceptance”	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents.
“Encumbrances”	:	Any liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever.
“FAA”	:	Form of Acceptance and Authorisation in respect of Offer Units, which is applicable to Unitholders whose Offer Units are deposited with CDP and which forms part of this Offer Document.
“Final Day Rule”	:	Shall have the meaning set out in paragraph 1.4 of Appendix A of this Offer Document.
“Final Issue Date”	:	10 June 2015, being the date falling two months from the Final Long-Stop Date.
“Final Long-Stop Date”	:	10 April 2015, being the date falling six months from the date the Shareholders approved the Acquisition.
“First Announcement Date”	:	14 March 2014, being the date of the Pre-Conditional Voluntary General Offer Announcement.
“First Closing Date”	:	8 December 2014.
“First Trading Day”	:	13 March 2014, being the last full Market Day on which the Units were transacted on the SGX-ST preceding the First Announcement Date.

“FY”	:	Financial year.
“FY 2013”	:	FY ended 31 December 2013.
“GDV”	:	Gross development value.
“GFA”	:	Gross floor area.
“HSR”	:	High-speed railway.
“Independent Valuers”	:	Has the meaning ascribed to it in paragraph 2.6 of Appendix E of this Offer Document.
“Initial Acquisition”	:	The acquisition in relation to all the Target Assets, save for Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 under the Deferred Beijing Acquisition and the Deferred PREPL Shares under the Deferred PREPL Acquisition.
“Initial Acquisition Closing”		The completion of the Initial Acquisition in accordance with the terms and conditions of the Acquisition Agreements.
“Initial Acquisition Target Assets”	:	All Target Assets save for Beijing Tongzhou Integrated Development Phase 1, Beijing Tongzhou Integrated Development Phase 2 and the Deferred PREPL Shares.
“Irrevocable Undertakings”	:	The irrevocable undertakings from the Unitholders set out in Appendix G of this Offer Document to accept the Offer.
“Joint Financial Advisers”		DBS Bank, SCB and UOB.
“Land Use Right Certificates”	:	The PRC government-issued Land Use Rights Certificates (国有土地使用证).
“Latest Practicable Date”	:	5 November 2014, being the latest practicable date prior to the printing of this Offer Document.
“Listing Manual”	:	The listing manual of the SGX-ST.
“Mainboard”	:	Mainboard of the SGX-ST.
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities.
“NAV”	:	Net asset value.
“NTA”	:	Net tangible assets.
“Offer”	:	The voluntary conditional offer made by the Joint Financial Advisers, for and on behalf of the Offeror, to acquire the Offer Units, on the terms and subject to the conditions set out in this Offer Document and the FAA.
“Offer Announcement Date”	:	27 October 2014, being the date on which the Offeror announced its firm intention to make the Offer.
“Offer Document”	:	This document dated 10 November 2014 and any other document(s) which may be issued by the Joint Financial Advisers, for and on behalf of the Offeror, to amend, revise, supplement or update this document from time to time.

“Offer Period”	:	The period from the Pre-Conditional Voluntary General Offer Announcement until the date the Offer is declared to have closed or lapsed.
“Offer Price”	:	S\$0.70, to be satisfied by the issuance of 0.52423 PREHL Shares (based on an issue price of approximately S\$1.3353 for each PREHL Share).
“Offer Units”	:	All the Units to which the Offer relates, being all Units other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees.
“Offeror” or “PREHL”	:	Perennial Real Estate Holdings Limited.
“Offeror Circular”	:	The circular dated 18 September 2014 issued by the Offeror to its shareholders seeking approval of, <i>inter alia</i> , the Acquisition, the Share Consolidation and the Offer at the Offeror EGM.
“Offeror EGM”	:	The extraordinary general meeting of the Offeror held on 10 October 2014.
“Offeror Group”	:	The Offeror and its subsidiaries.
“Offeror Securities”	:	(i) PREHL Shares; (ii) securities which carry voting rights in the Offeror; or (iii) convertible securities, warrants, options or derivatives in respect of PREHL Shares or securities which carry voting rights in the Offeror.
“Overseas Unitholders”	:	Unitholders whose addresses are outside Singapore as shown on the Depository Register.
“PCRT”	:	Perennial China Retail Trust.
“PCRT FY 2013 Results”	:	The audited consolidated financial statements of PCRT for FY 2013.
“PCRT Securities”	:	(i) Units; (ii) securities which carry voting rights in PCRT; or (iii) convertible securities, warrants, options or derivatives in respect of Units or securities which carry voting rights in PCRT.
“PRC”	:	The People’s Republic of China.
“Pre-Announcement Trading Day”	:	24 October 2014, being the last full Market Day on which the Units were transacted on the SGX-ST preceding the Offer Announcement Date.
“Pre-Conditional Voluntary General Offer Announcement”	:	The announcement of the pre-conditional Offer dated 14 March 2014 for and on behalf of the Offeror.
“Pre-Conditions”	:	Has the meaning ascribed to it in Section 1.1 of the Letter to the Unitholders in this Offer Document.
“PREH”	:	Perennial Real Estate Holdings Pte. Ltd..

“PREH Concert Party Group”	:	Perennial Real Estate Holdings Pte Ltd and its concert parties for the purposes of the Whitewash Resolution.
“PREHL”	:	Perennial Real Estate Holdings Limited.
“PREHL Shares”	:	Ordinary shares in the capital of the Offeror.
“PREPL”	:	Perennial Real Estate Pte. Ltd..
“Reference Period”	:	The period commencing three months prior to the First Announcement Date and ending on the Latest Practicable Date.
“Related Agreements”	:	Has the meaning ascribed to it in paragraph 10 of Appendix C of this Offer Document.
“Relevant Day”	:	The Market Day immediately after the day on which the Offer is due to expire or the Offer is revised or extended or becomes or is declared unconditional as to acceptances.
“Relevant Entities”	:	Target Entities holding an interest in the Deferred Beijing Acquisition.
“Rule 22.6 Period”	:	Has the meaning ascribed to it in paragraph 1.3 of Appendix A of this Offer Document.
“SCB”	:	Standard Chartered Bank.
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	The shareholders of PREHL.
“Share Consideration”	:	The issuance of 0.52423 PREHL Shares, in satisfaction of the consideration for each Offer Unit tendered in acceptance of the Offer.
“Share Consolidation”	:	The share consolidation effected by the Offeror on 28 October 2014 on the basis of 50 existing PREHL Shares to one PREHL Share.
“Shut-Off Notice”	:	Has the meaning ascribed to it in paragraph 1.3 of Appendix A of this Offer Document.
“SIBOR”	:	Singapore Interbank Offer Rate.
“SIC”	:	Securities Industry Council of Singapore.
“SOR”	:	Swap Offer Rate.
“SRS”	:	Supplementary Retirement Scheme.
“SRS Agent Banks”	:	Agent banks included under the SRS.
“SRS Investors”	:	Investors who have purchased Units pursuant to the SRS.
“Target Assets”	:	The property assets, management businesses and other assets in which the Target Entities hold equity interests.

“Target Entities”	:	The target entities which are the subject of the Acquisition Agreements.
“Trustee-Manager”	:	Perennial China Retail Trust Management Pte. Ltd..
“Unaudited Pro Forma Consolidated Financial Statements”	:	The unaudited pro forma consolidated financial information of the Offeror Group comprising the unaudited pro forma consolidated financial position of the Offeror Group as at 31 December 2013 and 31 March 2014, the unaudited pro forma consolidated statements of comprehensive income and unaudited pro forma consolidated statements of cash flows of the Offeror Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014, as set out in the Offeror Circular and in Appendix J to this Offer Document.
“Unitholders”	:	Holders of the Units.
“Unitholding Requirement”	:	The requirement under Rule 723 of the Listing Manual that at least 10 per cent. of the total number of Units is at all times held by the public.
“Units”	:	Units in PCRT.
“UOB”	:	United Overseas Bank Limited.
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore.
“Valuation Reports”	:	The independent valuation reports prepared in relation to the Target Assets.
“Voluntary Conditional General Offer Announcement”	:	The announcement of the Offer released by the Joint Financial Advisers, for and on behalf of the Offeror, on the Offer Announcement Date.
“VWAP”	:	Volume weighted average price.
“Whitewash Resolution”	:	The resolution approved by independent Shareholders on 10 October 2014 to waive their rights to receive a mandatory offer from the PREH Concert Party Group.
“%” or “per cent.”	:	Per centum or percentage.

Acting in Concert, Associated Company. The expressions **“acting in concert”** and **“associated company”** shall have the meanings ascribed to them respectively in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by the Joint Financial Advisers or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Controlling Shareholder. This has the meaning ascribed to “controlling shareholder” under the Listing Manual.

Depositors. The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in the Companies Act.

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

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Issued PREHL Shares. Any reference to the “**total number of issued PREHL Shares**” is a reference to 808,197,573 PREHL Shares, being the total number of issued PREHL Shares (excluding PREHL Shares held in treasury) as at the Latest Practicable Date.

Issued Units. Any reference to the “**total number of issued Units**” is a reference to 1,145,654,397 Units, being the total number of Units in issue as at the Latest Practicable Date.

Offer Document. References to “**Offer Document**” shall include the FAA, unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Offer Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

Statutes. Any reference in this Offer Document to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended or re-enacted. Any word defined in the Companies Act, the Code, the Listing Manual or any modification thereof and not otherwise defined in this Offer Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual or that modification, as the case may be, unless the context otherwise requires.

Subsidiary, Related Corporation. References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

Unitholders. References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Unitholders.

CAUTIONARY NOTES

Forward Looking Statements. All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of information available as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Unitholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or the Joint Financial Advisers undertakes any obligation to update publicly or revise any forward-looking statements.

Valuations. A number of the properties which have been valued are under development or undergoing AEI or slated for development or AEI and the valuation of these properties are based on current available plans and subject to *inter alia* obtaining the relevant regulatory approvals. Accordingly, the valuations are subject to change by reason of *inter alia* changes in market conditions, regulatory requirements, and the possibility that approvals from the relevant authorities are not obtained.

Pro Forma NAV per PREHL Share and Adjusted Pro Forma NAV per PREHL Share. The calculations for the pro forma NAV per PREHL Share and adjusted pro forma NAV per PREHL Share are extracted from the Offeror Circular. The adjusted pro forma NAV per PREHL Share is not intended to be a forecast and is for illustrative purposes only and calculated on the basis of the assumptions and accounting policies set out in the Unaudited Pro Forma Consolidated Financial Statements for the period ended 31 March 2014 (as set out in Appendix J of this Offer Document) and may not give a true picture of the actual total returns and financial position of PREHL. The adjusted pro forma NAV per PREHL Share should be read together with the assumptions and accounting policies, based on which the pro forma NAV per PREHL Share was derived. In addition, the adjusted pro forma NAV per PREHL Share is calculated on the basis that the developments or AEI will be completed based on current plans. Unitholders should therefore note the possibility that the developments or AEI may not be completed as expected and accordingly, the adjusted pro forma NAV per PREHL Share is subject to change as a result of *inter alia*, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated and failure to obtain approvals from the relevant authorities.

No representation, warranty or covenant, express or implied, is made by PREHL, its Directors, or the Joint Financial Advisers or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information relating to the adjusted pro forma NAV per PREHL Share contained in this Offer Document and nothing contained in this Offer Document is or should be relied upon as a promise, representation or covenant by any of the aforementioned persons.

The pro forma NAV per PREHL Share as at 31 March 2014 (assuming the completion of the Deferred Acquisitions and the acquisition of 100 per cent. of PCRT) is S\$1.62 (as derived from the Unaudited Pro Forma Consolidated Financial Statements set out in Appendix J to this Offer Document).

The Offeror has further considered what the adjusted pro forma NAV per PREHL Share would be, assuming the completion of the Deferred Acquisitions and the acquisition of 100 per cent. of PCRT.

The adjusted pro forma NAV per PREHL Share takes into account (a) the respective completion of each development asset in the PRC, which is expected in 2016/2017¹, (b) the completion of the planned asset enhancement works for CHIJMES which is expected in end 2014², (c) the completion of development works for Capitol Singapore which is expected in early 2015² and (d) the implementation of the proposed asset enhancement works for TripleOne Somerset which is expected to complete in 2017³.

1 Construction may not be completed based on current plans, and accordingly, the adjusted pro forma NAV per PREHL Share is subject to change as a result of, *inter alia*, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated, and failure to obtain approvals from the relevant authorities.

2 Based on current plans.

3 It is intended that asset enhancement works for TripleOne Somerset commence in 2015, subject to any changes due to the obtaining of approvals from relevant authorities.

With the completion of the respective development works or asset enhancement works, the respective assets as mentioned are expected to contribute uplift to NAV, based on the assumptions found in the individual valuation reports prepared by the Independent Valuers, as well as the Offeror's existing development plans and expectations of the PRC and the Singapore real estate markets, and calculated using this formula:

GDV⁽¹⁾ (as detailed in the valuation reports)

Less: total development costs, which comprise:

- (a) residual land valuation or market value, as the case may be, as at 31 March 2014;
- (b) estimated construction costs to complete the development works or asset enhancement works of the property, including contingencies⁽²⁾;
- (c) professional fees;
- (d) sales tax;
- (e) marketing fees and legal costs;
- (f) interest expense incurred during the development period; and
- (g) deferred tax liability⁽³⁾, applicable to 50.0 per cent. of the PRC assets which will be sold and not held for the long-term.

Notes:

- (1) GDV is the estimated value that a property would fetch on the open market upon completion as estimated by the Independent Valuers.
- (2) For Chengdu East High Speed Railway Integrated Development (Plot C and Plot D), the estimated construction costs include professional fees and interest expenses.
- (3) For avoidance of doubt, deferred corporate tax liability will only crystallise in the event that real estate is sold. For illustrative purposes, the Offeror intends to only sell up to 50.00 per cent. of the PRC assets, whose proposed designs are such that up to 50.00 per cent. of the GFA of such developments comprise asset classes which allows for strata sub-division of the developments for sale (such as residential and strata retail units) for capital recycling purposes, with the unsold 50.00 per cent. of the PRC assets to be held for the long-term. As such, the Offeror believes that the exclusion of deferred tax effects for the 50.00 per cent. of the PRC assets to be held for the long-term reflects the Offeror's intention more accurately.

The Offeror believes that the above illustration is a reasonable approach to determine the estimated NAV contribution by each asset and the Offeror has incorporated certain adjustments to the pro forma NAV.

On this basis, the Offeror estimates that the adjusted pro forma NAV per PREHL Share would be S\$2.12 assuming (i) the Deferred Acquisitions have taken place and (ii) acquisition of 100 per cent. of PCRT.

Deferred Beijing Acquisition. The Deferred Beijing Acquisition will only take place within 10 days (or such other date as may be agreed) of Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 obtaining the Land Use Rights Certificate for the land plots, provided that the Deferred Beijing Acquisition shall not take place later than 10 April 2015. If the Land Use Right Certificates for the land plots have not been obtained by said date, the Acquisition Agreements in respect of the Deferred Beijing Acquisition shall terminate without further liability to the parties to the respective agreements. **All references to the Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 in this Offer Document assumes that the Deferred Beijing Acquisition has taken place. Unitholders should however note that Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 will not be acquired by the Offeror if the relevant Land Use Rights Certificates are not received by 10 April 2015.**



DBS Bank Ltd.



Standard Chartered Bank



United Overseas Bank Limited

10 November 2014

To: The Unitholders of Perennial China Retail Trust

Dear Sir/Madam

VOLUNTARY CONDITIONAL GENERAL OFFER BY THE JOINT FINANCIAL ADVISERS FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER UNITS

1. INTRODUCTION

1.1 Pre-Conditional Voluntary General Offer Announcement. On 14 March 2014, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the Offeror intended to make the Offer subject to the satisfaction of the following conditions (the “**Pre-Conditions**”):

1.1.1 the completion of the Initial Acquisition and the completion of the Share Consolidation; and

1.1.2 the Shareholders having approved the resolution for the making of the Offer and the allotment and issue of PREHL Shares in consideration for the Units tendered in acceptance of the Offer.

1.2 Voluntary Conditional General Offer Announcement. On 27 October 2014, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the Pre-Conditions had been fulfilled and that accordingly, the Offeror would be making the Offer.

1.3 Announcements. Copies of the Pre-conditional Voluntary General Offer Announcement and Voluntary Conditional General Offer Announcement are available on www.sgx.com.

1.4 Offer Document. This Offer Document contains the terms of the Offer made by the Joint Financial Advisers, for and on behalf of the Offeror, and has been despatched to Unitholders on the Despatch Date.

2. THE OFFER

2.1 Offer. For and on behalf of the Offeror, the Joint Financial Advisers hereby make the Offer to acquire all the Offer Units in accordance with the terms and subject to the conditions set out in this Offer Document and the FAA.

2.2 Consideration. The consideration for each Offer Unit is as follows:

For each Offer Unit: S\$0.70, to be satisfied by the issuance of 0.52423 PREHL Shares (based on an issue price of approximately S\$1.3353 for each PREHL Share) (“**Share Consideration**”).

If the holder of any Offer Units is entitled to a fractional amount of a PREHL Share, fractional entitlements will be disregarded and the entitlements will be rounded down to the nearest whole number of PREHL Shares.

As an illustration, we set out below the number of PREHL Shares which Unitholders would receive, depending on the number of Offer Units tendered in acceptance of the Offer:

No. of Offer Units tendered by a Unitholder	No. of PREHL Shares to be allotted and issued in consideration
1,000 Offer Units	524 PREHL Shares
2,000 Offer Units	1,048 PREHL Shares
5,000 Offer Units	2,621 PREHL Shares
100,000 Offer Units	52,423 PREHL Shares

2.3 Adjustments for Distributions

If any dividend, right, other distribution or return of capital is announced, declared, made or paid by PCRT on or after the Offer Announcement Date to a holder of any Offer Units who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting holder of any Offer Units by the amount of such dividend, right, other distribution or return of capital.

As stated in its announcement dated 5 November 2014 in relation to the 3Q Distribution, the Offeror has elected not to exercise its right to reduce the Offer Price in respect of the 3Q Distribution and there will be no reduction to the Offer Price in respect of the 3Q Distribution.

Accordingly, subject to the Offer becoming unconditional, Unitholders who choose to accept the Offer will still receive 0.52423 PREHL Shares for each Offer Unit tendered in acceptance of the Offer, with fractional entitlements to be disregarded.

All accepting Unitholders who are on the register of PCRT as at the Books Closure Date, will still be entitled to receive the 3Q Distribution from PCRT, regardless of when they accept the Offer. For the avoidance of doubt, Unitholders who elect to accept the Offer on or prior to 12 November 2014 will still be entitled to receive the 3Q Distribution from PCRT so long as they are on the register of PCRT as at the Books Closure Date.

- 2.4 No Encumbrances.** The Offer Units will be acquired (i) fully paid; (ii) free from any Encumbrances; and (iii) together with all rights attached or accruing to the Offer Units including, without limitation, the right to receive all rights, benefits, entitlements, dividends, distributions or any return of capital declared, made or paid by PCRT on or after the Offer Announcement Date (other than the 3Q Distribution).

2.5 Minimum Acceptance Condition

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Units which, together with the Units owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in the Offeror and the parties acting in concert with it holding such number of Units carrying more than 50 per cent. of the voting rights attributable to the issued Units as at the close of the Offer.

As at the Latest Practicable Date, the Offeror has a direct interest in 299,143,763 Units and a deemed interest in 26,699,219 Units, representing in aggregate approximately 28.44 per cent. of the issued Units. The Offeror and its concert parties hold, in aggregate, 384,964,982 Units representing in aggregate approximately 33.6 per cent. of the issued Units.

2.6 New PREHL Shares

Subject to the Offer becoming unconditional, the new PREHL Shares will be allotted and issued to a Unitholder who validly accepts the Offer and such PREHL Shares will be credited as fully paid and free from all Encumbrances and will rank *pari passu* in all respects with the existing PREHL Shares as at the date of their issue. Fractions of a new PREHL Share will not be issued to a Unitholder and any fractional entitlements will be disregarded.

2.7 Warranty

A Unitholder who tenders his Offer Units in acceptance of the Offer will be deemed to warrant that he sells such Offer Units as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from any Encumbrances; and (iii) together with all rights attached or accruing to the Offer Units including, without limitation, the right to receive all rights, benefits, entitlements, dividends, distributions or any return of capital declared, made or paid by PCRT on or after the Offer Announcement Date (other than the 3Q Distribution).

3. FURTHER DETAILS OF THE OFFER

Appendix A to this Offer Document sets out further details on (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer, (iii) the requirements relating to the announcement of level of acceptances of the Offer and (iv) the right of withdrawal of acceptances from the Offer.

4. PROCEDURES FOR ACCEPTANCE

Appendix B to this Offer Document sets out the procedures for acceptance of the Offer by a Unitholder.

5. INFORMATION ON THE OFFEROR

Appendix C to this Offer Document sets out additional information on the Offeror.

6. DESCRIPTION OF THE OFFEROR

6.1 Information on PREHL

As at the Latest Practicable Date and following the completion of the Initial Acquisition, PREHL has transformed into a sizeable integrated real estate owner, developer and manager, focused primarily in the PRC and Singapore.

Headquartered in Singapore, the Offeror Group focuses strategically on large scale mixed-use developments primarily in the PRC and Singapore. The Offeror Group owns interests in and/or manages a diversified portfolio measuring about 36.5 million square feet and over 2.0 million square feet in GFA in the PRC and Singapore respectively. The Offeror Group is a dominant commercial developer with sizeable integrated developments in the PRC, of which two are the largest high speed railway commercial hubs in the country being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development. The Offeror Group is also invested in the Zhuhai Hengqin Integrated Development, and is the Sponsor of PCRT, Singapore's first pure-play PRC retail development trust. In Singapore, the Offeror Group is invested in and manages prime and iconic properties located predominantly in the Downtown Civic District and Orchard Road precinct, such as CHIJMES, TripleOne Somerset, Capitol Singapore and the House of Tan Yeok Nee. The Offeror Group also holds stakes in and manages Chinatown Point and 112 Katong.

The Offeror was incorporated in Singapore on 28 November 2002 and was listed on Catalist on 6 March 2003. Prior to the completion of the Initial Acquisition, the Offeror was listed on Catalist as St. James Holdings Limited whose principal business was in leisure and entertainment. As at the Latest Practicable Date, the issued share capital of PREHL is S\$1.07 billion comprising approximately 808.2 million issued and paid up PREHL Shares. PREHL's listing is expected to be transferred from Catalist to the Mainboard after the completion of the Offer and trading in PREHL Shares is expected to commence not later than 31 December 2014.

6.2 Overview of PREHL's Portfolio⁽¹⁾

PEOPLE'S REPUBLIC OF CHINA

Own interests in and/or manage a diversified portfolio of prime integrated developments well positioned for growth in key gateway cities with GDV⁽²⁾⁽⁴⁾ of approximately S\$13.1 billion and GFA⁽³⁾ of approximately 36.5 million sq ft.



SINGAPORE

Own interests in and/or manage a property portfolio which will provide income stability in the form of steady cash flows with GDV⁽²⁾⁽⁴⁾ of about S\$3.8 billion and GFA⁽³⁾ of over 2.0 million sq ft.



Note: Certain pictures reflect the artist's impression of the assets and may differ from the actual view of the completed property.

⁽¹⁾ On a 100.0% basis, upon completion of the Acquisition of all Target Assets.

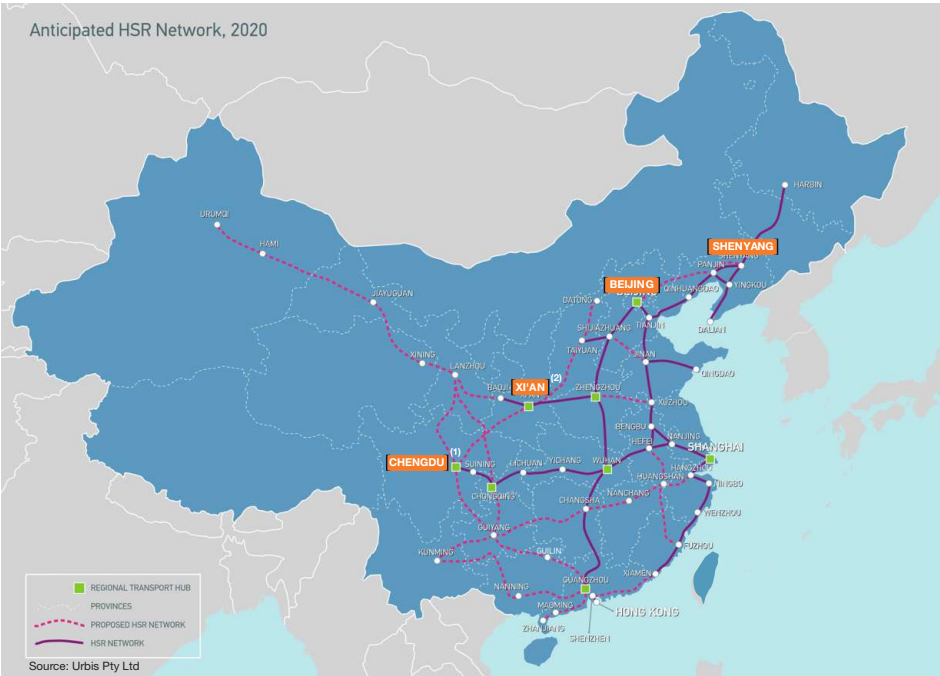
⁽²⁾ Based on 100% of independent asset valuation of the Target Assets as at 31 March 2014.

⁽³⁾ For Target Assets that are under development or undergoing asset enhancement initiatives, the GFA is based on current available plans and subject to obtaining the relevant regulatory approvals. GFA figures in the above table exclude carpark and M&E areas. The GFA figures are based on a 100.00% basis.

⁽⁴⁾ For assets without a GDV, the independent valuation is used for calculation.

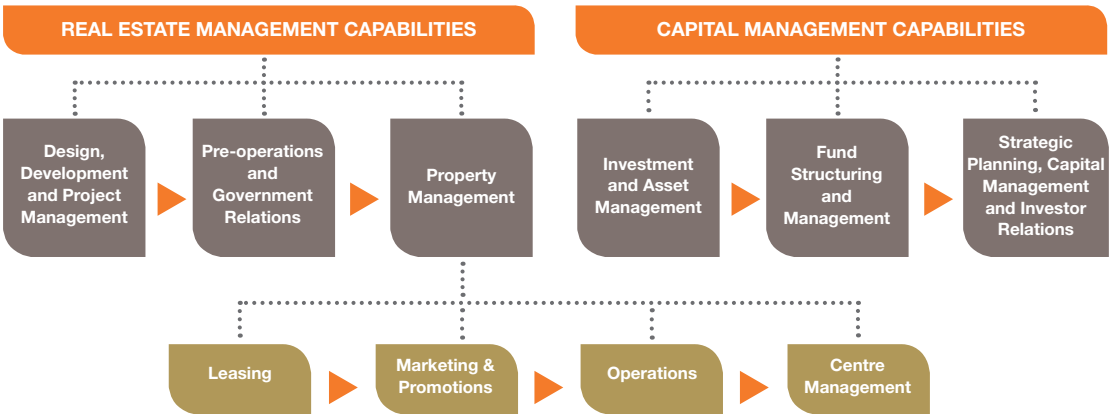
6.3 Dominant Commercial Developer with Prime Integrated Developments Connected to Two Largest High Speed Rail Hubs in PRC

- Access to unique portfolio of large-scale integrated commercial developments strategically located in first and second-tier provincial capitals connected to major transportation hubs, including high speed railway stations
- Integrated developments designed to be iconic landmarks and regional hubs in their respective locations to serve a sizeable population beyond its immediate precinct



6.4 Established Integrated Real Estate Business Platform and Proven Management Team

The Offeror Group can extract value across the entire real estate value chain, by leveraging on the Offeror Group's in-house suite of real estate capabilities to source, develop and manage the developments upon completion, and an internalised management team with strong capabilities and proven track record.



(1) Number of residents within one hour travel radius in Chengdu, Deyang, Mianyang, Ziyang, Meishan, Ya'an and Leshan as of 2011 per Sichuan Yearbook 2012

(2) Number of residents within one hour travel radius in Yangliang, Lintong, Lantian, Zhouzhi, Gaoling, Tongchuan, Weinan and Fuping as of 2012 per Shaanxi Statistical Yearbook 2013

6.5 Strategies of the Offeror Group

6.5.1 Strategies for the PRC

- (i) Acquire and develop large-scale mixed-use development projects in the first and second-tier provincial capitals and major cities:
 - (a) Large-scale mixed-use projects provide distinction, complementary advantages and resilience.
 - (b) Different asset classes strategically positioned in high growth PRC cities, and in close proximity to transportation nodes.
- (ii) Adopt strata-sale / long-term hold strategy to better manage fund flows, while benefitting from operating long-term assets.

6.5.2 Strategies for Singapore

- (i) Acquire assets or land which can be repositioned and redeveloped to extract embedded value.
- (ii) Selectively acquire completed assets which will provide income stability in the form of steady cash flows to the Offeror Group.

6.5.3 Strategies for Other Markets

- (i) Achieve a first-mover advantage in high-growth and untapped emerging markets by:
 - (a) leveraging on the sponsors' extensive network of relationships and experience in the emerging markets;
 - (b) focusing on acquiring urban renewal or rejuvenation projects which require international expertise; and
 - (c) leveraging on the Offeror Group's ability to fund onshore at the asset level and offshore at the Offeror Group level, thereby obtaining favourable financing costs.

6.5.4 Principles for Realising the Offeror Group's Strategies for PRC, Singapore and Other Markets

- (i) Disciplined acquisitions and investments by leveraging on the Offeror Group's integrated real estate capabilities.
- (ii) Strategic location in high-growth cities and in close proximity to transportation nodes.
- (iii) Active asset management to maximise income and capital values.
- (iv) Optimise cashflow management with a strata-sale / long-term hold strategy.
- (v) Prudent capital management to optimise shareholders' return.
- (vi) Continues to look out for new investment opportunities in mixed-use and commercial developments and is actively pursuing further opportunities in the PRC, Singapore and other markets.

6.6 PCRT. PCRT is a business trust constituted under the trust deed dated 22 February 2011 (as amended) and registered under the Business Trusts Act, Chapter 31A on 27 May 2011. PCRT is Singapore's first pure-play PRC retail development trust. Listed on the Mainboard on 9 June 2011, PCRT has a market capitalisation of approximately S\$595.7 million as at the Pre-Announcement Trading Day and an asset value of approximately S\$1.86 billion (approximately RMB9.23 billion valued on as "as if complete" basis)¹.

¹ Based on PCRT's 2013 Annual Report to Unitholders and PCRT's other public announcements.

7. RATIONALE FOR THE OFFER

7.1 Opportunity for Unitholders to Swap their Units for PREHL Shares and Participate in an Enlarged and Diversified Real Estate Platform

The principal objective of the Offer is to provide an opportunity for Unitholders to swap their Units for PREHL Shares, so as to become shareholders of PREHL. PREHL is a sizeable integrated real estate owner, developer and manager, focused primarily in the PRC and Singapore.

PREHL's Singapore assets provide immediate geographic diversification while its PRC assets provide diversification into other asset classes. PREHL's PRC assets comprise large scale mixed-use developments in prominent first and second-tier PRC cities with direct connectivity to transportation hubs, including high speed railway stations, and offer significant development potential and embedded value. As large scale mixed-use developments, PREHL's PRC assets provide distinction, complementary advantages and resilience.

7.2 Stronger Support from the Sponsors of PREHL

Following completion of the Initial Acquisition, PREHL is now the listed primary vehicle of the key sponsors of the Offeror (which comprise Mr Kuok Khoon Hong, Mr Ron Sim Chye Hock, Wilmar International Limited and Mr Pua Seck Guan). Further details of the four key sponsors are set out below:

MR KUOK KHOON HONG	MR RON SIM CHYE HOCK	WILMAR INTERNATIONAL LIMITED	MR PUA SECK GUAN
- Chairman and Non-Independent Non-Executive Director of the Group - Non-Independent Non-Executive Director of Perennial China Retail Trust Management Pte. Ltd., the trustee-manager of Perennial China Retail Trust - Co-Founder, Chairman and CEO of Wilmar International Limited	- Vice Chairman and Non-Independent Non-Executive Director of the Group - Founder, Chairman and CEO of OSIM International Limited ("OSIM") - OSIM, a global leader in branded healthy lifestyle products listed on the SGX-ST, has approximately 850 outlets in approximately 30 countries	- Asia's leading agribusiness group and ranked amongst the largest listed companies by market capitalisation on the SGX-ST - More than 20 years of operating experience in the PRC as a leading agribusiness and food company, producing the top edible oil brand – Arawana, which has had the largest market share in the PRC for the past 13 years	- Chief Executive Officer and Executive Director of the Group - Non-Executive Director of Perennial China Retail Trust Management Pte. Ltd., the trustee-manager of Perennial China Retail Trust - More than 20 years of real estate experience in property investment, development and management across various asset classes

The four key sponsors own an aggregate effective ownership of approximately 92.18 per cent. in PREHL as a result of the completion of the Initial Acquisition and will own approximately 68.43 per cent. of PREHL assuming the completion of the Acquisition and 100 per cent. acceptance level in the Offer.

As part of an enlarged platform, PCRT will be able to leverage on the key sponsors' extensive networks and business experience in the PRC, Singapore and emerging markets. In addition to the sponsors, PCRT will also benefit from PREHL's demonstrated track record of being able to tap into a wide network of strong and strategic real estate partners and financial investors at various project levels.

7.3 Better Access to Funding

Based on the 31 March 2014 Unaudited Pro Forma Consolidated Financial Statements, the NAV of the Offeror is S\$1.25 billion¹ and the NTA is S\$1.15 billion¹ as compared to the NTA of PCRT at S\$830.9 million based on the unaudited financial statements of PCRT as at 30 June 2014. The increased business scale and NAV of PREHL as compared to that of PCRT will provide easier access to financing from financial institutions, as well as debt and equity capital markets. With better access to funding, PREHL (and in turn PCRT) will have greater balance sheet flexibility to fund future real estate investments.

¹ Assuming only the Initial Acquisition Closing has taken place.

7.4 Synergistic Benefits of One Management Platform

PREHL and PCRT will benefit from one management bench. Furthermore, Unitholders can potentially benefit from synergies of the enlarged entity including the maximisation of balance sheet efficiency and optimisation of cost of capital.

8. THE OFFEROR'S INTENTIONS FOR PCRT

- 8.1 Offeror's Future Plans for PCRT.** In the event that PCRT is delisted, the Offeror intends to streamline the structure of PCRT (along with that of the Offeror Group) which may entail the restructuring of the holding structure of the assets of PCRT and the re-deployment of certain employees to other entities within the Offeror Group.

Subject to the above, the Offeror intends for PCRT to continue its existing business activities and there are no plans to (i) introduce any major changes to the business of PCRT or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of PCRT or (iii) discontinue the employment of any of the existing employees of PCRT and/or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to PCRT which may present themselves and which the Offeror may regard to be in the best interests of PCRT.

In the event that PCRT remains listed after the Offer, it will continue to be a predominantly retail development trust focused on properties in the PRC. In such an event, the Offeror will continue to support PCRT as a sponsor having retail components of integrated developments in PRC that can serve as a potential asset pipeline for PCRT. If Unitholders choose not to accept the Offer, they will retain their Units and will not become Shareholders.

- 8.2 Listing Status of PCRT.** Under Rule 723 of the Listing Manual, PCRT must ensure that at least 10 per cent. of the total number of Units is at all times held by the public (the "**Unitholding Requirement**"). Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Units, the SGX-ST may suspend the trading of the Units on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the issued Units are held by at least 500 Unitholders who are members of the public. In addition, under Rule 724 of the Listing Manual, if the Unitholding Requirement is not complied with, PCRT must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Units on the SGX-ST. Rule 725 of the Listing Manual states that the SGX-ST may allow PCRT a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Units held by members of the public to be raised to at least 10 per cent., failing which PCRT may be de-listed from the SGX-ST.

As at the Latest Practicable Date, the Offeror does not intend to take steps to preserve the listing status of PCRT on the SGX-ST if the Unitholding Requirement is not satisfied.

- 8.3 Compulsory Acquisition Rights.** Pursuant to Section 40A(1) of the Business Trusts Act, Chapter 31A of Singapore, if the Offeror receives valid acceptances pursuant to the Offer or acquires Offer Units during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the Offer Units, the Offeror will be entitled to exercise the right to compulsorily acquire all the Units of the Unitholders who have not accepted the Offer (the "**Dissenting Unitholders**") on the same terms as those offered under the Offer.

In such event, the Offeror intends to exercise its rights of compulsory acquisition to acquire, on the same terms as those offered under the Offer, all the Offer Units not acquired under the Offer and will proceed to delist PCRT from the Official List of the SGX-ST.

9. FINANCIAL ASPECTS AND EVALUATION OF THE OFFER

9.1 Offer Price at a Premium to Unit Price.

The Offer Price of S\$0.70, to be satisfied by the issuance of 0.52423 PREHL Shares (based on an issue price of approximately S\$1.3353 for each PREHL Share), represents a 28.4 per cent. premium to the last traded price of the Units on 14 March 2014¹, and a 34.0 per cent. premium to VWAP per Unit on SGX-ST for the one-month period up to and including 14 March 2014. The Offer Price also exceeds the highest closing price of S\$0.645 per Unit for the 12 months up to 14 March 2014.

9.2 Value of the Offer is underpinned by PREHL's strong NAV per PREHL Share

The issue price of approximately S\$1.3353 per PREHL Share is at a considerable discount of 17.6 per cent. and 37.0 per cent. to PREHL's pro forma NAV of S\$1.62² per PREHL Share and adjusted pro forma NAV of S\$2.12³ per PREHL Share respectively, assuming the Offeror acquires 100.00 per cent. of PCRT.

9.3 Opportunity to acquire PREHL Shares at sizeable discounts to PREHL's Pro Forma NAV and Adjusted Pro Forma NAV

Based on the swap ratio of 0.52423 PREHL Shares for each Offer Unit, Unitholders would effectively need to tender 1.91 Offer Units to acquire one PREHL Share. Based on PCRT's closing price of S\$0.52 per Unit as at 24 October 2014⁴, the Offer entitles Unitholders to swap their Offer Units for PREHL Shares at an implied market entry price of approximately S\$0.99 for each PREHL Share, which represents:

- (i) a discount of 38.9 per cent. to the pro forma NAV of S\$1.62 per PREHL Share², assuming the Offeror acquires 100.00 per cent. of PCRT; and
- (ii) a discount of 53.3 per cent. to the adjusted pro forma NAV of S\$2.12³ per PREHL Share, assuming the Offeror acquires 100.00 per cent. of PCRT.

Therefore, by accepting the Offer, Unitholders can swap into PREHL Shares at sizeable discounts to PREHL's pro forma NAV and adjusted pro forma NAV³ thus availing themselves of any potential upside from PREHL and having a significant buffer against downside risks.

9.4 The Offer Price represents the following premium over the historical traded prices of Units:

Description	Benchmark Price (S\$)	Premium over Benchmark Price (%)
Last traded price of Units on the Latest Practicable Date	0.54	29.6
Last traded price of Units on the Pre-Announcement Trading Day (i.e. 24 October 2014)	0.52	34.6
Last traded price of Units on the First Trading Day (i.e. 13 March 2014)	0.55	27.3
VWAP per Unit on SGX-ST for the one-month period up to and including the First Trading Day	0.5224	34.0
VWAP for the three-month period up to and including the First Trading Day	0.5265	33.0
VWAP for the six-month period up to and including the First Trading Day	0.5297	32.1

¹ This refers to the last transacted price of the Units on 14 March 2014, being the last Market Day on which the Units were traded prior to the Pre-Conditional Voluntary General Offer Announcement, before the trading halt of PCRT from 1.58 p.m. on 14 March 2014.

² Based on the pro forma NAV per PREHL Share as at 31 March 2014 and assuming the completion of the Deferred Acquisitions.

³ Please refer to the Cautionary Notes on the adjusted pro forma NAV per PREHL Share at pages 11 and 12 of this Offer Document.

⁴ 24 October 2014 is the last Market Day prior to the Offer Announcement Date.

10. DISCLOSURE OF HOLDINGS AND DEALINGS

10.1 Holdings and Dealings in PCRT Securities

10.1.1 Holdings and Dealings. Appendix F to this Offer Document sets out:

- (i) the number of PCRT Securities owned, controlled or agreed to be acquired as at the Latest Practicable Date by the Offeror, its directors and parties acting in concert with the Offeror; and
- (ii) the dealings in PCRT Securities by the Offeror, its directors and parties acting in concert with the Offeror during the Reference Period.

10.1.2 No Other Holdings. Save as disclosed in this Offer Document, none of the Offeror, its directors and parties acting in concert with the Offeror own, control or have agreed to acquire any PCRT Securities.

10.1.3 No Dealings. Save as disclosed in this Offer Document, none of the Offeror, its directors and parties acting in concert with the Offeror has dealt for value in any PCRT Securities during the Reference Period.

10.1.4 Other Arrangements. Save as disclosed in this Offer Document, none of the Offeror, its directors and parties acting in concert with the Offeror have, in respect of the PCRT Securities which it owns or controls:

- (i) granted any security interest to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
- (iii) lent any to another person,

as at the Latest Practicable Date.

10.2 Irrevocable Undertakings. As at the Latest Practicable Date, the Offeror, its directors and parties acting in concert with the Offeror have received irrevocable undertakings from the persons listed at Appendix G of this Offer Document to accept the Offer (the “**Irrevocable Undertakings**”). The Irrevocable Undertakings will lapse if the Offer Document is not despatched by 17 November 2014 or if the Offer lapses or is withdrawn. Save as disclosed at Appendix G of this Offer Document none of the Offeror, its directors and parties acting in concert with the Offeror has received any irrevocable undertaking from any Unitholder to accept or reject the Offer.

10.3 Holdings and Dealings in Offeror Securities

10.3.1 Appendix H of this Offer Document sets out:

- (i) the number of Offeror Securities owned, controlled or agreed to be acquired by the Offeror, its directors and parties acting in concert with the Offeror as at the Latest Practicable Date; and
- (ii) the dealings in Offeror Securities by the Offeror, its directors and parties acting in concert with the Offeror during the Reference Period.

10.3.2 No Other Holdings. Save as disclosed in this Offer Document, none of the Offeror, its directors and parties acting in concert with the Offeror owns, controls or have agreed to acquire any Offeror Securities.

10.3.3 No Dealings. Save as disclosed in this Offer Document, none of the Offeror, its directors and parties acting in concert with the Offeror has dealt for value in any Offeror Securities during the Reference Period.

11. OVERSEAS UNITHOLDERS

- 11.1 Overseas Unitholders.** This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.

For the avoidance of doubt, the Offer will be open to all Unitholders holding Offer Units, including those to whom the Offer Document and FAA may not be sent.

The availability of the Offer to Overseas Unitholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Unitholders should inform themselves about and observe any applicable legal requirements.

- 11.2 Copies of Offer Document and FAA.** As there may be potential restrictions on sending this Offer Document to any overseas jurisdictions, the Offeror and the Joint Financial Advisers each reserves the right not to send this Offer Document to such overseas jurisdictions. Any affected Overseas Unitholder may attend in person and obtain copies of this Offer Document, the FAA and any related documents during normal business hours and up to the Closing Date from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, an affected Overseas Unitholder may write to CDP at Robinson Road Post Office P.O. Box 1984, Singapore 903934 or to the Registrar at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 to request for this Offer Document, the FAA and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.
- 11.3 Notice.** The Offeror and the Joint Financial Advisers each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Unitholders by announcement or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Overseas Unitholder to receive or see such announcement or advertisement.
- 11.4 Overseas Jurisdiction.** It is the responsibility of any Overseas Unitholder who wishes to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Unitholder shall be liable for the payment of any taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, its related corporations, the Joint Financial Advisers, CDP, the Registrar and/or any other person acting on their behalf shall be duly indemnified and held harmless by such Overseas Unitholders for such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, the Joint Financial Advisers, CDP, the Registrar and/or any other person acting on their behalf may be required to pay. In accepting the Offer, the Overseas Unitholder represents and warrants to the Offeror and the Joint Financial Advisers that it is in full observance of the laws of the relevant jurisdiction in that connection, and that it is in full compliance with all necessary formalities or legal requirements. If any Overseas Unitholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

12. GENERAL INFORMATION

- 12.1 Valid Acceptances.** The Offeror and the Joint Financial Advisers each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the FAA, as the case may be, or if made otherwise than in accordance with the provisions herein and instructions printed in the FAA.
- 12.2 Information Pertaining to SRS Investors.** SRS Investors will receive further information on how to accept the Offer from their SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks. Subject to the Offer becoming or being declared unconditional in accordance with its terms, SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Units in their SRS investment accounts.

- 12.3 Governing Law and Jurisdiction.** The Offer, this Offer Document, the FAA and all acceptances of the Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each accepting Unitholder submit to the non-exclusive jurisdiction of the Singapore courts.
- 12.4 No Third Party Rights.** Unless expressly provided to the contrary in this Offer Document and the FAA, a person who is not a party to any contracts made pursuant to this Offer Document and the FAA has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend, vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 12.5 Accidental Omission.** Accidental omission to despatch this Offer Document, the FAA or any notice or announcement required to be given under the terms of the Offer or any failure to receive the same by any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.
- 12.6 Independent Advice.** The Joint Financial Advisers are acting for and on behalf of the Offeror and do not purport to advise the Unitholders or any other person. The views of the independent directors of the Trustee-Manager and the independent financial adviser to the independent directors of the Trustee-Manager on the Offer will be made available to Unitholders in due course and in any event, they are required under the Code to despatch their views within 14 days after the posting of this Offer Document. Unitholders may wish to consider their advice before taking any action in relation to the Offer.
- 12.7 General Information.** Appendix A to this Offer Document sets out additional general information relating to the Offer.

13. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted from this Offer Document, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to PCRT), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Offer Document.

Issued by
DBS BANK LTD.
STANDARD CHARTERED BANK
UNITED OVERSEAS BANK LIMITED

For and on behalf of

PERENNIAL REAL ESTATE HOLDINGS LIMITED

10 November 2014

DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 First Closing Date. The Offer is open for acceptance by Unitholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. on 8 December 2014 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

1.2 No Obligation to Extend the Offer. The Offeror is not obliged to extend the Offer if the minimum acceptance condition as set out in Section 2.5 of this Offer Document is not fulfilled by the Closing Date. However, if the Offer is extended and:

1.2.1 is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

1.2.2 is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Unitholders at least 14 days' prior notice in writing before it may close the Offer.

1.3 Offer to Remain Open for 14 Days. Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for acceptances for a period ("**Rule 22.6 Period**") of not less than 14 days after the date on which the Offer would otherwise have closed, in order to give those Unitholders who have not accepted the Offer the opportunity to do so.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Unitholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

1.3.1 the Offeror may not give a Shut-Off Notice in a competitive situation; and

1.3.2 the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, a "competitive situation" shall be deemed to arise when either (i) a firm intention to make a competing offer for PCRT is announced, or (ii) the SIC determines that a competitive situation has arisen.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Rule 28.1 of the Code, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

1.4 Final Day Rule. The Offer (whether revised or not) will not be capable:

1.4.1 of becoming or being declared unconditional as to acceptances after 5.30 p.m. on the 60th day after the Despatch Date; or

1.4.2 of being kept open after such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**").

1.5 Revision. The Offeror reserves its right to revise the terms of the Offer at such time and in such manner as it may consider appropriate. If the Offer is revised, the Offer will remain open for acceptance for at least 14 days from the date of despatch of the written notification of the revision to Unitholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Unitholders who have previously accepted the Offer.

2. SETTLEMENT

- 2.1 Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, and the receipt by the Offeror from accepting Unitholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the FAA, including without limitation the receipt by the Offeror of a confirmation satisfactory to it that the Offer Units tendered by the accepting Unitholder are standing to the credit of the “Free Balance” of his Securities Account at the relevant time, share certificates in respect of the appropriate number of new PREHL Shares will be sent to CDP. CDP will debit the respective Securities Accounts of the accepting Unitholders with the number of Offer Units tendered by each of them and will credit those Securities Accounts with the appropriate number of new PREHL Shares as soon as practicable and in any case:
- 2.1.1 in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared unconditional in all respects in accordance with its terms, within 10 days after that date; or
- 2.1.2 in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared unconditional in all respects in accordance with its terms, but before the Offer closes, within 10 days after the Date of Receipt.
- 2.2 CDP will send by ordinary post to the accepting Unitholders at their respective addresses as they appear in the records of CDP, and at their own risk, notification letters showing the number of Offer Units which have been debited against their respective Securities Accounts and the number of new PREHL Shares which have been credited to those Securities Accounts.

3. ANNOUNCEMENTS

- 3.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the Market Day immediately after the day on which the Offer is due to expire or the Offer is revised or extended or becomes or is declared unconditional as to acceptances (“**Relevant Day**”), the Offeror will announce the total number of Offer Units (as nearly as practicable):
- 3.1.1 for which valid acceptances of the Offer have been received;
- 3.1.2 held by the Offeror and parties acting in concert with the Offeror prior to the commencement of the Offer Period; and
- 3.1.3 acquired or agreed to be acquired by the Offeror and parties acting in concert with the Offeror during the Offer Period,
- and will specify the percentages of the Units represented by such numbers.
- 3.2 **Suspension.** If the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 of this Appendix A, the SIC will consider requesting the SGX-ST to suspend dealings in the Units until the relevant information is given.
- 3.3 **Valid Acceptances.** Subject to Section 12.1 of the Letter to the Unitholders in this Offer Document, in computing the number of Offer Units represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects. Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.
- 3.4 **Announcements.** In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by the Joint Financial Advisers, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

4. RIGHT OF WITHDRAWAL OF ACCEPTANCES

- 4.1 **Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, your acceptance of the Offer shall be irrevocable.

4.2 Right of Withdrawal of Unitholders. A Unitholder who has tendered acceptances under the Offer may:

4.2.1 withdraw his acceptance immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **paragraph 3.1** of this **Appendix A** by 3.30 p.m. on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **paragraph 3.1** of this **Appendix A**;

4.2.2 withdraw his acceptance after 14 days from the First Closing Date, if the Offer has not by then become or been declared to be unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances; and

4.2.3 withdraw his acceptance immediately if a competing offer for the Units becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation: if the Offer becomes or is declared to be unconditional as to acceptances, a Unitholder who has accepted a competing offer may likewise withdraw his acceptance for such other offer immediately.

4.3 Procedures for Withdrawal of Acceptances. To withdraw an acceptance under the Offer, a Unitholder must give written notice to Perennial Real Estate Holdings Limited c/o The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. A notice of withdrawal shall be effective only if signed by the accepting Unitholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

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PROCEDURES FOR ACCEPTANCE OF THE OFFER BY A UNITHOLDER

1. Procedures for Acceptance

- 1.1 Depositors whose Securities Accounts are credited with Offer Units.** If you have Offer Units standing to the credit of your Securities Account, you should receive this Offer Document together with the FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Unitholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

If you wish to accept the Offer in respect of all or any of your Offer Units for the Share Consideration, you should:

- 1.1.1** complete the FAA in accordance with this Offer Document and the instructions printed on the FAA. In particular, you must state in **Part A** of the FAA the number of Offer Units in respect of which you wish to accept the Offer and receive the Share Consideration. Subject to the provisions of **paragraph 1.2** below, if you do not specify any number of Offer Units in **Part A** of the FAA or you specify a number of Offer Units in **Part A** of the FAA that exceeds the number of Offer Units standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date), you shall be deemed to have accepted the Offer in respect of all the Offer Units already standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. on the Closing Date;

- 1.1.2** sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and

- 1.1.3** deliver the completed and signed FAA:

- (i) **by hand**, to Perennial Real Estate Holdings Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
- (ii) **by post**, in the enclosed pre-addressed envelope, **which is pre-paid for posting in Singapore only**, at your own risk, to Perennial Real Estate Holdings Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate posting on the said envelope if posting from outside Singapore.

If you have sold or transferred all your Offer Units held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5.30 p.m. on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

- 1.2 Depositors whose Securities Accounts will be credited with Offer Units.** If you have purchased Offer Units on the SGX-ST and such Offer Units are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with the FAA. If you wish to accept the Offer in respect of such Offer Units, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Units purchased, complete, sign and return that FAA in accordance with the instructions contained therein. If you do not receive that

FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Units on the SGX-ST, from The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

- 1.3 Depositors whose Securities Accounts are and will be credited with Offer Units.** If you have Offer Units credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Units on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Units standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Units purchased which are in the process of being credited to your Securities Account only after the “Free Balance” of your Securities Account has been credited with such number of additional Offer Units purchased.
- 1.4 Rejection.** If you purchase Offer Units on the SGX-ST during the Offer Period and on a date near to the Closing Date, your acceptance of the Offer in respect of such Offer Units will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Units by 5.00 p.m. on the Date of Receipt or 5.30 p.m. on the Closing Date (if the Date of Receipt is on the Closing Date). None of the Offeror, its related corporations, the Joint Financial Advisers or CDP accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.
- 1.5 Receipt.** No acknowledgement will be given for submissions of the FAA to CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Units in your Securities Account. You can verify the number of Offer Units in your Securities Account: (a) through CDP Online if you have registered for the CDP Internet Access Service or (b) through the CDP Phone Service if you have a T-Pin.
- 1.6 Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Units in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Offer Price (including, without limitation, earmarking, blocking, and/or transferring the relevant number of such Offer Units from the “Free Balance” of your Securities Account to a “Suspense Account”).
- 1.7 Return of Offer Units.** In the event the Offer does not become or is not declared unconditional in all respects in accordance with its terms, the relevant Offer Units in respect of which you have accepted the Offer will be returned to the “Free Balance” of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.
- 1.8 Offer Conditional.** In the event the Offer becomes or is declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Units debited from your Securities Account. CDP will credit your Securities Account with the appropriate number of new PREHL Shares.
- 1.9 No Securities Account.** If you do not have an existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

2. GENERAL

- 2.1 Disclaimer.** The Offeror, the Joint Financial Advisers and/or CDP will be entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Offer through the FAA which is not entirely in order or which does not comply with the terms of this Offer Document and the FAA or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA is properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or for the avoidance of doubt, any of the Offeror’s related corporations), the Joint Financial Advisers and/or CDP accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 2.2 Discretion.** The Offeror and the Joint Financial Advisers each reserve the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the FAA, or if made otherwise than in accordance with the provisions of this Offer Document and in the FAA. Any decision to reject or treat as valid any

acceptance will be final and binding and none of the Offeror (or for the avoidance of doubt, any of the Offeror's related corporations), the Joint Financial Advisers and/or CDP accepts any responsibility or liability for such a decision, including the consequences of such a decision.

- 2.3 Acceptances received on Saturday, Sunday or public holiday.** Acceptances in the form of the FAA received by CDP, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- 2.4 Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post to your mailing address appearing in the records of CDP at the risk of the person(s) entitled thereto.
- 2.5 Evidence of Title.** Delivery of the duly completed and signed FAA and/or other relevant documents required by the Offeror, to CDP shall be conclusive evidence in favour of the Offeror (or its nominee) and/or CDP of the right and title of the person(s) signing it to deal with the same and with the Offer Units to which it relates.
- 2.6 Loss in Transmission.** The Offeror, the Joint Financial Advisers or CDP, as the case may be, shall not be liable for any loss in transmission of the FAA.
- 2.7 Acceptance Irrevocable.** Save as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the FAA shall be irrevocable.

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INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Kuok Khoon Hong	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Chairman, Non-Independent Non-Executive Director and Member of the Remuneration Committee
Mr Ron Sim Chye Hock	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Vice-Chairman, Non-Independent Non-Executive Director and Member of the Nomination Committee
Mr Eugene Paul Lai Chin Look	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Lead Independent Non-Executive Director, Chairman of the Remuneration Committee, Member of the Audit and Risk Committee and Member of the Nomination Committee.
Mr Chua Phuay Hee	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Independent Non-Executive Director and Chairman of the Audit and Risk Committee.
Mr Lee Suan Hiang	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Independent Non-Executive Director, Chairman of the Nomination Committee, Member of the Audit and Risk Committee and Member of the Remuneration Committee.
Mr Pua Seck Guan	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Executive Director and Chief Executive Officer

2. PRINCIPAL ACTIVITIES

The Offeror was incorporated on 28 November 2002 in Singapore.

The Offeror is a sizeable integrated real estate platform, owning, developing and managing real estate focused primarily in the PRC and Singapore. The Offeror is invested in mixed-use and/or integrated real estate projects at differing stages of development to extract value across the entire real estate value chain.

3. SHARE CAPITAL

- 3.1 Share Capital.** As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1,068.97 million divided into 808,197,573 PREHL Shares. Save for the PREHL Shares which were allotted and issued on 27 October 2014 pursuant to Initial Acquisition Closing, no new PREHL Shares have been issued since the end of its last financial year on 30 June 2014.

As set out in the Offeror Circular, the Offeror may issue up to an additional 426,102,046 PREHL Shares for (i) adjustments to net asset values of the Target Entities acquired pursuant to the Initial Acquisition; (ii) the Deferred Acquisitions (if such Deferred Acquisitions take place) and (iii) the net asset value

adjustments for the Deferred Acquisitions. In addition, the Offeror may issue up to 157,000,000 PREHL Shares pursuant to a compliance placement to ensure that the Offeror meets its shareholding spread requirements under the Listing Manual.

3.2 Offeror Convertible Securities.

As at the Latest Practicable Date, there are no outstanding securities convertible into shares of the Offeror.

3.3 Rights in respect of Capital, Dividends and Voting.

The rights and privileges attached to the PREHL Shares are stated in the Memorandum and Articles of Association of the Offeror, a copy of which is appended at Appendix I of this Offer Document.

3.4 Changes to the Share Capital

On the Offer Announcement Date, on completion of the Initial Acquisition, the Offeror issued 40,027,009,540 PREHL Shares for the purposes of, *inter alia*, satisfying the consideration for the Initial Acquisition. In addition, on the Offer Announcement Date, the Offeror completed the Share Consolidation on the basis of 50 PREHL Shares to one PREHL Share. Accordingly, as at the Latest Practicable Date, the Offeror has an issued share capital of S\$1,068.97 million divided into 808,197,573 PREHL Shares.

The following is a summary of the changes in the issued share capital of the Offeror in the three financial years prior to the Offer Announcement Date.

Period	Changes in the issued share capital	Number of issued shares
1 July 2011 to 30 June 2012	—	322,871,170
1 July 2012 to 30 June 2013	60,000,000 shares issued pursuant to share placement on 18 June 2013	382,871,170
1 July 2013 to 30 June 2014	—	382,871,170

Save as stated above, no shares have been issued in the capital of the Offeror during the three financial years prior to the Offer Announcement Date.

4. FINANCIAL INFORMATION

Set out below is certain financial information extracted from the Unaudited Pro Forma Consolidated Financial Statements. The Unaudited Pro Forma Consolidated Financial Statements is set out in Appendix J to this Offer Document.

The Unaudited Pro Forma Consolidated Financial Statements of the Offeror Group has been presented under the following scenarios:

- (i) **Scenario A:** Where only the Initial Acquisition Closing has taken place, such that only the acquisition in relation to the Initial Acquisition Target Assets has been completed in accordance with the terms and conditions of the Acquisition Agreements.
- (ii) **Scenario B:** Where the Acquisition Closing has taken place, such that the acquisition in relation to the Initial Acquisition Target Assets, the Beijing Target Assets and the Deferred PREPL Acquisition have been completed in accordance with the terms and conditions of the Acquisition Agreements.

The objective of the Unaudited Pro Forma Consolidated Financial Statements is to show (a) what the unaudited pro forma financial position of the Offeror Group as at 31 December 2013 and 31 March 2014 would have been had the Offeror completed the acquisition of the relevant assets on 31 December 2013 and 31 March 2014 respectively; and (b) what the unaudited pro forma financial results and cash flows of the Offeror Group for the 12 months ended 31 December 2013 and three months ended 31 March 2014 would have been had the Offeror completed the acquisition of the relevant assets on 1 January 2013. However, the Unaudited Pro Forma

Consolidated Financial Statements are not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the Offeror Group existed on those dates.

The Unaudited Pro Forma Consolidated Financial Statements has been prepared for illustrative purposes only, and because of their nature, may not give a true picture of the Offeror Group's actual financial position, financial results, or cash flows.

4.1 Unaudited Pro Forma Financial Results

	12 months ended 31 December 2013		Three months ended 31 March 2014	
	Scenario A S\$'000	Scenario B S\$'000	Scenario A S\$'000	Scenario B S\$'000
Turnover	88,307	84,909	17,956	17,956
Profit before tax	117,828	116,363	10,793	10,964
Profit for the period	111,487	110,871	10,001	10,172
Profit attributable to:				
Owners of the Offeror	85,899	85,283	9,613	9,784
Non-controlling interests	25,588	25,588	388	388
Basic and diluted earnings per share (cents)	10.64	7.25	1.19	0.83
Net dividends per share	—	—	—	—
Exceptional items	—	—	—	—

4.2 Unaudited Pro Forma Financial Position

	As at 31 December 2013		As at 31 March 2014	
	Scenario A S\$'000	Scenario B S\$'000	Scenario A S\$'000	Scenario B S\$'000
Total assets	2,752,811	3,409,069	2,753,944	3,409,944
Total equity	1,509,420	2,165,678	1,515,321	2,171,321
Total liabilities	1,243,391	1,243,391	1,238,623	1,238,623
Total equity and liabilities	2,752,811	3,409,069	2,753,944	3,409,944

4.3 Confirmations made under Rule 25 of the Code.

In respect of the Unaudited Pro Forma Consolidated Financial Information of the Offeror Group as well as the adjusted pro forma NAV per PREHL Share, the confirmations made under Rule 25 of the Code by DBS Bank and SCB (acting as joint financial advisers in relation to the reverse takeover of the Offeror) and KPMG LLP previously issued in connection with the Offeror Circular are reproduced at Appendix K to this Offer Document.

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in the Unaudited Pro Forma Consolidated Financial Statements, other information on the Offeror Group which is publicly available (including without limitation, the Offeror Circular and any other announcements released by the Offeror Group on the SGX-ST), and save as a result of:

- (i) the completion of the disposal of the leisure and entertainment business of the Offeror on 27 October 2014;
- (ii) the completion of the Initial Acquisition Closing on 27 October 2014;
- (iii) the completion of the Share Consolidation; and

(iv) the making of the Offer,

there have been no known material changes in the financial position of the Offeror since 31 March 2014, being the last date on which the Unaudited Pro Forma Consolidated Financial Statements were made up to. The Offeror Group continues to be on the lookout for new investment opportunities in mixed-use and commercial developments and is actively pursuing further opportunities in the PRC, Singapore and other markets.

6. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror are set out in the notes to the Unaudited Pro Forma Consolidated Financial Statements as set out in Appendix J to this Offer Document.

7. CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in the accounting policies of the Offeror which will cause the figures disclosed in this Offer Document not to be comparable to a material extent.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the companies within the Offeror Group Companies are engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the Offeror Group taken as a whole.

The directors of the Offeror are not aware of any proceedings pending or threatened against any of the companies within the Offeror Group or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Offeror Group taken as a whole.

9. INDEBTEDNESS

9.1 Details of the Offeror Group's borrowings as at the Latest Practicable Date are set out below.

9.1.1 A S\$169.28 million secured bank loan taken up by Perennial (CHIJMES) Pte. Ltd. which was used to acquire CHIJMES and to finance the AEI at CHIJMES, and a S\$672.42 million secured bank loan taken up by Perennial (Somerset) Pte. Ltd. which was used to acquire TripleOne Somerset.

9.1.2 The borrowings taken up by Perennial (CHIJMES) Pte. Ltd. from Hong Leong Finance Limited are due to mature in January 2015, and in respect of which the lender has agreed to extend the maturity to April 2017¹.

9.1.3 The borrowings taken up by Perennial (Somerset) Pte. Ltd. from DBS Bank, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Hong Leong Finance Limited are maturing in March 2018.

9.1.4 The interest rate on the borrowings taken up by Perennial (CHIJMES) Pte. Ltd. and Perennial (Somerset) Pte. Ltd. referred to in paragraphs 9.1.2 and 9.1.3 above are floating, and are pegged to SIBOR or SOR. Assuming that CHIJMES and TripleOne Somerset were acquired on 1 January 2014, the interest rate payable for the borrowings taken up by Perennial (CHIJMES) Pte. Ltd. ranged from 2.10 per cent. to 2.11 per cent. for the three months ended 31 March 2014 and the interest rate payable for the borrowings taken up by Perennial (Somerset) Pte. Ltd. would be 2.75 per cent. for the three months ended 31 March 2014².

9.1.5 In connection with the Initial Acquisition Closing, unsecured bank loans totalling S\$159.0 million have been taken up and drawn down by Perennial Treasury Pte. Ltd. These loans are for a term of up to three years and are on a floating rate basis pegged to SIBOR or SOR.

9.1.6 To support the Offeror Group's working capital requirements and planned capital expenditure, the Offeror Group has put in place over S\$300.0 million of undrawn banking facilities.

¹ The documentation to extend the maturity is currently being prepared.

² On a pro forma basis as the acquisition of TripleOne Somerset was completed on 31 March 2014.

10. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed below, there are no material contracts entered into with an interested person (within the meaning of the Note on Rule 23.12 of the Code), not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Offeror during the period commencing from the Offer Announcement Date.

Following Initial Acquisition Closing, but before the Deferred Acquisitions Closing, the Offeror Group will continue to provide project management services, asset management services and property management services (if necessary) to PREH and/or one or more Target Entities holding an interest in the Deferred Beijing Acquisition (the “**Relevant Entities**”). Under the terms of agreements entered or to be entered into between the Relevant Entities, in respect of each Deferred Beijing Acquisition,

- (i) project management fees are payable quarterly and amount to 4.0 per cent. per annum of construction costs, contingencies and professional fees;
- (ii) asset management fees are payable quarterly and amount to 0.25 per cent. per annum of the investment amount;
- (iii) property management fees are payable monthly after the completion of construction of the retail block, and amount to 2.0 per cent. of gross revenue plus 2.5 per cent. of the net property income of the retail block; and
- (iv) lease-up commission is payable on a one-time basis for new tenancies and licenses, and amount to two months gross rental for each tenancy/license.

The Offeror Group will provide the services in return for a proportion of the project management, asset management and property management fees in accordance with its commercial arrangements with other service providers to the Relevant Entities. The amount of fees payable by PREH is proportionate to its effective interest in the relevant Deferred Beijing Acquisition.

It is contemplated that the subsidiaries of the Offeror Group will also provide corporate secretarial services, accounting services and corporate finance advisory services to the Relevant Entities on a cost recovery basis up to the Final Long Stop Date, for the period during which the Deferred Beijing Acquisition is not completed by the Offeror Group, (“**Ancillary Services**” and together with the project management and asset management services, the “**Related Agreements**”). The Related Agreements are or will be entered into in the ordinary course of business and the amounts payable are determined on an arm’s length basis, based on normal commercial terms.

11. VALUATION REPORTS

11.1 Bases of Valuation. The summary valuation letters and valuation certificates of (i) the Target Assets in which the Offeror has an effective interest as at the Latest Practicable Date; and (ii) the Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2, which the Offeror may acquire as part of the Deferred Beijing Acquisitions, are set out in Appendix L to this Offer Document. The independent valuation reports of the respective Target Assets (“**Valuation Reports**”) are available for inspection and include (a) the basis of each valuation; and (b) in respect of Target Assets which is being developed or may be undertaking AEI, the Valuation Report includes the estimated total cost of completing the development and the expected dates of completion.

11.2 Planning Consent. In relation to Target Assets which are undergoing development, as at the Latest Practicable Date, planning consent has been obtained for the following Target Assets:

Target Asset	Date on which planning consent has been obtained
Chengdu East High Speed Railway Integrated Development	Plot C: March 2013 Plot D: January 2013
Capitol Singapore	Written permissions obtained in June 2012, October 2013, April 2014 and June 2014

The Offeror is not aware of any material conditions attaching to the consent which affect the value of such Target Asset.

11.3 Potential Tax Liability. Under Rule 26.3 of the Code, for the valuation of the Target Assets given in connection with the Offer, the Offeror is required to, *inter alia*, make an assessment of any potential tax liability which would arise if the Target Assets were to be sold at the amount of the valuation set out in the Valuation Reports. The Offeror holds partial stakes in each Target Asset through its holdings in the shares of special purpose vehicles with an interest in the Target Assets. If the Offeror's effective interests were to be disposed of via a hypothetical sale of such shares, the Offeror Group would be taxed on the following basis:

11.3.1 in respect of effective interests in Target Assets based in Singapore, the Offeror Group does not expect to be liable to tax as it intends to hold the effective stakes in these assets for long term investment purposes. In Singapore, there is no tax on capital gains. As such, any gains arising from the disposal of such shares will not be liable for tax unless such gains are considered income derived from trade or business; and

11.3.2 in respect of effective interests in Target Assets based in the PRC, the Offeror Group would likely be subject to PRC tax on its capital gains which would be calculated based on a rate of 10 per cent. on the difference between the consideration and the cost of the equity investment.

The aforesaid tax liabilities will not crystallise if no disposal takes place. As at the Latest Practicable Date, the Offeror has no immediate plans to dispose of its effective interests in the Target Assets and accordingly, the aforesaid tax liabilities are not likely to arise.

12. REGISTERED AND PRINCIPAL OFFICE

The registered and principal office of the Offeror is 6 Temasek Boulevard, #25-04/05 Suntec Tower Four, Singapore 038986.

ADDITIONAL INFORMATION ON PCRT AND THE TRUSTEE-MANAGER

1. DIRECTORS

The names and descriptions of the directors of the Trustee-Manager as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Pok Soy Yoong	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Chairman and Independent Non-Executive Director
Mr Wong Tui San	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Independent Non-Executive Director
Mr Ooi Eng Peng	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Independent Non-Executive Director
Mr Kuok Khoon Hong	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Non-Independent Non-Executive Director
Mr Pua Seck Guan	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore (038986)	Non-Executive Director

2. SHARE CAPITAL

As at the Latest Practicable Date, PCRT has 1,145,654,397 Units in issue.

3. MATERIAL CHANGES IN FINANCIAL POSITION

To the knowledge of the Offeror, as at the Latest Practicable Date, save as disclosed in this Offer Document, the PCRT FY 2013 Results and any other information on PCRT which is publicly available (including without limitation, the announcements released by PCRT on the SGXNET), there are no material changes in the financial position or prospects of PCRT since the date of the last balance sheet laid before PCRT in general meeting.

Copies of the PCRT FY 2013 Results and the unaudited financial statements of PCRT as at 31 March 2014, 30 June 2014 and 30 September 2014 are available on the website of the SGX-ST at www.sgx.com.

4. REGISTERED OFFICE

The registered office of the Trustee-Manager is at 6 Temasek Boulevard, #25-04/05 Suntec Tower Four, Singapore 038986.

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GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with the Offeror and (ii) any of the current or recent directors of the Trustee-Manager or any of the current or recent Unitholders having any connection with or dependence upon the Offer.
- 1.2 Transfer of Offer Units.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any Offer Units acquired pursuant to the Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Units to any party acting in concert with the Offeror or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.
- 1.3 No Payment or Benefit to Directors of the Trustee-Manager.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Trustee-Manager or any of its related corporations as compensation for loss of office or otherwise in connection with the Offer.
- 1.4 No Agreement Conditional upon Outcome of Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror and (ii) any of the directors of the Trustee-Manager or any other person in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.
- 1.5 Transfer Restrictions.** The trust deed of PCRT does not contain any restrictions on the right to transfer the Offer Units.
- 1.6 Directors' Service Contracts.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror or any party acting in concert with it and any director of the Offeror, whereby the total emoluments received by the directors of the Offeror will be affected as a consequence of the Offer or any other associated relevant transaction.
- 1.7 No Indemnity Arrangements.** As at the Latest Practicable Date, save as disclosed in this Offer Document, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement with any person of the kind referred to in Note 7 to Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the PREHL Shares or Units which may be an inducement to deal or refrain from dealing in the PREHL Shares or Units (as the case may be).

2. GENERAL

- 2.1 Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of this Offer Document (other than professional fees and other costs incurred or to be incurred by the Trustee-Manager relating to the Offer) and stamp duty and transfer fees (if any) resulting from acceptances of the Offer will be paid by the Offeror.
- 2.2 Consent from DBS Bank.** DBS Bank (as one of the Joint Financial Advisers to the Offeror in connection with the Offer) has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Offer Document.
- 2.3 Consent from SCB.** SCB (as one of the Joint Financial Advisers to the Offeror in connection with the Offer) has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Offer Document.
- 2.4 Consent from UOB.** UOB (as one of the Joint Financial Advisers to the Offeror in connection with the Offer) has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Offer Document.

- 2.5 Consent from Boardroom Corporate & Advisory Services Pte. Ltd..** Boardroom Corporate & Advisory Services Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Offer Document.
- 2.6 Consent from Independent Valuers.** DTZ Debenham Tie Leung (SEA) Pte Ltd, Colliers International (Hong Kong) Limited, Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd (as independent property valuers to the Offeror) and Stone Forest Corporate Advisory Pte Ltd (as independent financial valuer to the Offeror) (collectively, the “**Independent Valuers**”) have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion of their names and all references to their names in the form and context in which they appear in this Offer Document.
- 2.7 Consent from KPMG LLP.** KPMG LLP (as reporting accountants and auditors to the Offeror) has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of its name and all references to its name in the form and context in which it appears in this Offer Document.

3. MARKET QUOTATIONS

- 3.1 Closing Prices of the Units.** The closing prices of the Units on the SGX-ST, as reported by Bloomberg L.P., on (i) the Latest Practicable Date was S\$0.54, (ii) 24 October 2014 (being the Pre-Announcement Trading Day) was S\$0.52 and (iii) 13 March 2014 (being the First Trading Day) was S\$0.55.

The last transacted price and aggregate trading volume of the Units on the SGX-ST on the last trading day for the six months prior to the First Trading Day, as reported by Bloomberg L.P., are set out below:

Month	Last Transacted Price (S\$)	Volume of Units Traded (’000)
March 2014	0.525	1,160
February 2014	0.515	826
January 2014	0.540	606
December 2013	0.530	26
November 2013	0.535	488
October 2013	0.540	230
September 2013	0.530	611

- 3.2 Closing Prices of the PREHL Shares.** The closing prices of the PREHL Shares on the SGX-ST, as reported by Bloomberg L.P., on (i) 21 October 2014 (being the last Market Day on which PREHL traded prior to the Latest Practicable Date and the Pre-Announcement Trading Day) was S\$0.026 and (ii) 13 March 2014 (being the First Trading Day) was S\$0.053. Trading in the PREHL Shares was suspended on and from 23 October 2014 and trading is expected to resume before 31 December 2014.

The last transacted price and aggregate trading volume of the PREHL Shares on the SGX-ST on the last trading day for the six months prior to the First Trading Day, as reported by Bloomberg L.P., are set out below:

Month	Last Transacted Price (S\$)	Volume of Shares Traded (’000)
March 2014	0.038	8,379
February 2014	0.053	2,300
January 2014	0.050	2,075
December 2013	0.037	1,766
November 2013	0.030	201
October 2013	0.033	60
September 2013	0.043	150

Unitholders should note that the last transacted prices are in relation to the shares of the Offeror, prior to the completion of the reverse takeover of the Offeror (which was completed on 27 October 2014) and the completion of the Share Consolidation (which was effected from 9 a.m. on 28 October 2014). As the capital structure of the Offeror has changed significantly, the closing prices set out above are not representative or reflective of the transaction prices for PREHL Shares to date.

3.3 Highest and Lowest Prices of the Units. During the Reference Period, the highest and lowest closing prices of the Units on the SGX-ST, as reported by Bloomberg L.P., are as follows:

- (i) highest closing price: S\$0.565 on 24 April 2014; and
- (ii) lowest closing price: S\$0.495 on 17 February 2014.

3.4 Highest and Lowest Prices of the PREHL Shares. During the Reference Period, the highest and lowest closing prices of the PREHL Shares on the SGX-ST, as reported by Bloomberg L.P., are as follows:

- (i) highest closing price: S\$0.064 on 17 March 2014; and
- (ii) lowest closing price: S\$0.025 on 20 October 2014.

As the PREHL Shares have been suspended from trading on 23 October 2014 from 9 a.m., the above prices relate to the shares of the Offeror prior to the Initial Acquisition and before the Share Consolidation.

Unitholders should note that the last transacted prices are in relation to the shares of the Offeror, prior to the completion of the reverse takeover of the Offeror (which was completed on 27 October 2014) and the completion of the Share Consolidation (which was effected from 9 a.m. on 28 October 2014). As the capital structure of the Offeror has changed significantly, the closing prices set out above are not representative or reflective of the transaction prices for PREHL Shares to date.

4. DOCUMENTS FOR INSPECTION

4.1 Copies of the following documents may be inspected at the registered office of the Offeror at 6 Temasek Boulevard, #25-04/05 Suntec Tower Four, Singapore 038986, during normal business hours for the period for which the Offer remains open for acceptance:

- (i) the letters of consent referred to in paragraphs 2.2 to 2.7 of this Appendix E;
- (ii) the Offeror Circular;
- (iii) the Irrevocable Undertakings;
- (iv) the Valuation Reports referred to in paragraph 11.1 of Appendix C;
- (v) the Pre-Conditional Voluntary General Offer Announcement; and
- (vi) the Voluntary Conditional General Offer Announcement.

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DISCLOSURE OF HOLDINGS AND DEALINGS IN PCRT SECURITIES

PART 1
DETAILS OF HOLDINGS IN PCRT SECURITIES

Save as disclosed below and based on responses received pursuant to enquiries that the Offeror has made, the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror do not own or control any PCRT Securities as at the Latest Practicable Date.

Name	Direct Interest		Deemed Interest		Total Interests	
	No. of Units	%	No. of Units	%	No. of Units	%
Perennial Real Estate Holdings Limited	299,143,763	26.11	26,699,219 ⁽¹⁾	2.33	325,842,982	28.44
Mr Ron Sim Chye Hock	30,009,000 ⁽²⁾	2.62	8,000,000 ⁽³⁾	0.70	38,009,000	3.32
Mdm Teo Sway Heong (wife of Mr Ron Sim Chye Hock)	4,500,000 ⁽⁴⁾	0.39	—	—	4,500,000	0.39
The Islamic Bank of Asia Limited	15,800,000	1.38	—	—	15,800,000	1.38
DBS Bank Ltd.	—	—	15,800,000 ⁽⁵⁾	1.38	15,800,000	1.38
Mr Roy Lim Wee Hiong ⁽⁶⁾	189,000	n.m. ⁽⁷⁾	—	—	189,000	n.m. ⁽⁷⁾
Ms Annie Lee ⁽⁶⁾	180,000	n.m. ⁽⁷⁾	—	—	180,000	n.m. ⁽⁷⁾
Ms Tong Ka Pin ⁽⁶⁾	444,000	n.m. ⁽⁷⁾	—	—	444,000	n.m. ⁽⁷⁾

Notes:

- (1) Perennial Real Estate Holdings Limited is deemed to be interested in the Units held by the Trustee-Manager.
- (2) Held through nominees.
- (3) Mr Ron Sim Chye Hock is deemed to be interested in the 8,000,000 Units held by Osim International Ltd.
- (4) Mdm Teo Swee Heong is the wife of Mr Ron Sim Chye Hock and is therefore deemed to be a party acting in concert with the Offeror.
- (5) DBS Bank Ltd. is deemed to be interested in the 15,800,000 Units held by The Islamic Bank of Asia Limited.
- (6) Mr Roy Lim Wee Hiong, Ms Annie Lee and Ms Tong Ka Pin sit on the boards of subsidiaries of the Offeror and are therefore deemed to be parties acting in concert with the Offeror.
- (7) Not meaningful.

PART 2
DETAILS OF DEALINGS IN PCRT SECURITIES DURING THE REFERENCE PERIOD

1. On 19 December 2013, the Trustee-Manager declared a dividend in specie of 1,078,854 Units to its shareholders. Perennial Real Estate Pte. Ltd., as a shareholder of the Trustee-Manager, received 3,824,070 Units as a result of the dividend in specie.

On 20 December 2013, Perennial Real Estate Pte. Ltd. in turn declared a dividend in specie of (i) 1,873,794 Units to PREH and (ii) 1,950,276 Units to Mr Pua Seck Guan.

On 20 December 2013, Mr Pua Seck Guan transferred 1,950,276 Units without consideration to certain nominated employees of the Trustee-Manager and PREH as part of an employee reward scheme.

2. In addition, the Offeror on 27 October 2014, being the date of Initial Acquisition Closing, completed its purchase of an aggregate of 299,143,763 Units, representing 26.11 per cent. of the total issued Units from the following vendors at the price of S\$0.70 per Unit, satisfied by the issuance of new PREHL Shares at an issue price of approximately S\$1.3353 per PREHL Share:

Name of Vendor	Sale Units
Perennial Real Estate Holdings Pte. Ltd.	41,551,763
Mr Pua Seck Guan	1,000,000
Wii Pte. Ltd.	6,000,000
HPRY Holdings Limited	156,175,000
Hong Lee Holdings (Pte) Ltd	11,204,000
Longhlin Asia Limited	22,409,000
Mdm Yong Lee Lee	2,241,000
Burlingham International Ltd	58,563,000

DETAILS OF IRREVOCABLE UNDERTAKINGS AND DISCLOSURE OF DEALINGS

PART 1 DETAILS OF UNDERTAKING PARTIES AS AT THE LATEST PRACTICABLE DATE

Name of Undertaking Party	No. of Offer Units held by the Undertaking Party	Percentage represented by the Offer Units
Asdew Acquisitions Pte. Ltd.	115,790,517	10.11%
Mr Ron Sim Chye Hock	30,009,000	2.62%
The Islamic Bank of Asia Limited	15,800,000	1.38%
OSIM International Ltd	8,000,000	0.70%
Mdm Teo Sway Heong	4,500,000	0.39%
Wealthy Fountain Holdings Inc	4,013,000	0.35%
Republic Investment Management Pte. Ltd.	2,701,200	0.23%
Total	180,813,717	15.78%

As at the Latest Practicable Date and based on responses received pursuant to enquiries made by the Offeror, save for Mr Ron Sim Chye Hock, none of the undertaking parties hold an interest in Offeror Securities. Mr Ron Sim Chye Hock holds an interest in PREHL Shares, as set out in Part 1 of Appendix H of this Offer Document.

PART 2 DETAILS OF DEALINGS IN PCRT SECURITIES DURING THE REFERENCE PERIOD BY UNDERTAKING PARTIES

A. Asdew Acquisitions Pte. Ltd.

S/N	Date of Dealing	Sale ("S") or Acquisition ("A")	Number of Units	Price per Unit/share (S\$)
1.	30 December 2013	A	490,265	N.A. – The Units were acquired by way of a dividend in specie by the Trustee-Manager.

B. Republic Investment Management Pte. Ltd.

S/N	Date of Dealing	Sale ("S") or Acquisition ("A")	Number of Units	Price per Unit/share (S\$)
1.	23 December 2013	S	51,000	0.52
2.	30 December 2013	S	31,600	0.52
3.	29 January 2014	S	116,000	0.54
4.	14 May 2014	S	180,800	0.54
5.	17 July 2014	S	8,600	0.53
6.	31 July 2014	S	144,700	0.54
7.	7 August 2014	S	334,500	0.54
8.	5 September 2014	A	123,000	0.53

S/N	Date of Dealing	Sale (“S”) or Acquisition (“A”)	Number of Units	Price per Unit/share (\$\$)
9.	5 September 2014	A	122,000	0.53
10.	5 September 2014	A	90,000	0.53
11.	5 September 2014	A	167,000	0.53
12.	5 September 2014	A	29,000	0.53
13.	5 September 2014	A	141,000	0.53
14.	5 September 2014	A	263,000	0.53
15.	5 September 2014	A	30,000	0.53
16.	5 September 2014	A	35,000	0.53

DISCLOSURE OF HOLDINGS AND DEALINGS IN OFFEROR SECURITIES

PART 1
DETAILS OF HOLDINGS IN OFFEROR SECURITIES

Save as disclosed below and based on responses received pursuant to enquiries that the Offeror has made, the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror do not own or control any Offeror Securities as at the Latest Practicable Date.

Shareholders	Immediately after Initial Acquisition and Share Consolidation				Offeror Securities to which the Offeror and its concert parties would be entitled assuming Acquisition Closing has taken place			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares ⁽¹⁾	%	No. of Shares	%
PREH ⁽²⁾	424,185,187	52.49%	57,944,587	7.17%	719,182,206	61.04%	57,944,587	4.92%
HPRY ⁽³⁾	134,496,630	16.64%	482,129,774	59.65%	134,496,630	11.41%	777,126,793	65.96%
Mr Ron Sim Chye Hock	118,832,730	14.70%	–	–	186,505,336	15.83%	–	–
PSG (Capitol) Pte. Ltd. ⁽⁴⁾	57,944,587	7.17%	–	–	57,944,587	4.92%	–	–
Burlingham International Ltd.	30,700,164	3.80%	–	–	30,700,164	2.61%	–	–
Longhlin Asia Limited ⁽⁵⁾	11,747,349	1.45%	–	–	11,747,349	1.00%	–	–
Piermont ⁽⁶⁾	10,960,936	1.36%	–	–	10,960,936	0.93%	–	–
Hong Lee Holdings ⁽⁵⁾	5,873,412	0.73%	–	–	5,873,412	0.50%	–	–
Wii Pte. Ltd. ⁽⁶⁾	3,145,348	0.39%	–	–	3,145,348	0.27%	–	–
Mdm Yong Lee Lee ⁽⁵⁾	1,174,787	0.15%	–	–	1,174,787	0.10%	–	–
Mr Pua Seck Guan ⁽⁷⁾	524,225	0.06%	482,129,774	59.65%	7,832,221	0.66%	777,126,793	65.96%
Mr Kuok Khoon Hong ⁽⁸⁾	–	–	635,421,952	78.62%	–	–	930,418,971	78.97%
Wilmar International Limited ⁽⁶⁾	–	–	14,106,284	1.75%	–	–	14,106,284	1.20%
Total	799,585,355	98.93% ⁽⁹⁾			1,169,562,976	99.27% ⁽⁹⁾⁽¹⁰⁾		

Notes:

- (1) Subject to net asset value adjustment for the Acquisition and assuming no other PREHL Shares are issued.
- (2) (a) Mr Kuok Khoon Hong, his related parties, Ms Kuok Ming King and Jaygar Holdings Limited, (b) Mr Pua Seck Guan, (c) Piermont and (d) Burlingham International Ltd hold 55.10 per cent., 20.00 per cent., 19.90 per cent. and 5.00 per cent. of the issued shares in PREH respectively. Burlingham International Ltd is a company in which Mr Martua Sitorus has more than 20 per cent. deemed interest. Mr Martua Sitorus is the Co-Founder and Executive Deputy Chairman of Wilmar International Limited. PREH is deemed interested in the shares through its interest in PSG (Capitol) Pte. Ltd.
- (3) HPRY is an investment vehicle that is 100.00 per cent. owned by Mr Kuok Khoon Hong. HPRY is deemed interested in the shares through its interest in PREH and PSG (Capitol) Pte. Ltd..
- (4) PREH and Mr Pua Seck Guan hold 91.67 per cent. and 8.33 per cent. of the issued shares of PSG (Capitol) Pte. Ltd. respectively.
- (5) Hong Lee Holdings (Pte) Ltd, Longlin Asia Limited and Mdm Yong Lee Lee (spouse of Mr Kuok) are related parties of Mr Kuok Khoon Hong.
- (6) Piermont and Wui Pte. Ltd. are 100.00 per cent. owned by Wilmar International Limited. Wilmar International Limited is deemed interested in the shares through its interest in Piermont and Wui Pte. Ltd..
- (7) Mr Pua Seck Guan's deemed interests through his interests in PREH, PSG Holdings Pte. Ltd. and PSG (Capitol) Pte. Ltd..
- (8) Mr Kuok Khoon Hong's deemed interests through his interests in PREH, PSG (Capitol) Pte. Ltd., HPRY and related parties of Mr Kuok Khoon Hong.
- (9) Subject to adjustments due to rounding.
- (10) Assuming no other PREHL Shares are issued.

PART 2
DETAILS OF DEALINGS IN OFFEROR SECURITIES DURING THE REFERENCE PERIOD

Each of the persons listed in Part 1 of this Appendix H acquired their interest in the Offeror Securities as a result of the issuance of new PREHL Shares pursuant to the Initial Acquisition Closing on 27 October 2014 (the "**Completion Shares**"). Each of the persons listed in Part 1 of this Appendix H has undertaken to observe a moratorium in respect of (i) all their direct and effective interest in the Completion Shares for a period of six months from 27 October 2014; and (ii) for 50 per cent. of their direct and effective interest in the Completion Shares for the period of six months following the period referred to in (i).

Save as disclosed above, and based on responses received pursuant to enquiries that the Offeror has made, the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror have not dealt in any Offeror Securities during the Reference Period.

THE ARTICLES OF ASSOCIATION OF THE OFFEROR

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

of

PERENNIAL REAL ESTATE HOLDINGS LIMITED

**(Adopted by Special Resolution
passed on 10 October 2014)**

THE COMPANIES ACT, CHAPTER 50

**ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989**

PUBLIC COMPANY LIMITED BY SHARES

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

of

PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Adopted by Special Resolution
passed on 10 October 2014)

PRELIMINARY

1. The regulations in Table A in the Fourth Schedule to the Companies Act, Chapter 50 (as amended) shall not apply to the Company. Table "A" not to apply
2. In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively. Interpretation

"Act"	The Companies Act, Chapter 50.
"in writing"	Written or produced by any substitute for writing or partly one and partly another.
"Market Day"	A day on which the Stock Exchange is open for trading in securities.
"month"	Calendar month.
"Office"	The registered office of the Company for the time being which shall be at such place as the Directors may from time to time decide.
"paid"	Paid or credited as paid.
"Seal"	The Common Seal of the Company.
"Stock Exchange"	Any stock exchange upon which shares in the Company may be listed.
"Statutes"	The Act and every other act for the time being in force concerning companies and affecting the Company.
"these Articles"	These Articles of Association as from time to time altered.
"Year"	Calendar year.

The expressions "Depositor", "Depository", "Depository Agent", "Depository Register" and "treasury shares" shall have the meanings ascribed to them respectively in the Act.

References in these Articles to "Appendix 2.2" shall mean Appendix 2.2 of the Listing Mainboard Rules of the Singapore Exchange.

References in these Articles to “holders” of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in these Articles or where the term “registered holders” or “registered holder” is used in these Articles;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in these Articles, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

References in these Articles to “member” shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

All such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

Words denoting the singular shall include the plural and *vice versa*. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

Any reference in these Articles to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Subject as aforesaid any words or expression defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these Articles.

ISSUE OF SHARES

3. Subject to the Statutes and these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:
- Issue of Shares
- (a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and

- (b) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(B), shall be subject to the approval of the Company in General Meeting.
4. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange, provided that the rights attaching to shares of a class other than ordinary shares must be expressed in these Articles. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.
- (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

Preference shares
Appendix 2.2
Paragraph 1(a),
(b) and (d)

Issue of further preference capital

Appendix 2.2
Paragraph 1(c)

TREASURY SHARES

5. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

Treasury Shares

VARIATION OF RIGHTS

6. Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
7. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

Variation of rights

Appendix 2.2
Paragraph 5

Creation or issue of further shares ranking *pari passu*

ALTERATION OF SHARE CAPITAL

8. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made

Offer of new shares to members

Appendix 2.2
Paragraph 1(f)

by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).

- (B) Notwithstanding Article 8(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

General authority

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and these Articles; and
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

- (C) Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

New shares subject to statutes and these Articles

9. The Company may by Ordinary Resolution:

Power to consolidate, sub-divide and convert shares

- (a) consolidate and divide all or any of its shares;
- (b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

- (c) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.
10. (A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. Power to reduce capital
- (B) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Share repurchase

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. Absolute owner of shares
12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed. Rights and privileges of new shares
13. Subject to the provisions of these Articles and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper. Power of Directors to issue shares
14. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. Power to pay commission and brokerage
15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the Stock Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose. Allotment of shares

SHARE CERTIFICATES

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| 16. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class. | Share certificates |
| 17. (A) The Company shall not be bound to register more than three persons as the registered holders of a share except in the case of executors or administrators (or trustees) of the estate of a deceased member. | Joint holders

Appendix 2.2
Paragraph 4(d) |
| (B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all. | Issue of
certificate to joint
holders |
| 18. Every person whose name is entered as a member in the Register of Members shall be entitled to receive, within ten Market Days (or such other period as may be approved by the Stock Exchange) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate, the old certificate shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay a maximum fee of S\$2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange. | Entitlement to
certificate

Appendix 2.2
Paragraph 2 |
| 19. (A) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge. | Consolidation of
share certificates |
| (B) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of S\$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange. | Sub-division of
share certificates |
| (C) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders. | Requests by joint
holders |
| 20. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. | Replacement
share certificates

Appendix 2.2
Paragraph 1(g) |

CALLS ON SHARES

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| 21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. | Calls on shares |
| 22. Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine. | Notice of calls |
| 23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part. | Interest on unpaid calls |
| 24. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | When calls made and payable |
| 25. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment. | Power of Directors to differentiate |
| 26. The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish <i>pro tanto</i> the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits. | Payment of calls in advance

Appendix 2.2 Paragraph 1(e) |

FORFEITURE AND LIEN

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|---|---|
| 27. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest (including interest upon interest) which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment. | Notice requiring payment of calls |
| 28. The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited. | Notice to state place and time of payment |
| 29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. | Forfeiture on non-compliance with notice |

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| 30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid. | Sale of forfeited shares |
| 31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part. | Rights and liabilities of members whose shares have been forfeited |
| 32. The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article. | Company to have paramount lien

Appendix 2.2
Paragraph 3(a) |
| 33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. | Sale of shares subject to lien |
| 34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser. | Application of sale proceeds

Appendix 2.2
Paragraph 3(b) |
| 35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. | Title to forfeited or surrendered shares |

TRANSFER OF SHARES

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| <p>36. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by the Stock Exchange. Transfers of legal titles in shares may also be effected in writing in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.</p> | <p>Form and execution of transfer</p> <p>Appendix 2.2
Paragraph 4(a)</p> |
| <p>37. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than 30 days in any Year, provided always that the Company shall give prior notice of such closure as may be required to the Stock Exchange, stating the period and purpose or purposes for which the closure is made.</p> | <p>Closure of transfer books and Register of Members</p> |
| <p>38. (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law or the listing rules of, or bye-laws and rules, governing, the Stock Exchange). However, the Directors may, in their sole discretion, decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve, provided always that in the event of the Directors refusing to register a transfer of shares, they shall within one (1) month beginning with the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.</p> | <p>Directors' power to decline to register a transfer</p> <p>Appendix 2.2
Paragraph 4(c)</p> |
| <p>(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:</p> <p>(a) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof;</p> <p>(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;</p> <p>(c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and</p> <p>(d) the instrument of transfer is in respect of only one class of shares.</p> | <p>When Directors may refuse to register a transfer</p> |
| <p>39. If the Directors refuse to register a transfer of any shares, they shall within ten Market Days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.</p> | <p>Notice of refusal to register a transfer</p> |
| <p>40. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the party presenting the same.</p> | <p>Retention of transfers</p> |
| <p>41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2 as the Directors may from time to time require or prescribe.</p> | <p>Fees for registration of transfer</p> <p>Appendix 2.2
Paragraph 4(b)</p> |

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.
- 42A. Every person who becomes registered in the Register of Members or Depository Register to be the holder of a share is bound by every notice which, prior to that person's name being entered in the Register of Members or Depository Register, was duly given to the person from whom he derives his title to such share.

Destruction of transfers

Transferees bound by prior notice

TRANSMISSION OF SHARES

43. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (B) In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
44. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

Survivor or legal personal representatives of deceased member

Survivor or legal personal representatives of deceased Depositor

Estate of deceased holder

Transmission of shares

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| <p>45. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.</p> | <p>Rights of person on transmission of shares</p> |
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STOCK

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| <p>46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares. For the purposes of Articles 46, 47 and 48, the word “stock” shall mean the ordinary stock in the capital of the Company into which issued shares are converted, transferable in such amounts and multiples as the Company may determine.</p> | <p>Conversion of shares to stock and re-conversion</p> |
| <p>47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.</p> | <p>Transfer of stock</p> |
| <p>48. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the dividends, profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.</p> | <p>Rights of stockholders</p> |

GENERAL MEETINGS

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| <p>49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.</p> | <p>Annual general meeting and extraordinary general meeting</p> |
| <p>50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.</p> | <p>Calling extraordinary general meeting</p> |

NOTICE OF GENERAL MEETINGS

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| <p>51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these Articles and the Act entitled to receive such notices from the Company; provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:</p> | <p>Notice of general meeting</p> |
| <p>(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and</p> | <p>Appendix 2.2 Paragraph 7</p> |

- (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the members having a right to vote at that meeting,

Provided also that the accidental omission to give notice to or the non receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on any Stock Exchange, at least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange.

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| 52. (A) | Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. | Contents of notice for general meeting

Appendix 2.2 Paragraph 7 |
| (B) | In the case of an Annual General Meeting, the notice shall also specify the meeting as such. | Contents of notice for annual general meeting |
| (C) | In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect. | Notice of general meeting for special business and special resolutions |
53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
- (a) declaring dividends;
 - (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
 - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
 - (f) fixing the remuneration of the Directors proposed to be paid under Article 79.
54. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

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| 55. | The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting. | Appendix 2.2 Paragraph 7

Chairman of general meeting |
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56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum. Quorum
57. If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum. If quorum not present, adjournment or dissolution of meeting
58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Business at adjourned meeting
59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Notice of adjournment not required
60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. Amendment of resolutions
61. (A) If required by the listing rules of the Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange), and such poll may be conducted in such manner (including by way of electronic voting) as the Directors may determine. Method of voting
- (B) Subject to Article 61(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the chairman of the meeting; or
 - (b) not less than two members present in person or by proxy and entitled to vote at the meeting; or
 - (c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) a member present in person or by proxy and holding not less than 10 per cent. of the total number of paid-up shares of the Company (excluding treasury shares).
62. A demand for a poll made pursuant to Article 61(B) may be withdrawn only with the approval of the Chairman. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be Taking a poll

conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The chairman of the meeting may (and, if required by the listing rules of the Stock Exchange or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

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| 63. | In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands or poll takes place shall be entitled to a casting vote. | Casting vote of chairman |
| 64. | A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll made pursuant to Article 61(B) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. | Timing for taking poll and continuance of business after demand for a poll |

VOTES OF MEMBERS

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| 65. | Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 5, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company. | How members may vote

Appendix 2.2
Paragraph 8(a) and (e) |
| 66. | In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share. | Voting rights of joint holders

Appendix 2.2
Paragraph 8(b) |
| 67. | Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company. | Voting by receivers |
| 68. | No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid. | Entitlement of members to vote

Appendix 2.2
Paragraph 8(a) |
| 69. | No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive. | When objection to admissibility of votes may be made |

- ## Deposit of proxies

than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

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| 74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting. | Rights of proxies

Appendix 2.2
Paragraph 8(d) |
| 75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast. | Intervening death or insanity |

CORPORATIONS ACTING BY REPRESENTATIVES

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| 76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat. | Corporations acting by representatives |
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DIRECTORS

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| 77. The number of Directors of the Company shall not be less than two. All Directors of the Company shall be natural persons. | Number of directors

Appendix 2.2
Paragraph 9(a) |
| 78. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings. | No share qualification for Directors |
| 79. The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. | Remuneration of Directors

Appendix 2.2
Paragraph 9(d) |
| 80. (A) Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. | Remuneration for work outside scope of ordinary duties |
| (B) The remuneration (including any remuneration under Article 80(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or a percentage of turnover. | Payment of remuneration

Appendix 2.2
Paragraph 9(c) |

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| 81. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company. | Reimbursement of expenses |
| 82. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums. | Power to pay pension and other benefits |
| 83. A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. | Directors may contract with Company |
| 84. (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. | Directors may hold executive offices |
| (B) The appointment of any Director to the office of Chairman or Deputy Chairman shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. | Cessation of directorship of Chairman or Deputy Chairman |
| (C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company. | Cessation of directorship of Executive Director |
| 85. The Directors may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. | Power of Executive Directors |

CHIEF EXECUTIVE OFFICERS

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| 86. The Directors may from time to time appoint one or more of their body to be Chief Executive Officer or Chief Executive Officers (or other equivalent position) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Where an appointment is for a fixed term such term shall not exceed five years. | Appointment of Chief Executive Officer

Appendix 2.2 Paragraph 9(i) |
| 87. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company. | Retirement, removal and resignation of Chief Executive Officer |

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| 88. The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to these Articles be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover. | Remuneration of the Chief Executive Officer |
| 89. A Chief Executive Officer (or person holding an equivalent position) shall at all times be subject to the control of the Directors but subject thereto the Directors may from time to time entrust to and confer upon a Chief Executive Officer (or person holding an equivalent position) for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. | Powers of the Chief Executive Officer

Appendix 2.2
Paragraph 9(j) |

APPOINTMENT AND RETIREMENT OF DIRECTORS

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| 90. The office of a Director shall be vacated in any of the following events, namely: | When office of Director to be vacated |
| (a) if he shall become prohibited by law from acting as a Director; or | |
| (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or | Appendix 2.2
Paragraph 9(n) |
| (c) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or | |
| (d) if he shall have a bankruptcy order made against him or shall compound with his creditors generally; or | Appendix 2.2
Paragraph 9(g) |
| (e) if he becomes of unsound mind or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or | Appendix 2.2
Paragraph 9(g) |
| (f) if he is removed by the Company in General Meeting pursuant to these Articles. | |
| 91. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third), selected in accordance with Article 92, shall retire from office by rotation (in addition to any Director retiring pursuant to Article 97). | Retirement of Directors by rotation |
| 92. (A) The Directors to retire from office by rotation in every year shall include: | Selection of Directors to retire |
| (a) any Director who has attained the retirement age applicable to him as a Director; and | |
| (b) any Director who has given notice in writing to the Company that he is unwilling to be re-elected. | |
| (B) Where the number of Directors to retire in accordance with Article 92(A) is less than the number required under Article 91, the remaining Directors to retire by rotation shall be those that have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day those to retire by rotation shall (unless they otherwise agree among themselves) be determined by lot. | |
| (C) A retiring Director shall be eligible for re-election. | |

93. The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
 - (b) where such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
 - (d) where the default is due to the moving of a resolution in contravention of the next following Article; or
 - (e) where such Director has attained the retirement age applicable to him as Director.
- The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.
94. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
95. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than 11 nor more than 42 clear days (exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election or notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature for the office, provided that in the case of a person recommended by the Directors for election not less than nine clear days' notice shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place.
96. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.
97. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but any person so appointed by the Directors shall hold office only until the next Annual General Meeting. He shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Filling vacated office

Appendix 2.2
Paragraph 9(n)

Resolution for appointment of Directors

Notice of intention to appoint Director

Appendix 2.2
Paragraph 9(h)

Removal of Directors

Director's power to fill casual vacancies and appoint additional Directors

Appendix 2.2
Paragraph 9(b)

ALTERNATE DIRECTORS

98. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director) to be his Alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved. A person shall not act as Alternate Director to more than one Director at the same time.
- (B) The appointment of an Alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (below called "his principal") ceases to be a Director.
- (C) An Alternate Director shall, on request, be entitled to receive notices of meetings of the Directors. An Alternate Director shall also be entitled to attend and vote as a Director at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his principal) were a Director. If his principal is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his principal is a member. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- (D) An Alternate Director shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.
- Appointment of alternate Directors
Appendix 2.2 Paragraph 9(I)
Determination of appointment of alternate Directors
Powers of alternate Directors
Remuneration of Alternate Directors
Appendix 2.2 Paragraph 9(I)

MEETINGS AND PROCEEDINGS OF DIRECTORS

99. (A) Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore. Any Director may waive notice of any meeting and any such waiver may be retroactive.
- (B) Directors may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum in accordance with Article 100, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting was at that place for the duration of the meeting.
- Meetings of Directors
Participation by telephone or video conference

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| 100. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. | Quorum |
| 101. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue) the chairman of the meeting shall have a second or casting vote. | Votes

Appendix 2.2
Paragraph 9(m) |
| 102. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. | Directors not to vote on transactions in which they have an interest

Appendix 2.2
Paragraph 9(e) |
| 103. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors. | Proceedings in case of vacancies

Appendix 2.2
Paragraph 9(k) |
| 104. (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting. | Chairman and Deputy Chairman |
| (B) If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors. | Absence of Chairman |
| 105. A resolution in writing signed by a majority of Directors shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. | Resolutions in writing |
| 106. The Directors may delegate any of their powers or discretion to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. | Power to appoint committees |
| 107. The meetings and proceedings of any such committee consisting of two or more members shall be governed <i>mutatis mutandis</i> by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article. | Proceedings at committee meetings |

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| <p>108. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.</p> | <p>Validity of acts of Directors in committees in spite of some formal defect</p> |
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BORROWING POWERS

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| <p>109. Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.</p> | <p>Directors' borrowing powers</p> <p>Appendix 2.2
Paragraph 6</p> |
| <p>109A. The Company shall cause a proper register to be kept, in accordance with Section 138 of the Act, of all mortgages and charges specifically affecting the property of the Company and shall comply with the provisions of Section 131 of the Act.</p> | <p>Register of mortgages</p> |

GENERAL POWERS OF DIRECTORS

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| <p>110. The business and affairs of the Company shall be managed by or under the direction of the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.</p> | <p>General power of Directors to manage Company's business</p> |
| <p>111. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.</p> | <p>Directors may establish local boards or agencies</p> |
| <p>112. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.</p> | <p>Directors may appoint attorneys</p> |
| <p>113. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Statutes cause to be kept a Branch Register or Register of Members and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit in respect of the keeping of any such Register.</p> | <p>Registers</p> |
| <p>114. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.</p> | <p>Cheques, etc</p> |

SECRETARY

115. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries. The appointment and duties of the Secretary or Joint Secretaries shall not conflict with the provisions of the Act and in particular Section 171 of the Act.

Company
secretary

THE SEAL

116. The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.
117. Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by a second Director or some other person appointed by the Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature or other method approved by the Directors.
118. (A) The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
- (B) The Company may exercise the powers conferred by the Statutes with regard to having a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words "Share Seal".

Seal

Affixing seal

Official seal

Share Seal

AUTHENTICATION OF DOCUMENTS

119. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Power to
authenticate
documents

RESERVES

120. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided.

Reserves

The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.

DIVIDENDS

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| 121. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. | Declaration of dividends |
| 122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. | Interim dividends |
| 123. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act: | Apportionment of dividends |
| <p>(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and</p> <p>(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.</p> | |
| For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored. | |
| 124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. | Dividends payable out of profits |
| 125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. | No interest on dividends |
| 126. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Retention of dividends on shares subject to lien |
| (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same. | Retention of dividends pending transmission |
| 127. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. | Waiver of dividends |
| 128. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant | Unclaimed dividends or other moneys |

Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable.

129. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Payment of dividend in specie
130. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply: Scrip dividend scheme
- (a) the basis of any such allotment shall be determined by the Directors;
 - (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 130;
 - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the “**elected shares**”) and, in lieu and in satisfaction thereof, shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose and notwithstanding the provisions of Article 135, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company’s reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

- (B) The shares of the relevant class allotted pursuant to the provisions of Article 130(A) shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
 - (C) The Directors may, on any occasion when they resolve as provided in Article 130(A), determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares, the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of Article 130 shall be read and construed subject to such determination.
 - (D) The Directors may, on any occasion when they resolve as provided in Article 130(A), further determine that:
 - (a) no allotment of shares or rights of election for shares under Article 130(A) shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and
 - (b) no allotment of shares or rights of election for shares under Article 130(A) shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary.
 - (E) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of Article 130(A) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of Article 130(A).
 - (F) The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of Article 130(A), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).
131. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the

Dividends payable by cheque or warrant

cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

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| 132. Notwithstanding the provisions of Article 131 and the provisions of Article 134, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment. | Payment to Depository good discharge |
| 133. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share. | Payment of dividends to joint holders |
| 134. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights <i>inter se</i> in respect of such dividend of transferors and transferees of any such shares. | Resolution declaring dividends |

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

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| 135. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)): | Power to issue free bonus shares and/or to capitalise reserves |
| <p>(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:</p> <p>(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) (in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,</p> <p>in proportion to their then holdings of shares; and/or</p> | |
| <p>(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:</p> <p>(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p>(ii) (in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,</p> <p>in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.</p> | |

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| <p>(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 135(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.</p> | <p>Power of Directors to give effect to bonus issues and capitalisations</p> |
| <p>136. In addition and without prejudice to the powers provided for by Article 135, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.</p> | <p>Power to issue free shares and/or to capitalise reserves for employee share-based incentive plans</p> |

ACCOUNTS

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| <p>137. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.</p> | <p>Accounting records</p> |
| <p>138. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act).</p> | <p>Presentation of accounts

Appendix 2.2 Paragraph 10</p> |
| <p>139. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 14 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles; provided that this Article shall not require a copy of these documents to be sent to more than one or any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.</p> | <p>Copies of accounts</p> |

AUDITORS

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| <p>140. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.</p> | <p>Validity of acts of Auditors</p> |
| <p>141. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.</p> | <p>Auditors entitled to attend general meetings</p> |

NOTICES

142. (A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Service of notices
- (B) Without prejudice to the provisions of Article 142(A), any notice or document (including, without limitations, any accounts, balance-sheet or report) which is required or permitted to be given, sent or served under the Act or under these Articles by the Company, or by the Directors, to a member or an officer or Auditor of the Company may be given, sent or served using electronic communications to the current address of that person in accordance with the provisions of, or as otherwise provided by, the Statutes and/or any other applicable regulations or procedures. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures. Electronic communications
143. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded. Service of notices in respect of joint holders
144. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member or given, sent or served to any member using electronic communications in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder. Service of notices after death, bankruptcy, etc.
145. A member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices or other documents from the Company. No notice to members with no registered address in Singapore

WINDING UP

146. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up. Power to present winding up petition
147. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. Distribution of assets in specie
Appendix 2.2
Paragraph 11
148. In the event of a winding up of the Company every member of the Company who is not for the time being in the Republic of Singapore shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in the Republic of Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted. Member outside Singapore

INDEMNITY

149. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust. Indemnity

SECRECY

150. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Stock Exchange.

Secrecy

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF THE OFFEROR GROUP AND LETTER FROM REPORTING ACCOUNTANT**

Unaudited Pro Forma Consolidated Financial Information
Included in the Offeror Circular

Unaudited Pro Forma Consolidated Statements of Financial Position
As at 31 December 2013 and 31 March 2014

		31 December 2013		31 March 2014	
	Note	Scenario A	Scenario B	Scenario A	Scenario B
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Plant and equipment		170	170	195	195
Investment properties	5	1,243,000	1,243,000	1,249,000	1,249,000
Associates and joint ventures	6	929,083	1,577,593	915,157	1,563,227
Intangible assets		108,616	116,364	109,247	117,177
Other financial assets		4,821	4,821	3,717	3,717
		2,285,690	2,941,948	2,277,316	2,933,316
Current assets					
Properties under development		399,546	399,546	399,546	399,546
Trade and other receivables		11,741	11,741	20,375	20,375
Cash and cash equivalents		55,834	55,834	56,707	56,707
		467,121	467,121	476,628	476,628
Total assets		2,752,811	3,409,069	2,753,944	3,409,944
Equity					
Share capital	7	1,072,456	1,574,499	1,092,990	1,597,617
Reserves		183,921	342,650	161,729	317,924
Equity attributable to owners of the Company		1,256,377	1,917,149	1,254,719	1,915,541
Non-controlling interests		253,043	248,529	260,602	255,780
Total equity		1,509,420	2,165,678	1,515,321	2,171,321
Non-current liabilities					
Bank borrowings		969,335	969,335	975,057	975,057
Junior bonds		143,826	143,826	143,826	143,826
Redeemable preference shares		47,613	47,613	47,613	47,613
Other payables		9,183	9,183	26,719	26,719
Deferred tax liabilities		157	157	135	135
		1,170,114	1,170,114	1,193,350	1,193,350
Current liabilities					
Trade and other payables		70,521	70,521	38,624	38,624
Current tax liabilities		2,756	2,756	6,649	6,649
		73,277	73,277	45,273	45,273
Total liabilities		1,243,391	1,243,391	1,238,623	1,238,623
Total equity and liabilities		2,752,811	3,409,069	2,753,944	3,409,944

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income
For the 12 months ended 31 December 2013 and three months ended 31 March 2014

		12 months ended 31 December 2013		Three months ended 31 March 2014	
	Note	Scenario A	Scenario B	Scenario A	Scenario B
		S\$'000	S\$'000	S\$'000	S\$'000
Revenue	8	88,307	84,909	17,956	17,956
Cost of sales		(26,430)	(26,430)	(7,030)	(7,030)
Gross profit		61,877	58,479	10,926	10,926
Other income	9	57,708	57,708	3,042	3,042
Administrative expenses		(20,658)	(20,658)	(3,786)	(3,786)
Results from operating activities		98,927	95,529	10,182	10,182
Finance income		55	55	20	20
Finance costs		(27,881)	(27,881)	(7,620)	(7,620)
Net finance costs		(27,826)	(27,826)	(7,600)	(7,600)
Share of profits of associates and joint ventures, net of tax	6	46,727	48,660	8,211	8,382
Profit before tax		117,828	116,363	10,793	10,964
Tax expense		(6,341)	(5,492)	(792)	(792)
Profit for the period		111,487	110,871	10,001	10,172
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		231	231	–	–
Change in fair value of available-for-sale financial assets, net of tax		(969)	(969)	(90)	(90)
Other comprehensive income for the period, net of tax		(738)	(738)	(90)	(90)
Total comprehensive income for the period		110,749	110,133	9,911	10,082
Profit attributable to:					
Owners of the Company		85,899	85,283	9,613	9,784
Non-controlling interests		25,588	25,588	388	388
Profit for the period		111,487	110,871	10,001	10,172
Total comprehensive income attributable to:					
Owners of the Company		85,271	84,655	9,498	9,669
Non-controlling interests		25,478	25,478	413	413
Total comprehensive income for the period		110,749	110,133	9,911	10,082
Earnings per share					
Basic and diluted earnings per share (cents)	10	10.64	7.25	1.19	0.83

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Cash Flows
For the 12 months ended 31 December 2013 and three months ended 31 March 2014

	12 months ended 31 December 2013		Three months ended 31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	111,487	110,871	10,001	10,172
Adjustments for:				
Depreciation of plant and equipment	276	276	34	34
Amortisation of intangible assets	4,868	4,868	1,217	1,217
Accretion of deferred income	(145)	(145)	–	–
Fee income received in units	(2,533)	(2,533)	–	–
Tax expense	6,341	5,492	792	792
Change in fair value of investment properties	(56,356)	(56,356)	(2,334)	(2,334)
Net finance costs	27,826	27,826	7,600	7,600
Share of profit of associates and joint ventures, net of tax	(46,727)	(48,660)	(8,211)	(8,382)
Unrealised exchange loss/(gain)	82	82	(115)	(115)
	45,119	41,721	8,984	8,984
Changes in:				
– Trade and other receivables	(10,621)	(7,223)	(1,983)	(1,983)
– Trade and other payables	5,604	5,604	(6,723)	(6,723)
Cash generated from operations	40,102	40,102	278	278
Interest received	51	51	13	13
Tax paid	(1,896)	(1,896)	–	–
Net cash from operating activities	38,257	38,257	291	291
Cash flows from investing activities				
Acquisition of plant and equipment	(80)	(80)	(61)	(61)
Acquisition of subsidiaries	14,580	14,580	–	–
Additions to investment properties	–	–	(3,666)	(3,666)
Dividends received	12,578	12,578	6,191	6,191
Net cash from investing activities	27,078	27,078	2,464	2,464
Cash flows from financing activities				
Capital contribution from non-controlling interests	3,658	3,658	–	–
Proceeds from bank borrowings	–	–	5,721	5,721
Distribution <i>in specie</i> of the Existing Business	(2,210)	(2,210)	–	–
Interest paid	(14,973)	(14,973)	(12,062)	(12,062)
Net cash used in financing activities	(13,525)	(13,525)	(6,341)	(6,341)
Net increase/(decrease) in cash and cash equivalents	51,810	51,810	(3,586)	(3,586)
Cash and cash equivalents at beginning of period	3,916	3,916	55,811	55,811
Effect of exchange rate changes on balances in foreign currencies	85	85	(215)	(215)
Cash and cash equivalents at end of period	55,811	55,811	52,010	52,010

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Cash Flows (continued)

Significant non-cash transactions

During the 12 months ended 31 December 2013, the Company issued:

(A) Scenario A:

- (a) 798,686,838⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(B) Scenario B:

- (a) 1,167,320,401⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

Note:

- (1) Issuance of Consideration Shares is based on the purchase consideration for the relevant Target Assets, and subject to adjustments for NAV of the Target Entities and the Proposed PCRT Voluntary Offer.

The accompanying notes form an integral part of these unaudited pro forma consolidated financial information.

Notes to the unaudited pro forma consolidated financial information

1. Introduction

St. James Holdings Limited (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in the Republic of Singapore. Its registered office is at 3 Sentosa Gateway, Singapore 098544, which is also its principal place of business. The principal activity of the Company is investment holding.

1.1 Proposed Transactions

The Company proposes to acquire from Perennial Real Estate Holdings Pte. Ltd. (“PREH”) and other vendors effective equity interests in the following real estate assets and businesses pursuant to the terms and conditions of the conditional acquisition agreements dated 14 March 2014 as amended, modified or supplemented by the supplemental agreements dated 8 September 2014 (the “Acquisition Agreements”):

- interests ranging from 20.00 per cent. to 51.00 per cent. in integrated real estate development projects located in Beijing¹, Chengdu, Xi’an and Zhuhai in the People’s Republic of China (the “PRC”) with approximately 23.2 million square feet (“sq ft”) in total gross floor area (“GFA”);
- interests ranging from approximately 1.46 per cent. to approximately 51.61 per cent. in real estate projects located in Singapore (being CHIJMES, TripleOne Somerset, Capitol Singapore, House of Tan Yeok Nee, Chinatown Point and 112 Katong) with over 2.0 million sq ft in total GFA;
- approximately 28.03 per cent. effective interest in Perennial China Retail Trust (“PCRT”); and
- management businesses and certain other Target Entities,

the aggregate purchase consideration for which is approximately S\$1.56 billion² to be satisfied ultimately by the allotment and issuance of new shares (the “Consideration Shares”) in the Company which shall, on issue, represent approximately 99.27 per cent. of the Enlarged Share Capital of the Company (the “Proposed Acquisition”).

The Company proposes to return its Existing Business to all existing shareholders on a pro-rata basis, via a distribution *in specie* of all the issued shares in a newly incorporated wholly owned subsidiary of the Company, being CityBar Holdings Pte Ltd (“NewCo”) to which the Existing Business will be transferred. NewCo will be converted into a public company limited by shares prior to the distribution.

A special purpose vehicle has been set up to make, for and on behalf of the Company’s Controlling Shareholders (as defined herein), an exit offer (the “Exit Offer”) in cash to the shareholders of NewCo in respect of the ordinary shares in the capital of NewCo (“NewCo Shares”) that have been distributed *in specie*, save for NewCo Shares owned, controlled or agreed to be acquired by the Company’s Controlling Shareholders as at the date the Exit Offer is open for acceptance (the “Exit Offer Shares”). The Exit Offer will only be open for acceptance upon certain conditions being satisfied.

After control of the Company has changed upon the acquisition of the Target Assets, the Company proposes to make a voluntary offer to acquire all the remaining units of PCRT (“Units”) (other than Units already owned, controlled or agreed to be acquired by the Company) in exchange for new shares of the Company to be issued to PCRT unitholders (“Proposed PCRT Voluntary Offer”).

1.1.1 Proposed Acquisition

(a) Details of the Proposed Acquisition (as defined herein) are as follows:

- *Proposed Initial Acquisition* refers to the proposed acquisition in relation to all Target Assets, save for Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 under the Deferred Beijing Acquisition, and the Deferred PREPL Shares under the Deferred PREPL Acquisition (as defined herein). Completion of the Proposed Initial Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “*Proposed Initial Acquisition Closing*”.
- *Deferred Beijing Acquisition* refers to the proposed acquisition in relation to Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2. Completion of the Deferred Beijing Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “*Deferred Beijing Acquisition Closing*”.

¹ Assuming Deferred Beijing Acquisition has taken place.

² Subject to adjustments for NAV of the Target Entities.

1. Introduction (continued)

1.1 Proposed Transactions (continued)

1.1.1 Proposed Acquisition (continued)

- *Deferred PREPL Acquisition* refers to the proposed acquisition on 27 July 2016 of 51.00 per cent. of the issued ordinary shares of PREPL (“Deferred PREPL Shares”) that are held by Mr Pua Seck Guan. Completion of the Deferred PREPL Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “*Deferred PREPL Acquisition Closing*”.
- *Deferred Acquisitions* refers to the Deferred Beijing Acquisition and the Deferred PREPL Acquisition. Completion of the Deferred Acquisitions in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “*Deferred Acquisitions Closing*”.
- *Proposed Acquisition* refers to the Proposed Initial Acquisition and the Deferred Acquisitions. Completion of the Proposed Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “*Proposed Acquisition Closing*”.

The Proposed Acquisition will take place in stages. The Target Assets that are the subject of the Proposed Initial Acquisition (the “Proposed Initial Acquisition Target Assets”) comprise all Target Assets, save for Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 under the Deferred Beijing Acquisition, and the Deferred PREPL Shares under the Deferred PREPL Acquisition.

(b) Target Entities

The Company has entered into the Acquisition Agreements to acquire:

- (i) 2,751,104 ordinary shares in Perennial Tongzhou Development Pte. Ltd., comprising approximately 39.47 per cent. of the issued ordinary shares in the capital of Perennial Tongzhou Development Pte. Ltd., representing approximately 30.00 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 1;
- (ii) 111,610 ordinary shares in Perennial Tongzhou Holdings Pte. Ltd., comprising approximately 46.60 per cent. of the issued ordinary shares in the capital of Perennial Tongzhou Holdings Pte. Ltd., representing approximately 23.30 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 2;
- (iii) all the issued shares of Perennial Chenghua C Pte. Ltd. and Perennial Chenghua D Pte. Ltd. representing in aggregate a 50.00 per cent. equity interest in Chengdu East High Speed Railway Integrated Development;
- (iv) all the issued shares of Perennial Xi'an Development Holding 1 Pte. Ltd. and Perennial Xi'an Development Holding 2 Pte. Ltd. representing in aggregate a 51.00 per cent. equity interest in Xi'an North High Speed Railway Integrated Development;
- (v) all the issued shares of Perennial Hengqin Investment Pte. Ltd. representing a 20.00 per cent. effective equity interest in Zhuhai Hengqin Integrated Development;
- (vi) 128 ordinary shares in Perennial (CHIJMES) Pte. Ltd. comprising approximately 51.61 per cent. of the issued ordinary shares in the capital of Perennial (CHIJMES) Pte. Ltd. and subordinated bonds issued by Perennial (CHIJMES) Pte. Ltd., representing approximately 51.61 per cent. equity interest in CHIJMES;
- (vii) 1,149,580 ordinary shares in Perennial Somerset Investors Pte. Ltd. comprising approximately 50.20 per cent. of the issued ordinary shares in the capital of Perennial Somerset Investors Pte. Ltd., 1,149,580 preference shares in Perennial Somerset Investors Pte. Ltd. comprising approximately 50.20 per cent. of the issued preference shares in the capital of Perennial Somerset Investors Pte. Ltd. and subordinated bonds issued by Perennial Somerset Investors Pte. Ltd., representing in aggregate a 50.20 per cent. interest in TripleOne Somerset;
- (viii) all the issued shares of Perennial (Capitol) Pte. Ltd. and New Capitol Pte. Ltd., representing an equity interest of 50.00 per cent. in Capitol Singapore;
- (ix) all the issued shares of Perennial TYN Investment Pte. Ltd., representing a 50.00 per cent. equity interest in the House of Tan Yeok Nee;
- (x) 1,338,751 ordinary shares in PRE 3 Investments Pte. Ltd., comprising approximately 10.64 per cent. of the issued ordinary shares in the capital of PRE 3 Investments Pte. Ltd., representing approximately 1.47 per cent. equity interest in Chinatown Point retail podium and four strata office units;

1. Introduction (continued)

1.1 Proposed Transactions (continued)

1.1.1 Proposed Acquisition (continued)

- (xi) nine preference shares in PRE 1 Investments Pte. Ltd. and subordinated bonds issued by PRE 1 Investments Pte. Ltd., representing approximately 1.46 per cent. equity interest in 112 Katong;
- (xii) 299,143,763 units in PCRT representing approximately 26.11 per cent. of the issued units;
- (xiii) all the issued Shares of PRE 2 Investments Pte. Ltd., Perennial (China) Retail Management Pte. Ltd., Perennial (Singapore) Asset Management Pte. Ltd. and Perennial (Singapore) Retail Management Pte. Ltd. and 49.00 per cent. of the issued shares of PREPL;
- (xiv) all the issued shares of Perennial EM Holdings Pte. Ltd., being an entity with investments into a proposed development project in Myanmar; and
- (xv) all the issued shares of Perennial Treasury Pte. Ltd..

In addition, the Company has agreed to acquire 51.00 per cent. of the issued shares of PREPL from Mr Pua Seck Guan, with completion expected to take place on 27 July 2016.

1.1.2 Proposed Disposal and Proposed Distribution

In conjunction with the Proposed Acquisition, the Company also announced the proposed disposal (the “Proposed Disposal of the Existing Business”) of its shareholding interests in all its subsidiaries and associated companies and all other assets and liabilities relating to its Existing Business to NewCo will be undertaken pursuant to the terms and conditions of a business transfer agreement to be entered into between the Company and NewCo (the “Business Transfer Agreement”). The consideration for the Proposed Disposal of the Existing Business will be satisfied by the allotment and issuance by NewCo of shares of NewCo (the “NewCo Shares”) to the Company. In connection with the Proposed Disposal of the Existing Business, the Company proposes a capital reduction by way of a cancellation of share capital no longer represented by available assets and a distribution in *specie* of all the issued NewCo Shares to the shareholders of the Company by way of a capital reduction (the “Proposed Distribution”).

1.1.3 Proposed Share Consolidation

As the number of Shares in the Company will be considerably enlarged after the Proposed Acquisition, the Company proposes to consolidate the number of Shares in issue following Proposed Initial Acquisition Closing on the basis of 50 Shares to one Share (the “Proposed Share Consolidation”).

1.2 Scenario A and Scenario B

Financial related information regarding the Target Assets has been prepared after taking into account the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation, and under the following scenarios:

- (i) Scenario A: Where only the Proposed Initial Acquisition Closing has taken place, such that only the acquisition in relation to the Proposed Initial Acquisition Target Assets has been completed in accordance with the terms and conditions of the Acquisition Agreements.
- (ii) Scenario B: Where the Proposed Acquisition Closing has taken place, such that the acquisition in relation to the Initial Acquisition Target Assets, the Beijing Target Assets and the Deferred PREPL Acquisition have been completed in accordance with the terms and conditions of the Acquisition Agreements.

The unaudited pro forma consolidated financial information of the Company and its subsidiaries after completion of the Proposed Acquisition (the “Enlarged Group”), comprising the unaudited pro forma consolidated financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014, the unaudited pro forma consolidated statements of comprehensive income and unaudited pro forma consolidated statements of cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 (“Unaudited Pro Forma Consolidated Financial Information”), has been prepared for inclusion in the circular to the shareholders (the “Circular”) of the Company.

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and based on certain assumptions and after making certain adjustments, to show what:

- (a) the unaudited pro forma financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014 would have been if the Proposed Acquisition, Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 31 December 2013 and 31 March 2014 respectively;
- (b) the unaudited pro forma financial results of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 1 January 2013; and
- (c) the unaudited pro forma cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 1 January 2013.

Financial related information regarding the Target Assets has been prepared after taking into account the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation, and under the following scenarios:

- (i) Scenario A: Where only the Proposed Initial Acquisition Closing has taken place, such that only the acquisition in relation to the Proposed Initial Acquisition Target Assets has been completed in accordance with the terms and conditions of the Acquisition Agreements.
- (ii) Scenario B: Where the Proposed Acquisition Closing has taken place, such that the acquisition in relation to the Proposed Initial Acquisition Target Assets, the Beijing Target Assets and the Deferred PREPL Acquisition have been completed in accordance with the terms and conditions of the Acquisition Agreements.

The objective of the unaudited pro forma consolidated financial statements is to show what the historical information would have been had the Company acquired these Target Assets on the dates mentioned above. However, the unaudited pro forma consolidated financial statements are not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the Enlarged Group existed on those dates.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the Enlarged Group's actual financial position, financial performance or cash flows.

The Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 have been compiled based on:

- (a) the unaudited financial information of the Company and its subsidiaries (the "St. James Group") for the period from 1 January 2013 to 31 December 2013 and the nine months from 1 July 2013 to 31 March 2014;
- (b) the audited financial statements of Perennial Tongzhou Development Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Tongzhou Development Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (c) the audited financial statements of Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (d) the audited financial statements of Perennial Xi'an Development Holding 1 Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Xi'an Development Holding 1 Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (e) the audited financial statements of Perennial Xi'an Development Holding 2 Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Xi'an Development Holding 2 Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (f) the audited financial statements for the period from 7 January 2013 to 31 December 2013 and unaudited management financial statements of Perennial Chenghua C Pte. Ltd. and Perennial Chenghua D Pte. Ltd for the three months ended 31 March 2014;

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (continued)

- (g) the unaudited management financial statements of Perennial Hengqin Investment Pte. Ltd. for the three months ended 31 March 2014;
- (h) the audited financial statements of Perennial (CHIJMES) Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (CHIJMES) Pte. Ltd. for the three months ended 31 March 2014;
- (i) the unaudited management financial statements of Perennial Somerset Investors Pte. Ltd. for the period ended 31 December 2013 and for the three months ended 31 March 2014;
- (j) the audited financial statements of Perennial (Somerset) Pte. Ltd. (*formerly known as AREIF (Singapore I) Pte. Ltd.*) for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Somerset) Pte. Ltd. for the three months ended 31 March 2014;
- (k) the audited financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (l) the audited financial statements of Perennial TYN Investment Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial TYN Investment Pte. Ltd. for the three months ended 31 March 2014;
- (m) the audited financial statements of PRE 1 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 1 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (n) the audited financial statements of PRE 3 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 3 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (o) the audited financial statements of Perennial China Retail Trust for the year ended 31 December 2013 and unaudited management financial statements of Perennial China Retail Trust for the three months ended 31 March 2014;
- (p) the audited financial statements of Perennial Real Estate Pte. Ltd. ("PREPL") for the year ended 31 December 2013 and unaudited management financial statements of Perennial Real Estate Pte. Ltd. for the three months ended 31 March 2014;
- (q) the audited financial statements of PRE 2 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 2 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (r) the audited financial statements of Perennial (China) Retail Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (China) Retail Management Pte. Ltd. for the three months ended 31 March 2014;
- (s) the audited financial statements of Perennial (Singapore) Asset Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Singapore) Asset Management Pte. Ltd. for the three months ended 31 March 2014;
- (t) the audited financial statements of Perennial (Singapore) Retail Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Singapore) Retail Management Pte. Ltd. for the three months ended 31 March 2014; and
- (u) the audited financial statements of Perennial China Retail Trust Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial China Retail Trust Management Pte. Ltd. for the three months ended 31 March 2014.

The auditors' report on the financial statements of AREIF (Singapore I) Pte Ltd (now known as Perennial (Somerset) Pte. Ltd.) ("AREIF(S)") for the year ended 31 December 2013 was modified and subjected to an emphasis of matter in relation to the ability of AREIF(S) to continue as a going concern, which is dependent on (i) the undertaking by the former shareholders of AREIF(S) not to recall the shareholders' loans provided to AREIF(S) and its accrued loan interest up to the completion of the sale of AREIF(S) to Perennial 111 Somerset Pte. Ltd. or for 12 months from the date of the director's report whichever is earlier; and (ii) the completion of the sale of the entire issued and paid-up ordinary share capital of AREIF(S), whereby the bank loans, shareholders' loans and its accrued loan interest will be settled as part of the consideration. On 31 March 2014, the sale of the entire issued and paid-up ordinary share capital of AREIF(S) was completed. Upon completion of the sale, Perennial Somerset

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (continued)

Investors Pte Ltd, the penultimate holding company, had put in place a new financing structure, including a refinancing of the bank loans of AREIF(S) and the settlement of the shareholders' loans and accrued loan interest owing to the former shareholders.

The auditors' reports on the financial statements for the year ended 31 December 2013 of the Target Entities, save for Capitol Investment Holdings Pte. Ltd, of which we are the auditors were not subject to any qualifications, modifications or disclaimers.

The auditors' reports on the financial statements for the year ended 31 December 2013 of the Capitol Investment Holdings Pte. Ltd and its subsidiaries, of which Ernst & Young LLP Singapore, Public Accountants and Chartered Accountants are the auditors were not subject to any qualifications, modifications or disclaimers.

The unaudited management financial statements of the Target Entities, save for Capitol Investment Holdings Pte. Ltd., Capitol Retail Management Pte. Ltd. and Capitol Hotel Management Pte. Ltd., for the three months ended 31 March 2014 were prepared in accordance with the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group and were reviewed by KPMG LLP Singapore, Public Accountants and Chartered Accountants.

The unaudited management financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014 were prepared in accordance with the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group and were reviewed by Ernst & Young LLP Singapore, Public Accountants and Chartered Accountants.

In arriving at the Unaudited Consolidated Pro Forma Financial Information, the following key adjustments were made in order to reflect Scenario A or Scenario B, as the case may be:

- Adjustments to account for the Proposed Initial Acquisition, Proposed Disposal of the Existing Business and Proposed Distribution; and
- Adjustments to reflect (i) the acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition was completed.

Unaudited Pro Forma Consolidated Statements of Financial Position

The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2013 and 31 March 2014 have been prepared to reflect the financial position of the Enlarged Group had the Enlarged Group been in place and completed the Proposed Acquisition, Proposed Disposal of the Existing Business, Proposed Distribution and Proposed Share Consolidation on 31 December 2013 and 31 March 2014, respectively.

In arriving at the Unaudited Pro Forma Consolidated Statements of Financial Position, the following additional key adjustments were made:

- Adjustments to account for new bank borrowings of S\$150.00 million; and
- Adjustments to account for the accrual of professional fees and other expenses relating to the Proposed Transactions of S\$9.64 million. S\$4.81 million is recognised as a deduction from equity of which S\$1.28 million is satisfied through the issuance of shares;

In addition, the following key assumptions were made:

- The consideration transferred in connection with the Proposed Acquisition is equivalent to the value of Consideration Shares at an assumed price of approximately S\$1.3353 per Consideration Share;
- None of the outstanding share options of the Company has been exercised;
- The Perennial Employee Share Option Scheme 2014 has not been effected; and
- The exchange rates are assumed to be as follows:

	As at 31 December 2013	As at 31 March 2014
S\$ and RMB	S\$1.00: RMB4.8430	S\$1.00: RMB4.938

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (continued)

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Enlarged Group had the Enlarged Group been in place and the Proposed Acquisition, Proposed Disposal of its Existing Business, Proposed Distribution and Proposed Share Consolidation have been completed on 1 January 2013.

In arriving at the Unaudited Pro Forma Consolidated Statements of Comprehensive Income, the following additional key adjustments were made:

- Adjustments to account for amortisation of intangible assets of S\$4.87 million for the 12 months ended 31 December 2013 and S\$1.22 million for the three months ended 31 March 2014;
- Adjustments to account for professional fees and other expenses relating to the Proposed Transactions of S\$4.83 million incurred for the 12 months ended 31 December 2013; and
- Adjustments to account for higher finance costs of S\$5.10 million for the 12 months ended 31 December 2013 and S\$1.28 million for the three months ended 31 March 2014 arising from a change in the financing structure relating to Perennial (Somerset) Investors Pte. Ltd..

In addition, the following key assumptions were made for each of the periods presented:

- The fair value of the investment properties held by the subsidiaries, associates and joint ventures relating to the Proposed Acquisition was based on historical valuations as at 1 January 2013, save for TripleOne Somerset which was based on the actual acquisition price on the date of acquisition for the 12 months ended 31 December 2013;
- The Perennial Employee Share Option Scheme 2014 has not been effected; and
- The exchange rates are assumed to be as follows:

	12 months ended 31 December 2013	Three months ended 31 March 2014
S\$ and RMB	S\$1.00: RMB4.9263	S\$1.00: RMB4.7899

Unaudited Pro Forma Consolidated Statements of Cash Flows

The Unaudited Pro Forma Consolidated Statements of Cash Flows have been prepared to reflect the cash flows of the Enlarged Group had the Enlarged Group been in place and the Proposed Acquisition, Proposed Disposal of its Existing Business, Proposed Distribution and Proposed Share Consolidation have been completed on 1 January 2013.

In arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows, the following key adjustment was made to account for the distributions received from PCRT of S\$11.8 million and S\$5.7 million for the 12 months ended 31 December 2013 and three months ended 31 March 2014 respectively.

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014

The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2013 and 31 March 2014:

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	(b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 December 2013						
Non-current assets						
Plant and equipment	5,729	170	(5,729)	170	–	170
Investment properties	–	1,243,000	–	1,243,000	–	1,243,000
Associates and joint ventures	217	929,083	(217)	929,083	648,510	1,577,593
Intangible assets	–	108,616	–	108,616	7,748	116,364
Other financial assets	1,117	4,821	(1,117)	4,821	–	4,821
	7,063	2,285,690	(7,063)	2,285,690	656,258	2,941,948
Current assets						
Inventories	1,313	–	(1,313)	–	–	–
Properties under development	–	399,546	–	399,546	–	399,546
Trade and other receivables	1,585	11,741	(1,585)	11,741	–	11,741
Cash and cash equivalents	2,357	55,687	(2,210)	55,834	–	55,834
	5,255	466,974	(5,108)	467,121	–	467,121
Total assets	12,318	2,752,664	(12,171)	2,752,811	656,258	3,409,069

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (continued)

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	(b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 December 2013						
Equity						
Share capital	27,803	1,072,456	(27,803)	1,072,456	502,043	1,574,499
Reserves	(22,808)	183,921	22,808	183,921	158,729	342,650
	4,995	1,256,377	(4,995)	1,256,377	660,772	1,917,149
	212	253,043	(212)	253,043	(4,514)	248,529
Equity attributable to owners of the Company						
Non-controlling interests	5,207	1,509,420	(5,207)	1,509,420	656,258	2,165,678
Total equity						
Non-current liabilities						
Bank borrowings	–	969,335	–	969,335	–	969,335
Junior bonds	–	143,826	–	143,826	–	143,826
Redeemable preference shares	–	47,613	–	47,613	–	47,613
Other payables	2,041	9,183	(2,041)	9,183	–	9,183
Deferred tax liabilities	11	146	–	157	–	157
	2,052	1,170,103	(2,041)	1,170,114	–	1,170,114
Current liabilities						
Trade and other payables	4,923	70,521	(4,923)	70,521	–	70,521
Current tax liabilities	136	2,620	–	2,756	–	2,756
	5,059	73,141	(4,923)	73,277	–	73,277
Total liabilities						
	7,111	1,243,244	(6,964)	1,243,391	–	1,243,391
Total equity and liabilities						
	12,318	2,752,664	(12,171)	2,752,811	656,258	3,409,069

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (continued)

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 March 2014						
Non-current assets						
Plant and equipment	2,901	195	(2,901)	195	–	195
Investment properties	–	1,249,000	–	1,249,000	–	1,249,000
Associates and joint ventures	–	915,157	–	915,157	648,070	1,563,227
Intangible assets	–	109,247	–	109,247	7,930	117,177
Other financial assets	1,387	3,717	(1,387)	3,717	–	3,717
	4,288	2,277,316	(4,288)	2,277,316	656,000	2,933,316
Current assets						
Inventories	1,117	–	(1,117)	–	–	–
Properties under development	–	399,546	–	399,546	–	399,546
Trade and other receivables	1,332	20,375	(1,332)	20,375	–	20,375
Cash and cash equivalents	2,013	56,530	(1,836)	56,707	–	56,707
	4,462	476,451	(4,285)	476,628	–	476,628
Total assets	8,750	2,753,767	(8,573)	2,753,944	656,000	3,409,944

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (continued)

31 March 2014	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	(b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
Equity						
Share capital	27,803	1,092,990	(27,803)	1,092,990	504,627	1,597,617
Reserves	(26,326)	161,729	26,326	161,729	156,195	317,924
Equity attributable to owners of the Company	1,477	1,254,719	(1,477)	1,254,719	660,822	1,915,541
Non-controlling interests	231	260,602	(231)	260,602	(4,822)	255,780
Total equity	1,708	1,515,321	(1,708)	1,515,321	656,000	2,171,321
Non-current liabilities						
Bank borrowings	–	975,057	–	975,057	–	975,057
Junior bonds	–	143,826	–	143,826	–	143,826
Redeemable preference shares	–	47,613	–	47,613	–	47,613
Other payables	2,034	26,719	(2,034)	26,719	–	26,719
Deferred tax liabilities	11	124	–	135	–	135
	2,045	1,193,339	(2,034)	1,193,350	–	1,193,350

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (continued)

31 March 2014	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
Current liabilities						
Trade and other payables	4,831	38,624	(4,831)	38,624	–	38,624
Current tax liabilities	166	6,483	–	6,649	–	6,649
	4,997	45,107	(4,831)	45,273	–	45,273
Total liabilities	7,042	1,238,446	(6,865)	1,238,623	–	1,238,623
Total equity and liabilities	8,750	2,753,767	(8,573)	2,753,944	656,000	3,409,944

Notes to the pro forma adjustments:–

- (a) Adjustments to account for the Proposed Initial Acquisition and Proposed Share Consolidation, accrual of professional fees and other expenses relating to the Proposed Acquisition and new bank borrowings;
- (b) Adjustments to account for the Proposed Disposal of the Existing Business and Proposed Distribution; and
- (c) Adjustments to reflect (i) acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition were completed.

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014

The following adjustments have been made in arriving at the Unaudited Pro Forma Statements of Comprehensive Income for the 12 months ended 31 December 2013 and three months ended 31 March 2014:

	Unaudited statement of comprehensive income of the St. James Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below) (c)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
For the 12 months ended 31 December 2013	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	21,858	88,307	(21,858)	(3,398)	84,909
Cost of sales	(7,327)	(26,430)	7,327	—	(26,430)
Gross profit	14,531	61,877	(14,531)	(3,398)	58,479
Other income	2,574	57,708	(2,574)	—	57,708
Administrative expenses	(21,498)	(20,658)	21,498	—	(20,658)
Results from operating activities	(4,393)	98,927	4,393	(3,398)	95,529
Finance income	—	55	—	—	55
Finance costs	(117)	(27,881)	117	—	(27,881)
Net finance costs	(117)	(27,826)	117	—	(27,826)
Share of profits of associates and joint ventures, net of tax	(201)	46,727	201	1,933	48,660
Profit/(Loss) before tax	(4,711)	117,828	4,711	(1,465)	116,363
Tax expense	477	(6,341)	(477)	849	(5,492)
Profit/(Loss) for the period	(4,234)	111,487	4,234	(616)	110,871

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (continued)

	Unaudited statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	S\$'000	(a)	S\$'000	(c)	S\$'000
For the 12 months ended 31 December 2013					
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	-	231	231	-	231
Change in fair value of available-for-sale financial assets, net of tax	-	(969)	(969)	-	(969)
Other comprehensive income for the period, net of tax	-	(738)	(738)	-	(738)
Total comprehensive income for the period	(4,234)	110,749	110,749	(616)	110,133
Profit/(Loss) attributable to:					
Owners of the Company	(4,371)	85,899	85,899	(616)	85,283
Non-controlling interests	137	25,588	25,588	-	25,588
Profit/(Loss) for the period	(4,234)	111,487	111,487	(616)	110,871
Total comprehensive income attributable to:					
Owners of the Company	(4,371)	85,271	85,271	(616)	84,655
Non-controlling interests	137	25,478	25,478	-	25,478
Total comprehensive income for the period	(4,234)	110,749	110,749	(616)	110,133

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (continued)

	Unaudited statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below) (c)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
Three months ended 31 March 2014	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4,358	17,956	17,956	–	17,956
Cost of sales	(1,363)	(7,030)	1,363	–	(7,030)
Gross profit	2,995	10,926	(2,995)	–	10,926
Other income	963	3,042	(963)	–	3,042
Administrative expenses	(7,372)	(3,786)	7,372	–	(3,786)
Results from operating activities	(3,414)	10,182	3,414	–	10,182
Finance income	–	20	–	–	20
Finance costs	–	(7,620)	–	–	(7,620)
Net finance costs	–	(7,600)	–	–	(7,600)
Share of profits of associates and joint ventures, net of tax	(55)	8,211	55	171	8,382
Profit/(Loss) before tax	(3,469)	10,793	3,469	171	10,964
Tax expense/(credit)	(30)	(792)	30	–	(792)
Profit/(Loss) for the period	(3,499)	10,001	3,499	171	10,172

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (continued)

	Unaudited statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	S\$'000	(a) S\$'000	(b) S\$'000	(c) S\$'000	S\$'000
Three months ended 31 March 2014					
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	-	-	-	-	-
Change in fair value of available-for-sale financial assets, net of tax	-	(90)	-	-	(90)
Other comprehensive income for the period, net of tax	-	(90)	-	-	(90)
Total comprehensive income for the period	(3,499)	9,911	3,499	171	10,082
Profit/(Loss) attributable to:					
Owners of the Company	(3,518)	9,613	3,518	171	9,784
Non-controlling interests	19	388	(19)	-	388
Profit/(Loss) for the period	(3,499)	10,001	3,499	171	10,172
Total comprehensive income attributable to:					
Owners of the Company	(3,518)	9,498	3,518	171	9,669
Non-controlling interests	19	413	(19)	-	413
Total comprehensive income for the period	(3,499)	9,911	3,499	171	10,082

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (continued)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (continued)

Notes to the pro forma adjustments:

(a) Adjustments to:

- (i) account for the Proposed Initial Acquisition⁽¹⁾ and Proposed Share Consolidation;
- (ii) record amortisation of intangible assets of S\$4.87 million for the 12 months ended 31 December 2013 and S\$1.22 million for the three months ended 31 March 2014;
- (iii) record professional fees and other expenses relating to the Proposed Transactions of \$4.83 million incurred for the 12 months ended 31 December 2013; and
- (iv) record higher finance costs of S\$5.10 million for the 12 months ended 31 December 2013 and S\$1.28 million for the three months ended 31 March 2014 arising from a change in the financing structure relating to Perennial (Somerset) Pte. Ltd..

(b) Adjustments to account for the Proposed Disposal of the Existing Business and Proposed Distribution.

(c) Adjustments to reflect (i) acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition were completed.

⁽¹⁾ Includes net change in fair value of investment properties of S\$56.5 million in other income and the Group's share of net change in fair value of investment properties held by associates and joint ventures of S\$32.3 million in share of results of associates and joint ventures for the 12 months ended 31 December 2013.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Unaudited Pro Forma Consolidated Financial Information and have been applied consistently by Group entities.

4.1 Consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with Financial Reporting Standards (FRS) 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power over an investee, being exposed or having rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. In particular, FRS 110 *Consolidated Financial Statements* requires the Group to consolidate investees that it controls on the basis of *de facto* circumstances.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

4. Significant accounting policies (continued)

4.1 Consolidation (continued)

(i) Business combinations (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRS.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented, or if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

4. Significant accounting policies (continued)

4.1 Consolidation (continued)

(v) Investments in associates (continued)

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates (see note (v) above).

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except differences which are recognised in other comprehensive income arising from the translation of for available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

4. Significant accounting policies (continued)

4.2 Foreign currency (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

4.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. For the purpose of the statement of cash flows, pledged deposits are excluded.

4. Significant accounting policies (continued)

4.3 Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 4.7), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, junior bonds, redeemable preference shares and trade and other payables.

(iii) Share capital

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

4. Significant accounting policies (continued)

4.4 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted entities, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted entities.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired.

The estimated useful lives of intangible assets are as follows:

- Asset management agreements 6 to 10 years
- Property management agreements 6 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

4.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property that is being constructed for future use as investment property is accounted for at fair value.

4.6 Property under development

Property under development is stated at the lower of cost and net realisable value and is held with the intention of development and is therefore classified as current asset. The cost of property under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure incurred in order to get the asset ready for its intended use. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of property under development until the completion of development.

4. Significant accounting policies (continued)

4.7 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, and properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

4. Significant accounting policies (continued)

4.7 Impairment (continued)

(ii) Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Revenue

(i) Fee income from real estate management services

Fee income is recognised in profit or loss as and when services are rendered.

(ii) Rental income

Rental income receivable from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

4.9 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

4.10 Finance income and finance costs

Finance income comprises interest income on loans and receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4. Significant accounting policies (continued)

4.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

5. Investment properties

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Investment properties	1,243,000	1,243,000	1,249,000	1,249,000

The valuations of the investment properties are set out below:

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Tripleone Somerset	983,000	983,000	983,000	983,000
Chijmes	260,000	260,000	266,000	266,000
	1,243,000	1,243,000	1,249,000	1,249,000

6. Associates and joint ventures

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Interests in associates	489,231	1,137,741	475,285	1,123,355
Interest in joint ventures	333,905	333,905	333,925	333,925
Loans to associates	105,947	105,947	105,947	105,947
	929,083	1,577,593	915,157	1,563,227

The loans to associates are unsecured, interest free and repayable on demand. However, management is of the opinion that it is not expected to be repaid in the next twelve months.

Under both Scenario A and Scenario B, the Group's share of changes in fair value of investment properties included in the share of profits of associates and joint ventures amounted to S\$32.3 million and S\$4.2 million for the 12 months ended 31 December 2013 and three months ended 31 March 2014, respectively.

6. Associates and joint ventures (continued)

Details of key associates and joint ventures are as follows:

Name	Country of incorporation	Equity Interest held by the Group as at 31 December 2013 and 31 March 2014	
		Scenario A %	Scenario B %
<i>Indirectly held by subsidiaries:</i>			
Capitol Investment Holdings Pte. Ltd and its subsidiaries (associate)	Singapore	50.00	50.00
Capitol Retail Management Pte. Ltd. (associate)	Singapore	50.00	50.00
Capitol Hotel Management Pte. Ltd. (associate)	Singapore	50.00	50.00
Perennial Tongzhou Development Pte. Ltd. and its subsidiaries (associate)	Singapore	–	39.47
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries (associate)	Singapore	–	49.60
Perennial China Retail Trust (associate)	Singapore	28.03	28.03
Chengdu Huifeng Commercial Real Estate Co., Ltd. (joint venture)	PRC	50.00	50.00
Chengdu Summit Real Estate Development Co., Ltd. (joint venture)	PRC	50.00	50.00
TYN Investment Group Pte. Ltd. and its subsidiary (joint venture)	Singapore	50.00	50.00
Nation Mind Development Limited (associate)	Hong Kong	20.00	20.00

7. Share capital

	31 December 2013		31 March 2014	
	Scenario A Number of shares	Scenario B Number of shares	Scenario A Number of shares	Scenario B Number of shares
Fully paid ordinary shares, with no par value:				
At 1 January 2013/ 1 January 2014	382,871,170	382,871,170	382,871,170	382,871,170
Issue of Consideration Shares ^(a) prior to Proposed Share Consolidation	39,934,342,078	58,366,020,243	39,934,342,078	58,366,020,243
Effects of Proposed Share Consolidation	(39,510,868,988)	(57,573,913,590)	(39,510,868,988)	(57,573,913,590)
	806,344,260	1,174,977,823	806,344,260	1,174,977,823
Issue of shares to financial advisor	954,837	954,837	954,837	954,837
At 31 December 2013/ 31 March 2014	807,299,097	1,175,932,660	807,299,097	1,175,932,660

(a) Issuance of Consideration Shares is based on the purchase consideration for the relevant Target Assets subject to adjustments for NAV of the Target Entities.

8. Revenue

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	54,567	54,567	13,212	13,212
Fee income from real estate management services	33,740	30,342	4,744	4,744
	88,307	84,909	17,956	17,956

9. Other income

The following item has been included in other income:

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Change in fair value of investment properties	56,536	56,536	2,334	2,334

10. Earnings per share

The calculation of earnings per share at the end of the period was based on the profit attributable to ordinary shareholders dividend by the weighted average number of ordinary shares outstanding during the financial period.

The number of ordinary shares outstanding is based on the number of shares of the Company as at the end of the period after the Proposed Transactions assuming the Proposed Transactions occurred on 1 January 2013:

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
Profit attributable to owners of the Company (S\$'000)	85,899	85,283	9,613	9,784
Weighted average number of ordinary shares outstanding ^(a) for basic earnings per share	807,299,097	1,175,932,660	807,299,097	1,175,932,660
Basic and diluted earnings per share (cents)	10.64	7.25	1.19	0.83

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares, on the assumption that no outstanding share options of the Company has been exercised.

(a) Based on the purchase consideration for the relevant Target Assets subject to adjustments for NAV of the Target Entities.

11. Financial risk management

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of parties to settle their financial and contractual obligations to the Group as and when they fall due. The Group's credit risk is primarily attributable to trade and other receivables, other financial assets and cash and cash equivalents. The Group only trades with recognised and creditworthy third parties. Receivables and investments are monitored on an ongoing basis. Cash is placed with banks which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its operating cash flows and availability of funding so as to ensure that all funding needs are met.

Market risk

Market risk is the risk that changes in market prices, such as foreign currencies, interest rates and equity prices, may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

Equity price risk

Equity price risk arises from the Group's investment in available-for-sale unquoted equity securities.

Currency risk

The Group's foreign currency risk arises from its cash and cash equivalents and trade and other receivables and payables denominated in currencies other than the respective functional currency of the Group entities. The currencies giving rise to this risk are primarily the Renminbi and US dollar. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Capital management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which includes all components of equity, including non-controlling interests.

The Group's capital structure is regularly reviewed and managed with due regard to the economic conditions, regulatory requirements and business strategies affecting the Group.

The Group also monitors capital using a net debt to equity ratio, which is derived from taking net debt as a ratio over total equity.

11. Financial risk management (continued)

Capital management (continued)

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

The Group derives a portion of its income from the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

There were no changes in the Group's approach to capital management during the period.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

12. Effects of the Proposed PCRT Voluntary Offer

The effects are not intended to be a forecast and are for illustrative purposes only and prepared on the basis of the assumptions and accounting policies set out in notes 2 and 4 respectively. Because of their nature, the financial effects may not give a true picture of the financial position, financial performance and cash flows of the Enlarged Group.

In addition to the Proposed Transactions, the Company proposes to make a voluntary offer to acquire all the remaining Units of PCRT (other than Units already owned, controlled or agreed to be acquired by the Company) in exchange for new shares of the Company to be issued to PCRT unitholders ("Proposed PCRT Voluntary Offer"). The consideration for each Unit will be S\$0.70, to be satisfied by the issuance of 0.52423 Consideration Shares at an issue price of approximately S\$1.3353 for each Consideration Share.

The Proposed PCRT Voluntary Offer to acquire all of the units of PCRT which will not be acquired as part of the Target Assets in exchange for new shares of the Company, has been presented separately in this section. The objective of the tables below is to illustrate what the financial position, financial performance and cash flows of the Enlarged Group might have been had the Proposed PCRT Voluntary Offer acceptance of PCRT shares been at 50.10 per cent. and 100.00 per cent.. There is no assurance that the actual outcome of the Proposed PCRT Voluntary Offer would occur at these acceptance levels and may be less than 50.10 per cent..

The financial information of the Proposed PCRT Voluntary Offer for Scenarios A and B are prepared with the following two sub-scenarios:

- (i) Acceptance of the Proposed PCRT Voluntary Offer such that the Enlarged Group holds 50.10 per cent. of the equity interest in PCRT ("VO 50.1%"); and
- (ii) Acceptance of the Proposed PCRT Voluntary Offer such that the Enlarged Group holds 100.00 per cent. of the equity interest in PCRT ("VO 100%").

The effects as set out below has been prepared for illustrative purposes, to show what:

- (a) the unaudited pro forma financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 31 December 2013 and 31 March 2014 respectively;
- (b) the unaudited pro forma financial results of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 1 January 2013; and
- (c) the unaudited pro forma cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 1 January 2013.

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Financial Position

As at 31 December 2013

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
31 December 2013						
Non-current assets						
Plant and equipment	170	706	706	170	706	706
Investment properties	1,243,000	1,943,178	1,943,178	1,243,000	1,943,178	1,943,178
Associates and joint ventures	929,083	1,431,636	1,431,636	1,577,593	1,720,051	1,720,051
Intangible assets	108,616	108,616	108,616	116,364	116,364	116,364
Other financial assets	4,821	55,141	55,141	4,821	4,821	4,821
Other receivables	–	1,727	1,727	–	1,727	1,727
	2,285,690	3,541,004	3,541,004	2,941,948	3,786,847	3,786,847
Current assets						
Properties under development	399,546	399,546	399,546	399,546	1,588,685	1,588,685
Trade and other receivables	11,741	39,361	39,361	11,741	39,476	39,476
Cash and cash equivalents	55,834	97,500	97,500	55,834	110,441	110,441
	467,121	536,407	536,407	467,121	1,738,602	1,738,602
Total assets	2,752,811	4,077,411	4,077,411	3,409,069	5,525,449	5,525,449
Equity						
Share capital	1,072,456	1,249,431	1,649,608	1,574,499	1,751,473	2,151,650
Reserves	183,921	199,523	238,477	342,650	392,891	466,603
Equity attributable to owners of the Company	1,256,377	1,448,954	1,888,085	1,917,149	2,144,364	2,618,253
Non-controlling interests	253,043	732,079	292,948	248,529	1,479,574	1,005,685
Total equity	1,509,420	2,181,033	2,181,033	2,165,678	3,623,938	3,623,938
Non-current liabilities						
Bank borrowings	969,335	1,381,031	1,381,031	969,335	1,381,031	1,381,031
Junior bonds	143,826	143,826	143,826	143,826	143,826	143,826
Redeemable preference shares	47,613	47,613	47,613	47,613	47,613	47,613
Other payables	9,183	9,188	9,188	9,183	9,188	9,188
Deferred tax liabilities	157	41,814	41,814	157	41,814	41,814
	1,170,114	1,623,472	1,623,472	1,170,114	1,623,472	1,623,472
Current liabilities						
Trade and other payables	70,521	270,150	270,150	70,521	275,283	275,283
Current tax liabilities	2,756	2,756	2,756	2,756	2,756	2,756
	73,277	272,906	272,906	73,277	278,039	278,039
Total liabilities	1,243,391	1,896,378	1,896,378	1,243,391	1,901,511	1,901,511
Total equity and liabilities	2,752,811	4,077,411	4,077,411	3,409,069	5,525,449	5,525,449

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Financial Position (continued)

As at 31 March 2014

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
31 March 2014						
Non-current assets						
Plant and equipment	195	747	747	195	766	766
Investment properties	1,249,000	1,951,091	1,951,091	1,249,000	1,951,091	1,951,091
Associates and joint ventures	915,157	1,407,422	1,407,422	1,563,227	1,694,111	1,694,111
Intangible assets	109,247	109,247	109,247	117,177	117,177	117,177
Other financial assets	3,717	54,904	54,904	3,717	3,717	3,717
Other receivables	–	2,260	2,260	–	2,260	2,260
	2,277,316	3,525,671	3,525,671	2,933,316	3,769,122	3,769,122
Current assets						
Properties under development	399,546	399,546	399,546	399,546	1,588,685	1,588,685
Trade and other receivables	20,375	49,108	49,108	20,375	185,091	185,091
Cash and cash equivalents	56,707	68,570	68,570	56,707	89,298	89,298
	476,628	517,224	517,224	476,628	1,863,074	1,863,074
Total assets	2,753,944	4,042,895	4,042,895	3,409,944	5,632,196	5,632,196
Equity						
Share capital	1,092,990	1,269,964	1,670,141	1,597,617	1,774,591	2,174,768
Reserves	161,729	168,785	187,654	317,924	376,287	432,103
Equity attributable to owners of the Company	1,254,719	1,438,749	1,857,795	1,915,541	2,150,878	2,606,871
Non-controlling interests	260,602	717,312	298,266	255,780	1,499,806	1,043,813
Total equity	1,515,321	2,156,061	2,156,061	2,171,321	3,650,684	3,650,684
Non-current liabilities						
Bank borrowings	975,057	1,390,246	1,390,246	975,057	1,390,246	1,390,246
Junior bonds	143,826	143,826	143,826	143,826	143,826	143,826
Redeemable preference shares	47,613	47,613	47,613	47,613	47,613	47,613
Other payables	26,719	26,722	26,722	26,719	26,722	26,722
Deferred tax liabilities	135	40,648	40,648	135	40,648	40,648
	1,193,350	1,649,055	1,649,055	1,193,350	1,649,055	1,649,055
Current liabilities						
Trade and other payables	38,624	231,130	231,130	38,624	325,808	325,808
Current tax liabilities	6,649	6,649	6,649	6,649	6,649	6,649
	45,273	237,779	237,779	45,273	332,457	332,457
Total liabilities	1,238,623	1,886,834	1,886,834	1,238,623	1,981,512	1,981,512
Total equity and liabilities	2,753,944	4,042,895	4,042,895	3,409,944	5,632,196	5,632,196

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income

For the 12 months ended 31 December 2013

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
12 months ended 31 December 2013						
Revenue	88,307	85,325	85,325	84,909	73,317	73,317
Cost of sales	(26,430)	(35,316)	(35,316)	(26,430)	(35,316)	(35,316)
Gross profit	61,877	50,009	50,009	58,479	38,001	38,001
Other income	57,708	167,670	167,670	57,708	171,215	171,215
Administrative expenses	(20,658)	(27,519)	(27,519)	(20,658)	(27,735)	(27,735)
Results from operating activities	98,927	190,160	190,160	95,529	181,481	181,481
Finance income	55	91	91	55	91	91
Finance costs	(27,881)	(37,367)	(37,367)	(27,881)	(37,367)	(37,367)
Net finance costs	(27,826)	(37,276)	(37,276)	(27,826)	(37,276)	(37,276)
Share of profits of associates and joint ventures, net of tax	46,727	24,704	24,704	48,660	28,722	28,722
Profit before tax	117,828	177,588	177,588	116,363	172,927	172,927
Tax expense	(6,341)	(23,266)	(23,266)	(5,492)	(21,114)	(21,114)
Profit for the period	111,487	154,322	154,322	110,871	151,813	151,813
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	231	73,685	73,685	231	73,685	73,685
Change in fair value of available-for-sale financial assets, net of tax	(969)	(969)	(969)	(969)	(969)	(969)
Other comprehensive income for the period, net of tax	(738)	72,716	72,716	(738)	72,716	72,716
Total comprehensive income for the period	110,749	227,038	227,038	110,133	224,529	224,529

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income (continued)

For the 12 months ended 31 December 2013 (continued)

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
12 months ended 31 December 2013						
Profit attributable to:						
Owners of the Company	85,899	99,547	125,138	85,283	95,242	120,833
Non-controlling interests	25,588	54,775	29,184	25,588	56,571	30,980
Profit for the period	111,487	154,322	154,322	110,871	151,813	151,813
Total comprehensive income attributable to:						
Owners of the Company	85,271	170,232	195,822	84,655	165,927	191,518
Non-controlling interests	25,478	56,806	31,216	25,478	58,602	33,011
Total comprehensive income for the period	110,749	227,038	227,038	110,133	224,529	224,529
Earnings per share						
Basic and diluted earnings per share (cents)	10.64	10.61	10.11	7.25	7.29	7.52

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income (continued)

For the three months ended 31 March 2014

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Three months ended 31 March 2014						
Revenue	17,956	18,427	18,427	17,956	18,427	18,427
Cost of sales	(7,030)	(8,828)	(8,828)	(7,030)	(8,828)	(8,828)
Gross profit	10,926	9,599	9,599	10,926	9,599	9,599
Other income	3,042	14,848	14,848	3,042	14,848	14,848
Administrative expenses	(3,786)	(3,632)	(3,632)	(3,786)	(3,959)	(3,959)
Results from operating activities	10,182	20,815	20,815	10,182	20,488	20,488
Finance income	20	37	37	20	37	37
Finance costs	(7,620)	(10,233)	(10,233)	(7,620)	(10,233)	(10,233)
Net finance costs	(7,600)	(10,196)	(10,196)	(7,600)	(10,196)	(10,196)
Share of profits of associates and joint ventures, net of tax	8,211	7,837	7,837	8,382	8,388	8,388
Profit before tax	10,793	18,456	18,456	10,964	18,680	18,680
Tax expense	(792)	(918)	(918)	(792)	(918)	(918)
Profit for the period	10,001	17,538	17,538	10,172	17,762	17,762
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	—	(40,993)	(40,993)	—	(50,784)	(50,784)
Change in fair value of available-for-sale financial assets, net of tax	(90)	(90)	(90)	(90)	(90)	(90)
Other comprehensive income for the period, net of tax	(90)	(41,083)	(41,083)	(90)	(50,874)	(50,874)
Total comprehensive income for the period	9,911	(23,545)	(23,545)	10,082	(33,112)	(33,112)

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income (continued)

For the three months ended 31 March 2014 (continued)

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Three months ended 31 March 2014						
Profit attributable to:						
Owners of the Company	9,613	11,982	17,174	9,784	12,090	17,218
Non-controlling interests	388	5,556	364	388	5,672	544
Profit for the period	10,001	17,538	17,538	10,172	17,762	17,762
Total comprehensive income attributable to:						
Owners of the Company	9,498	(27,883)	(22,691)	9,669	(35,208)	(30,080)
Non-controlling interests	413	4,338	(854)	413	2,096	(3,032)
Total comprehensive income for the period	9,911	(23,545)	(23,545)	10,082	(33,112)	(33,112)
Earnings per share						
Basic and diluted earnings per share (cents)	1.19	1.28	1.39	0.83	0.93	1.07

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statement of Cash Flows

For the 12 months ended 31 December 2013

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Cash flows from operating activities						
Profit for the period	111,487	154,322	154,322	110,871	151,813	151,813
Adjustments for:						
Depreciation of plant and equipment	276	359	359	276	359	359
Amortisation of intangible assets	4,868	2,589	2,589	4,868	2,589	2,589
Accretion of deferred income	(145)	(145)	(145)	(145)	(145)	(145)
Fee income received in units	(2,533)	–	–	(2,533)	–	–
Tax expense	6,341	23,266	23,266	5,492	21,114	21,114
Change in fair value of investment properties	(56,356)	(122,740)	(122,740)	(56,356)	(122,740)	(122,740)
Net finance costs	27,826	37,276	37,276	27,826	37,276	37,276
Share of profit of associates and joint ventures, net of tax	(46,727)	(24,704)	(24,704)	(48,660)	(28,722)	(28,722)
Unrealised exchange loss/(gain)	82	3,324	3,324	82	(224)	(224)
	45,119	73,547	73,547	41,721	61,320	61,320
Changes in:						
– Trade and other receivables	(10,621)	(38,808)	(38,808)	(7,223)	(27,633)	(27,633)
– Trade and other payables	5,604	918	918	5,604	850	850
Cash generated from operations	40,102	35,657	35,657	40,102	34,537	34,537
Interest received	51	86	86	51	86	86
Tax paid	(1,896)	(2,001)	(2,001)	(1,896)	(2,001)	(2,001)
Net cash from operating activities	38,257	33,742	33,742	38,257	32,622	32,622
Cash flows from investing activities						
Acquisition of plant and equipment	(80)	(564)	(564)	(80)	(564)	(564)
Acquisition of subsidiaries	14,580	14,580	14,580	14,580	14,580	14,580
Additions to investment properties	–	(156,791)	(156,791)	–	(156,791)	(156,791)
Dividends received	12,578	–	–	12,578	–	–
Net cash from/(used in) investing activities	27,078	(142,775)	(142,775)	27,078	(142,775)	(142,775)

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statement of Cash Flows (continued)

For the 12 months ended 31 December 2013 (continued)

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Cash flows from financing activities						
Capital contribution and loans from non-controlling interests	3,658	3,658	3,658	3,658	8,758	8,758
Dividends paid ⁽²⁾	—	(31,236)	(31,236)	—	(31,236)	(31,236)
Payment of transaction costs related to bank borrowings	—	(579)	(579)	—	(579)	(579)
Proceeds from bank borrowings	—	142,285	142,285	—	142,285	142,285
Distribution <i>in specie</i> of the Existing Business	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)	(2,210)
Interest paid	(14,973)	(28,835)	(28,835)	(14,973)	(28,835)	(28,835)
Withdrawal of cash in escrow accounts	—	25,028	25,028	—	25,028	25,028
Net cash (used in)/from financing activities	(13,525)	108,111	108,111	(13,525)	113,211	113,211
Net increase/(decrease) in cash and cash equivalents	51,810	(922)	(922)	51,810	3,058	3,058
Cash and cash equivalents at beginning of period	3,916	98,108	98,108	3,916	103,522	103,522
Effect of exchange rate changes on balances in foreign currencies	85	85	85	85	3,632	3,632
Cash and cash equivalents at end of period	55,811	97,271	97,271	55,811	110,212	110,212

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statement of Cash Flows (continued)

For the three months ended 31 March 2014

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Cash flows from operating activities						
Profit for the period	10,001	17,538	17,538	10,172	17,762	17,762
Adjustments for:						
Depreciation of plant and equipment	34	78	78	34	84	84
Amortisation of intangible assets	1,217	647	647	1,217	647	647
Accretion of deferred income	—	—	—	—	—	—
Fee income received in units	—	—	—	—	—	—
Tax expense	792	918	918	792	918	918
Change in fair value of investment properties	(2,334)	(2,334)	(2,334)	(2,334)	(2,334)	(2,334)
Net finance costs	7,600	10,196	10,196	7,600	10,196	10,196
Share of profit of associates and joint ventures, net of tax	(8,211)	(7,837)	(7,837)	(8,382)	(8,388)	(8,388)
Unrealised exchange gain	(115)	(1,620)	(1,620)	(115)	(1,554)	(1,554)
	8,984	17,586	17,586	8,984	17,331	17,331
Changes in:						
– Properties under development	—	—	—	—	(175,292)	(175,292)
– Trade and other receivables	(1,983)	(2,805)	(2,805)	(1,983)	(2,805)	(2,805)
– Trade and other payables	(6,723)	(6,851)	(6,851)	(6,723)	(6,574)	(6,574)
Cash generated from/(used in) operations	278	7,930	7,930	278	(167,340)	(167,340)
Interest received	13	30	30	13	30	30
Net cash from/(used in) operating activities	291	7,960	7,960	291	(167,310)	(167,310)
Cash flows from investing activities						
Acquisition of plant and equipment	(61)	(139)	(139)	(61)	(164)	(164)
Additions to available-for-sale investments	—	(867)	(867)	—	(867)	(867)
Additions to investment properties	(3,666)	(14,301)	(14,301)	(3,666)	(14,301)	(14,301)
Dividends received	6,191	—	—	6,191	—	—
Net cash from/(used in) investing activities	2,464	(15,307)	(15,307)	2,464	(15,332)	(15,332)

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statement of Cash Flows (continued)

For the three months ended 31 March 2014 (continued)

	← Scenario A →			← Scenario B →		
	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000	Before Proposed VO S\$'000	VO 50.1% S\$'000	VO 100% S\$'000
Cash flows from financing activities						
Capital contribution and loans from non-controlling interests	—	—	—	—	168,491	168,491
Dividends paid ⁽²⁾	—	(15,577)	(15,577)	—	(15,577)	(15,577)
Proceeds from bank borrowings	5,721	8,540	8,540	5,721	8,540	8,540
Amounts due to related parties (non-trade)	—	—	—	—	15,000	15,000
Distribution <i>in specie</i> of the Existing Business	—	—	—	—	—	—
Interest paid	(12,062)	(18,908)	(18,908)	(12,062)	(18,908)	(18,908)
Net cash (used in)/from financing activities	(6,341)	(25,945)	(25,945)	(6,341)	157,546	157,546
Net decrease in cash and cash equivalents	(3,586)	(33,292)	(33,292)	(3,586)	(25,096)	(25,096)
Cash and cash equivalents at beginning of period	55,811	97,271	97,271	55,811	110,212	110,212
Effect of exchange rate changes on balances in foreign currencies	(215)	(307)	(307)	(215)	(716)	(716)
Cash and cash equivalents at end of period	52,010	63,672	63,672	52,010	84,400	84,400

12. Effects of the Proposed PCRT Voluntary Offer (continued)

Effects of the Proposed PCRT Voluntary Offer on the Unaudited Pro Forma Consolidated Statement of Cash Flows (continued)

Significant non-cash transactions

During the 12 months ended 31 December 2013, the Company issued:

(A) Scenario A – Before Proposed VO:

- (a) 798,686,838⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(B) Scenario A – VO 50.1%:

- (a) 928,763,960⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(C) Scenario A – VO 100%:

- (a) 1,228,456,576⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(D) Scenario B – Before Proposed VO:

- (a) 1,167,320,401⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(E) Scenario B – VO 50.1%:

- (a) 1,297,397,523⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(F) Scenario B – VO 100%:

- (a) 1,597,090,139⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

Notes:

- (1) Issuance of shares is based on the purchase consideration for the relevant Target Assets, and subject to adjustments for NAV of the Target Entities and the Proposed PCRT Voluntary Offer.
- (2) Assumes dividends are paid on the remaining Units of PCRT (other than those Units already owned, controlled or agreed to be acquired by the Company as part of the Proposed Transactions).

REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors and
Proposed Board of Directors of the Enlarged Group
St. James Holdings Limited
3 Sentosa Gateway #01-01
Singapore 098544

Dear Sirs

Report on the Unaudited Pro Forma Consolidated Financial Information Included in the Circular of St. James Holdings Limited

Capitalised terms not defined herein shall have the meaning set out in the Circular

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of St. James Holdings Limited (the "**Company**") and its subsidiaries (the "**Enlarged Group**") by the management of the Company and Perennial Real Estate Holdings Pte. Ltd. (collectively, the "**Management**"). The unaudited pro forma consolidated financial information of the Enlarged Group consists of the pro forma consolidated statement of financial position as at 31 December 2013 and 31 March 2014, and the pro forma consolidated statement of comprehensive income and pro forma consolidated statement of cash flows for the 12 months ended 31 December 2013 and the three months ended 31 March 2014, and related information (the "**Unaudited Pro Forma Consolidated Financial Information**") as set out on pages I-1 to I-46 of the circular (the "**Circular**") issued in connection with:

- the proposed acquisition of effective interests in the target assets (the "**Target Entities**"), which hold equity interests in certain property assets and management business (together, the "**Target Assets**") from Perennial Real Estate Holdings Pte. Ltd., Mr Ron Sim and certain other vendors ("**Proposed Acquisition**");
- the proposed disposal of the existing business of the Company in its entirety to NewCo and the capital reduction by way of a cancellation of share capital no longer represented by available assets and a distribution *in specie* of all the issued NewCo Shares to the shareholders of the Company by way of a capital reduction (the "**Proposed Distribution**"); and
- the proposed share consolidation upon the completion of the Proposed Acquisition to consolidate every 50 shares in the Company (the "**Shares**") into one Share (the "**Proposed Share Consolidation**").

(collectively the "**Proposed Transactions**"); and

- the proposed voluntary offer to acquire all the remaining units of Perennial China Trust ("**PCRT**") (other than the units already owned, controlled or agreed to be acquired by the Company) in exchange for new Shares in the Company to be issued to PCRT unitholders ("**Proposed PCRT Voluntary Offer**").

The Unaudited Pro Forma Consolidated Financial Information of the Company and its subsidiaries has been prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the "**Criteria**") on the basis of which the Management has compiled the Unaudited Pro Forma Consolidated Financial Information are described in Note 2.

The Unaudited Pro Forma Consolidated Financial Information has been compiled by the Management to illustrate the impact of the Proposed Transactions set out in Note 1.1 on:

- (a) the Enlarged Group's financial position as at 31 December 2013 and 31 March 2014 as if the Proposed Transactions had taken place on 31 December 2013 and 31 March 2014 respectively; and
- (b) the Enlarged Group's financial performance and cash flows for the 12 months ended 31 December 2013 and three months ended 31 March 2014 as if the Proposed Transactions had taken place on 1 January 2013.

As part of this process, information about the Enlarged Group's financial position, financial performance and cash flows has been compiled based on the following:

- (a) the unaudited consolidated financial statement of the Company and its subsidiaries (the "**St. James Group**") for the 12 months ended 31 December 2013 were prepared in accordance with Singapore Financial Reporting Standards. The statutory financial year end of St. James Holdings Limited is that of 30 June. For the purposes of the preparation of the Unaudited Pro Forma Consolidated Financial Information of the Pro Forma Enlarged Group, financial statements for St. James Group have been prepared for the 12 months ended 31 December 2013 and three months ended 31 March 2014; and
- (b) the unaudited pro forma consolidated financial information of the Target Entities for the 12 months ended 31 December 2013 and three months ended 31 March 2014. These unaudited pro forma financial information were prepared in accordance with the accounting policies in its latest audited financial statements of the Target Entities and the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group.

The Management's responsibility

The Management is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Management on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants (the "ISCA"). This standard requires that the Reporting Accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the pro forma consolidated financial information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of the Unaudited Pro Forma Consolidated Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Enlarged Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Management in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountants' judgement, having regard to his understanding of the nature of the Enlarged Group, event or transaction in respect of which the Unaudited Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Consolidated Financial Information has been compiled:
 - (i) in a manner consistent with the accounting policies of the Company and Enlarged Group, which are in accordance with Singapore Financial Reporting Standards; and
 - (ii) on the basis of the Criteria stated in Note 2 of the Unaudited Pro Forma Consolidated Financial Information; and
- (b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

We draw attention to the effects of the Proposed PCRT Voluntary Offer and its basis of preparation as set out in Note 12. The effects are not intended to be a forecast and are for illustrative purposes only. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions described in Note 12 occur, actual results are still likely to be different from the effects disclosed since other anticipated events frequently do not occur as expected and the variation may be material.

This letter has been prepared for inclusion in the Circular of the Company to be issued in connection with the Proposed Transactions by the Company.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 September 2014

Karen Lee Shu Pei
Partner

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CONFIRMATIONS UNDER RULE 25 FROM DBS BANK, SCB AND KPMG LLP

DBS. Living, Breathing Asia



18 September 2014

The Board of Directors and Proposed Board of Directors of the Enlarged Group
St James Holdings Limited
(to be renamed Perennial Real Estate Holdings Limited
following the proposed reverse takeover)
3 Sentosa Gateway
Singapore 098544

Dear Sirs,

PROPOSED REVERSE TAKEOVER OF ST. JAMES HOLDINGS LIMITED BY PERENNIAL REAL ESTATE HOLDINGS PTE. LTD.

1. This letter has been prepared for inclusion in the circular dated 18 September 2014 (the "**Circular**") issued by St. James Holdings Limited (the "**Company**") to its shareholders in relation to its proposed takeover by Perennial Real Estate Holdings Pte. Ltd. and the related Proposed Transactions. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning contained herein.
2. In connection with the Proposed Transactions, the proposed management of the Company following the completion of the Proposed Transactions (the "**Management**") has prepared the unaudited pro forma consolidated financial information of the Company and its subsidiaries which consists of:
 - 2.1 the unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014;
 - 2.2 the unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014;
 - 2.3 the unaudited pro forma consolidated statement of cash flows for the 12 months ended 31 December 2013 and the three months ended 31 March 2014; and
 - 2.4 related information
(the "**Unaudited Pro Forma Consolidated Financial Information**") as set out in Appendix I of the Circular.
3. In addition, the pro forma NAV per Share information ("**Adjusted Pro Forma NAV Per Share Information**") is provided in the Overview section of the Circular. The Adjusted Pro Forma NAV Per Share Information is replicated herein at Annex A to this letter.
4. We have discussed:

- 4.1 the Unaudited Pro Forma Consolidated Financial Information;
- 4.2 the Adjusted Pro Forma NAV Per Share Information; and
- 4.3 the underlying bases and assumptions for the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information

with relevant members of the Management responsible for their preparation, and KPMG LLP ("KPMG") acting as the Company's reporting accountants and auditors to the Target Entities. We have also considered KPMG's letter dated 18 September 2014 and addressed to the Board, a copy of which is reproduced in Appendix H2 of the Circular, in relation to KPMG's review of the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information.

- 5. We have relied on the accuracy and completeness of all financial and other information discussed with us and have assumed such accuracy and completeness for the purposes of providing this letter. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether expressed or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. Save as provided in this letter, we do not express any other opinion on the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information.
- 6. Based on the above, we are of the opinion that the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information (for which the Directors and the Vendors are solely responsible) have been made by the Company and the Vendors after due and careful enquiry.
- 7. This letter is provided to the Board for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and for no other purpose. No person other than the Company can rely on the contents of this letter and for the avoidance of doubt, we shall to the fullest extent permitted by law exclude all liability to any other person(s) other than the Company, in respect of, or arising out of, or in connection with this letter or the work undertaken in connection with this letter.

Yours faithfully,

For and on behalf of

DBS Bank Ltd



Name: KENG Kok Sing

Designation: Executive Director

Annex A

Adjusted Pro Forma NAV per Share

The adjusted pro forma NAV per Share as set out below is not intended to be a forecast and is for illustrative purposes only and on the basis of the assumptions and accounting policies set out in “Financial Information” (at page 187 of this Circular) and “Unaudited Pro Forma Consolidated Financial Information” (at page I-1 of this Circular), and may not give a true picture of the actual total returns and financial position of the Company. The adjusted pro forma NAV per Share should be read together with the assumptions and accounting policies, based on which the pro forma NAV per Share was derived. In addition, the adjusted pro forma NAV per Share is calculated on the basis that development works or asset enhancement works will be completed based on current plans. Shareholders should therefore note the possibility that the development works or asset enhancement works may not be completed as expected, and accordingly, the adjusted pro forma NAV per Share is subject to change as a result of, inter alia, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated, and failure to obtain approvals from the relevant authorities.

No representation, warranty or covenant, express or implied, is made by any of the Company, the Vendors, the Financial Adviser to the Company, the Joint Financial Advisers, or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers (including the proposed directors or proposed officers of the Enlarged Group) as to the accuracy or completeness of the adjusted pro forma NAV per Share contained herein, and nothing contained in this section is, or shall be relied upon as, a promise, representation or covenant by any of the Company, the Vendors, the Financial Adviser to the Company, the Joint Financial Advisers, or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers (including the proposed directors or proposed officers of the Enlarged Group).

Adjusted pro forma NAV per Share under Scenario B

The Company has further considered what the adjusted pro forma NAV per Share would be under Scenario B, (i) before the Proposed PCRT Voluntary Offer and (ii) after the Proposed PCRT Voluntary Offer, assuming full acceptance of the Proposed PCRT Voluntary Offer such that the Enlarged Group holds 100.00 per cent. of the equity interest in PCRT.

The adjusted pro forma NAV per Share takes into account (a) the respective completion of each development asset in the PRC, which is expected in 2016/2017¹, (b) the completion of the planned asset enhancement works for CHIJMES which is expected in end 2014², (c) the completion of development works for Capitol Singapore which is expected in early 2015² and (d) the implementation of the proposed asset enhancement works for TripleOne Somerset which is expected to complete in 2017³.

¹ Construction may not be completed based on current plans, and accordingly, the adjusted pro forma NAV per Share is subject to change as a result of, *inter alia*, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated, and failure to obtain approvals from the relevant authorities.

² Based on current plans.

³ It is intended that asset enhancement works for TripleOne Somerset commence in 2015, subject to any changes due to the obtaining of approvals from relevant authorities.

As detailed above, the pro forma NAV per Share as at 31 March 2014 under Scenario B and before the Proposed PCRT Voluntary Offer is S\$1.63, and the pro forma NAV per Share as at 31 March 2014 under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance is S\$1.62.

With the completion of the respective development works or asset enhancement works, the respective assets as mentioned are expected to contribute uplift to NAV, based on the assumptions found in the individual valuation reports prepared by the Independent Valuers, as well as the Company's existing development plans and expectations of the PRC and the Singapore real estate markets, and calculated using this formula:

GDV⁽¹⁾ (as detailed in the valuation reports)

Less: total development costs, which comprise:

- (a) residual land valuation or market value, as the case may be, as at 31 March 2014;
- (b) estimated construction costs to complete the development works or asset enhancement works of the property, including contingencies⁽²⁾;
- (c) professional fees;
- (d) sales tax;
- (e) marketing fees and legal costs;
- (f) interest expense incurred during the development period; and
- (g) deferred tax liability⁽³⁾, applicable to 50.0 per cent. of the PRC assets which will be sold and not held for the long-term.

Notes:

- (1) GDV is the estimated value that a property would fetch on the open market upon completion as estimated by the Independent Valuers.
- (2) For Chengdu East High Speed Railway Integrated Development (Plot C and Plot D), the estimated construction costs include professional fees and interest expenses.
- (3) For avoidance of doubt, the deferred corporate tax liability will only crystallise in the event that real estate is sold. For illustrative purposes, the Company intends to only sell up to 50.00 per cent. of the PRC assets, whose proposed designs are such that up to 50.00 per cent. of the GFA of such developments comprise asset classes which allows for strata sub-division of the developments for sale (such as residential and strata retail units) for capital recycling purposes, with the unsold 50.00 per cent. of the PRC assets to be held for the long-term. As such, the Company believes that the exclusion of deferred tax effects for the 50.00 per cent. of the PRC assets to be held for the long-term reflects the Company's intention more accurately.

The Company believes that the above illustration is a reasonable approach to determine the estimated NAV contribution by each asset and the Company has incorporated certain adjustments to the pro forma NAV.

On this basis, the Company estimates that the adjusted pro forma NAV per Share would be:

- (i) S\$2.27 under Scenario B and before the Proposed PCRT Voluntary Offer; or
- (ii) S\$2.12 under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance.

For illustrative purposes, the adjustments to recognise the NAV contribution of the Real Estate Target Assets are set out below.

- Adjustment to recognise the estimated NAV contribution by each PRC asset, as set out below:

PRC Assets		GDV (RMB mil)	Residual Land Valuation (as at 31 March 2014) (RMB mil)	Estimated NAV contribution (RMB mil) – 100% Basis	Effective Interest (%)	Estimated NAV contribution (RMB mil) – Proportionate Stake
Beijing Tongzhou Integrated Development Phase 1 ⁽¹⁾		11,531.0	5,759.0	1,815.8	30.00% ⁽²⁾⁽³⁾	544.7 ⁽³⁾
Beijing Tongzhou Integrated Development Phase 2 ⁽¹⁾		11,055.0	5,783.0	1,791.2	23.30% ⁽²⁾	417.3
Chengdu East High Speed Railway Integrated Development	Plot C	6,192.0	1,711.0	847.6	50.00%	423.8
	Plot D	5,909.0	1,349.0	757.8	50.00%	378.9
Xi'an North High Speed Railway Integrated Development	Plot 4	4,628.0	1,063.0	1,045.6	51.00%	533.3
	Plot 5	4,105.0	872.0	583.1	51.00%	297.4
Zhuhai Hengqin Integrated Development		5,958.0	2,205.0	1,154.7	20.00%	230.9
Sub-total (RMB mil)						2,826.3
Sub-total (SGD mil) ⁽⁴⁾						583.6

Note:

- (1) Assuming Deferred Beijing Acquisition has taken place.
- (2) Approximate percentage.
- (3) Under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance, the effective interest in Beijing Tongzhou Integrated Development Phase 1 will be 40.00 per cent. which will include PCRT's current effective interest of approximately 10.00 per cent. in Beijing Tongzhou Integrated Development Phase 1 and the estimated NAV contribution (proportionate stake) would be RMB726.3 million, instead of RMB544.7 million.
- (4) Based on foreign exchange rate of SGD/RMB of 4.843.

- Adjustment to recognise the estimated NAV contribution by CHIJMES and TripleOne Somerset (post-completion of asset enhancement works), and Capitol Singapore (post-completion of development works), as set out below:

Singapore Assets	GDV (SGD mil)	Market Value (as at 31 March 2014) (SGD mil)	Estimated NAV contribution (SGD mil) – 100% Basis	Effective Interest (%)	Estimated NAV contribution (SGD mil) – Proportionate Stake
TripleOne Somerset	1,400.0	983.0	266.0	50.20%	133.5
Capitol Singapore	1,126.2	760.0	53.5	50.00%	26.8
CHIJMES	335.0	266.0	16.8	51.61% ⁽¹⁾	8.7
Sub-total (SGD mil)					169.0

Note:

- (1) Approximate percentage.

Apart from the above adjustments, no other adjustments have been made, because they are not material.

NAV per Share	Scenario B	
	Before the Proposed PCRT Voluntary Offer ⁽¹⁾	After the Proposed PCRT Voluntary Offer with 100.00% acceptance ⁽¹⁾
Pro forma NAV per Share (S\$)	1.63	1.62
Adjustment to pro forma NAV per Share (S\$) ⁽²⁾	0.64	0.50
Adjusted pro forma NAV per Share (S\$)	2.27	2.12

Notes:

- (1) Based on the number of Shares in issue under Scenario B, before the Proposed PCRT Voluntary Offer or after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance, as the case may be.
- (2) Sum of the estimated NAV contributions (proportionate stake) from the PRC and Singapore assets, over the relevant number of Shares in issue.

For the avoidance of doubt, the adjusted pro forma NAV per Share under Scenario B and before the Proposed PCRT Voluntary Offer of S\$2.27 and adjusted pro forma NAV per Share under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance of S\$2.12 are for illustrative purposes only, and should not be construed as a forecast or prediction by the Company of what the NAV per Share is or will be at any such time when all the developments in the PRC and the development and asset enhancement works in Singapore are completed. The Company has thus not made any adjustments arising from the effects of any other actions that the Company may take from the Proposed Initial Acquisition Closing until such time when all the development works in the PRC and the development and asset enhancement works in Singapore are completed, which may increase or decrease the NAV at that point in time.

The adjusted pro forma NAV per Share is purely for illustrative purposes only. In no way should the adjusted pro forma NAV per Share under Scenario B and before the Proposed PCRT Voluntary Offer of S\$2.27 and the adjusted pro forma NAV per Share under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance of S\$2.12 be interpreted as reflecting the underlying NAV per Share of the Company.

(See “Unaudited Pro Forma Consolidated Financial Information” (at page I-1 of this Circular) for further details on the financial information relating to the Enlarged Group.)

18 September 2014

The Board of Directors and Proposed Board of Directors of the Enlarged Group
St James Holdings Limited
(to be renamed Perennial Real Estate Holdings Limited
following the proposed reverse takeover)
3 Sentosa Gateway
Singapore 098544

Dear Sirs,

**PROPOSED REVERSE TAKEOVER OF ST. JAMES HOLDINGS LIMITED BY
PERENNIAL REAL ESTATE HOLDINGS PTE. LTD.**

1. This letter has been prepared for inclusion in the circular dated 18 September 2014 (the "**Circular**") issued by St. James Holdings Limited (the "**Company**") to its shareholders in relation to its proposed takeover by Perennial Real Estate Holdings Pte. Ltd. and the related Proposed Transactions. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning contained herein.
2. In connection with the Proposed Transactions, the proposed management of the Company following the completion of the Proposed Transactions (the "**Management**") has prepared the unaudited pro forma consolidated financial information of the Company and its subsidiaries which consists:
 - 2.1 of the unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014;
 - 2.2 the unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014;
 - 2.3 the unaudited pro forma consolidated statement of cash flows for the 12 months ended 31 December 2013 and the three months ended 31 March 2014; and
 - 2.4 related information

(the "**Unaudited Pro Forma Consolidated Financial Information**") as set out in Appendix I of the Circular.

Standard Chartered Bank
Corporate Advisory & Finance
Marina Bay Financial Centre (Tower 1)
8 Marina Boulevard, Level 26
Singapore 018981

Tel (65) 6596 8888
Fax (65) 6634 9570
www.standardchartered.com.sg

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference Number ZC18
The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 6DD.
Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

3. In addition, the pro forma NAV per Share information ("**Adjusted Pro Forma NAV Per Share Information**") is provided in the Overview section of the Circular. The Adjusted Pro Forma NAV Per Share Information is replicated herein at Annex A to this letter.
4. We have discussed:
 - 4.1 the Unaudited Pro Forma Consolidated Financial Information;
 - 4.2 the Adjusted Pro Forma NAV Per Share Information; and
 - 4.3 the underlying bases and assumptions for the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information

with relevant members of the Management responsible for their preparation, and KPMG LLP ("**KPMG**") acting as the Company's reporting accountants and auditors to the Target Entities. We have also considered KPMG's letter dated 18 September 2014 and addressed to the Board, a copy of which is reproduced in Appendix H2 of the Circular, in relation to KPMG's review of the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information.

5. We have relied on the accuracy and completeness of all financial and other information discussed with us and have assumed such accuracy and completeness for the purposes of providing this letter. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether expressed or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. Save as provided in this letter, we do not express any other opinion on the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information.
6. Based on the above, we are of the opinion that the Unaudited Pro Forma Consolidated Financial Information and the Adjusted Pro Forma NAV Per Share Information (for which the Directors and the Vendors are solely responsible) have been made by the Company and the Vendors after due and careful enquiry.
7. This letter is provided to the Board for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and for no other purpose. No person other than the Company can rely on the contents of this letter and for the avoidance of doubt, we shall to the fullest extent permitted by law exclude all liability to any other person(s) other than the Company, in respect of, or arising out of, or in connection with this letter or the work undertaken in connection with this letter.

Yours faithfully,

For and on behalf of

Standard Chartered Bank



Jason Morris

Managing Director

Annex A

Adjusted Pro Forma NAV per Share

The adjusted pro forma NAV per Share as set out below is not intended to be a forecast and is for illustrative purposes only and on the basis of the assumptions and accounting policies set out in “Financial Information” (at page 187 of this Circular) and “Unaudited Pro Forma Consolidated Financial Information” (at page I-1 of this Circular), and may not give a true picture of the actual total returns and financial position of the Company. The adjusted pro forma NAV per Share should be read together with the assumptions and accounting policies, based on which the pro forma NAV per Share was derived. In addition, the adjusted pro forma NAV per Share is calculated on the basis that development works or asset enhancement works will be completed based on current plans. Shareholders should therefore note the possibility that the development works or asset enhancement works may not be completed as expected, and accordingly, the adjusted pro forma NAV per Share is subject to change as a result of, inter alia, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated, and failure to obtain approvals from the relevant authorities.

No representation, warranty or covenant, express or implied, is made by any of the Company, the Vendors, the Financial Adviser to the Company, the Joint Financial Advisers, or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers (including the proposed directors or proposed officers of the Enlarged Group) as to the accuracy or completeness of the adjusted pro forma NAV per Share contained herein, and nothing contained in this section is, or shall be relied upon as, a promise, representation or covenant by any of the Company, the Vendors, the Financial Adviser to the Company, the Joint Financial Advisers, or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers (including the proposed directors or proposed officers of the Enlarged Group).

Adjusted pro forma NAV per Share under Scenario B

The Company has further considered what the adjusted pro forma NAV per Share would be under Scenario B, (i) before the Proposed PCRT Voluntary Offer and (ii) after the Proposed PCRT Voluntary Offer, assuming full acceptance of the Proposed PCRT Voluntary Offer such that the Enlarged Group holds 100.00 per cent. of the equity interest in PCRT.

The adjusted pro forma NAV per Share takes into account (a) the respective completion of each development asset in the PRC, which is expected in 2016/2017¹, (b) the completion of the planned asset enhancement works for CHIJMES which is expected in end 2014², (c) the completion of development works for Capitol Singapore which is expected in early 2015² and (d) the implementation of the proposed asset enhancement works for TripleOne Somerset which is expected to complete in 2017³.

¹ Construction may not be completed based on current plans, and accordingly, the adjusted pro forma NAV per Share is subject to change as a result of, *inter alia*, changes to development plans, delays in completion of construction, the possibility that actual sales proceeds and costs may be different from that estimated, and failure to obtain approvals from the relevant authorities.

² Based on current plans.

³ It is intended that asset enhancement works for TripleOne Somerset commence in 2015, subject to any changes due to the obtaining of approvals from relevant authorities.

As detailed above, the pro forma NAV per Share as at 31 March 2014 under Scenario B and before the Proposed PCRT Voluntary Offer is S\$1.63, and the pro forma NAV per Share as at 31 March 2014 under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance is S\$1.62.

With the completion of the respective development works or asset enhancement works, the respective assets as mentioned are expected to contribute uplift to NAV, based on the assumptions found in the individual valuation reports prepared by the Independent Valuers, as well as the Company's existing development plans and expectations of the PRC and the Singapore real estate markets, and calculated using this formula:

GDV⁽¹⁾ (as detailed in the valuation reports)

Less: total development costs, which comprise:

- (a) residual land valuation or market value, as the case may be, as at 31 March 2014;
- (b) estimated construction costs to complete the development works or asset enhancement works of the property, including contingencies⁽²⁾;
- (c) professional fees;
- (d) sales tax;
- (e) marketing fees and legal costs;
- (f) interest expense incurred during the development period; and
- (g) deferred tax liability⁽³⁾, applicable to 50.0 per cent. of the PRC assets which will be sold and not held for the long-term.

Notes:

- (1) GDV is the estimated value that a property would fetch on the open market upon completion as estimated by the Independent Valuers.
- (2) For Chengdu East High Speed Railway Integrated Development (Plot C and Plot D), the estimated construction costs include professional fees and interest expenses.
- (3) For avoidance of doubt, the deferred corporate tax liability will only crystallise in the event that real estate is sold. For illustrative purposes, the Company intends to only sell up to 50.00 per cent. of the PRC assets, whose proposed designs are such that up to 50.00 per cent. of the GFA of such developments comprise asset classes which allows for strata sub-division of the developments for sale (such as residential and strata retail units) for capital recycling purposes, with the unsold 50.00 per cent. of the PRC assets to be held for the long-term. As such, the Company believes that the exclusion of deferred tax effects for the 50.00 per cent. of the PRC assets to be held for the long-term reflects the Company's intention more accurately.

The Company believes that the above illustration is a reasonable approach to determine the estimated NAV contribution by each asset and the Company has incorporated certain adjustments to the pro forma NAV.

On this basis, the Company estimates that the adjusted pro forma NAV per Share would be:

- (i) S\$2.27 under Scenario B and before the Proposed PCRT Voluntary Offer; or
- (ii) S\$2.12 under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance.

For illustrative purposes, the adjustments to recognise the NAV contribution of the Real Estate Target Assets are set out below.

- Adjustment to recognise the estimated NAV contribution by each PRC asset, as set out below:

PRC Assets		GDV (RMB mil)	Residual Land Valuation (as at 31 March 2014) (RMB mil)	Estimated NAV contribution (RMB mil) – 100% Basis	Effective Interest (%)	Estimated NAV contribution (RMB mil) – Proportionate Stake
Beijing Tongzhou Integrated Development Phase 1 ⁽¹⁾		11,531.0	5,759.0	1,815.8	30.00% ⁽²⁾⁽³⁾	544.7 ⁽³⁾
Beijing Tongzhou Integrated Development Phase 2 ⁽¹⁾		11,055.0	5,783.0	1,791.2	23.30% ⁽²⁾	417.3
Chengdu East High Speed Railway Integrated Development	Plot C	6,192.0	1,711.0	847.6	50.00%	423.8
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Xi'an North High Speed Railway Integrated Development	Plot 4	4,628.0	1,063.0	1,045.6	51.00%	533.3
	Plot 5	4,105.0	872.0	583.1	51.00%	297.4
Zhuhai Hengqin Integrated Development		5,958.0	2,205.0	1,154.7	20.00%	230.9
Sub-total (RMB mil)						2,826.3
Sub-total (SGD mil) ⁽⁴⁾						583.6

Note:

- (1) Assuming Deferred Beijing Acquisition has taken place.
- (2) Approximate percentage.
- (3) Under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance, the effective interest in Beijing Tongzhou Integrated Development Phase 1 will be 40.00 per cent. which will include PCRT's current effective interest of approximately 10.00 per cent. in Beijing Tongzhou Integrated Development Phase 1 and the estimated NAV contribution (proportionate stake) would be RMB726.3 million, instead of RMB544.7 million.
- (4) Based on foreign exchange rate of SGD/RMB of 4.843.

- Adjustment to recognise the estimated NAV contribution by CHIJMES and TripleOne Somerset (post-completion of asset enhancement works), and Capitol Singapore (post-completion of development works), as set out below:

Singapore Assets	GDV (SGD mil)	Market Value (as at 31 March 2014) (SGD mil)	Estimated NAV contribution (SGD mil) – 100% Basis	Effective Interest (%)	Estimated NAV contribution (SGD mil) – Proportionate Stake
TripleOne Somerset	1,400.0	983.0	266.0	50.20%	133.5
Capitol Singapore	1,126.2	760.0	53.5	50.00%	26.8
CHIJMES	335.0	266.0	16.8	51.61% ⁽¹⁾	8.7
Sub-total (SGD mil)					169.0

Note:

- (1) Approximate percentage.

Apart from the above adjustments, no other adjustments have been made, because they are not material.

NAV per Share	Scenario B	
	Before the Proposed PCRT Voluntary Offer ⁽¹⁾	After the Proposed PCRT Voluntary Offer with 100.00% acceptance ⁽¹⁾
Pro forma NAV per Share (S\$)	1.63	1.62
Adjustment to pro forma NAV per Share (S\$) ⁽²⁾	0.64	0.50
Adjusted pro forma NAV per Share (S\$)	2.27	2.12

Notes:

- (1) Based on the number of Shares in issue under Scenario B, before the Proposed PCRT Voluntary Offer or after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance, as the case may be.
- (2) Sum of the estimated NAV contributions (proportionate stake) from the PRC and Singapore assets, over the relevant number of Shares in issue.

For the avoidance of doubt, the adjusted pro forma NAV per Share under Scenario B and before the Proposed PCRT Voluntary Offer of S\$2.27 and adjusted pro forma NAV per Share under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance of S\$2.12 are for illustrative purposes only, and should not be construed as a forecast or prediction by the Company of what the NAV per Share is or will be at any such time when all the developments in the PRC and the development and asset enhancement works in Singapore are completed. The Company has thus not made any adjustments arising from the effects of any other actions that the Company may take from the Proposed Initial Acquisition Closing until such time when all the development works in the PRC and the development and asset enhancement works in Singapore are completed, which may increase or decrease the NAV at that point in time.

The adjusted pro forma NAV per Share is purely for illustrative purposes only. In no way should the adjusted pro forma NAV per Share under Scenario B and before the Proposed PCRT Voluntary Offer of S\$2.27 and the adjusted pro forma NAV per Share under Scenario B and after the Proposed PCRT Voluntary Offer with 100.00 per cent. acceptance of S\$2.12 be interpreted as reflecting the underlying NAV per Share of the Company.

(See “Unaudited Pro Forma Consolidated Financial Information” (at page I-1 of this Circular) for further details on the financial information relating to the Enlarged Group.)



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Private and confidential
The Board of Directors and
Proposed Board of Directors of the Enlarged Group
St. James Holdings Limited
3 Sentosa Gateway
Singapore 098544

Our ref KAL/GKC

Contact Karen Lee
+65 6213 3086

18 September 2014

Dear Sirs

Agreed-upon procedures on the Statement of Estimated NAV Contribution

We have performed the procedures agreed with the management of the St. James Holdings Limited (the "Company") and Perennial Real Estate Holdings Pte Ltd (collectively, the "Management") and enumerated below, in respect of the estimated NAV contribution, in connection with the proposed acquisitions of effective interests in certain real estate assets and businesses from Perennial Real Estate Holdings Pte. Ltd. and other vendors. Management is responsible for the sufficiency (nature, timing and extent) of the agreed-upon procedures for its purpose. Our responsibility is to issue a report on the Statement of Estimated NAV Contribution (as extracted in the Appendix to this report) based on the agreed-upon procedures, for the purpose of your compliance with Rule 25 of the Singapore Code on Takeovers and Mergers, and for no other purpose.

Our engagement was undertaken in accordance with the Singapore Standard on Related Services 4400 – *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information* applicable to agreed-upon procedures engagements.

The procedures carried out are summarised as follows:

1. Agree the estimated NAV contribution (RMB) of each PRC asset to schedules prepared by management.
 - 1.1 Check the arithmetic accuracy of the subtotal of the estimated NAV contribution (RMB) – PRC Assets; and
 - 1.2 Check the arithmetic accuracy of the estimated NAV contribution in Singapore dollar (SGD) – PRC Assets by applying the exchange rate of S\$1 : RMB4.843.
2. Agree the estimated NAV contribution (SGD) of each SG Asset to schedules prepared by management.
 - 2.1 Check the arithmetic accuracy of the subtotal of the estimated NAV contribution (SGD) – SG Assets.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



We report our findings below:

1. The estimated NAV contribution (RMB) of each PRC asset agreed to schedules prepared by management.
 - 1.1 The subtotal of the estimated NAV contribution (RMB) – PRC Assets is arithmetically accurate; and
 - 1.2 The subtotal of estimated NAV contribution in Singapore dollar (SGD) – PRC Assets is arithmetically accurate by applying the exchange rate of S\$1: RMB4.843.
2. The estimated NAV contribution (SGD) of each SG Asset agreed to schedules prepared by management.
 - 2.1 The subtotal of the estimated NAV contribution (SGD) – SG Asset is arithmetically accurate.

The above procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Assurance Engagements and, consequently, we do not express any assurance on the Statement of Estimated NAV Contribution. Had we performed additional procedures or had we performed an audit or a review in accordance with Singapore Standards on Auditing or Singapore Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used, quoted or referred to, in whole or in part, for any other purpose or to be made available to any other party without our prior written consent. We do not accept responsibility and we expressly disclaim liability for loss occasioned to any other party acting or refraining from acting as a result of our report. This report relates only to the balances and items specified above and do not extend to any financial statements of the Company, taken as a whole.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

Enclosure: Statement of Estimated NAV Contribution

Statement of Estimated NAV Contribution

PRC Assets		Estimated NAV contribution (RMB mil)
Beijing Tongzhou Integrated Development	Phase 1	544.7
	Phase 2	417.3
Chengdu East HSR Integrated Development	Plot C	423.8
	Plot D	378.9
Xi'an North HSR Integrated Development	Plot 4	533.3
	Plot 5	297.4
Zhuhai Hengqin Integrated Development		230.9
Sub-total (RMB mil)		2,826.3
Sub-total (SGD mil)		583.6

SG Assets		Estimated NAV contribution (SGD mil)
TripleOne Somerset		133.5
Capitol Singapore		26.8
CHIJMES		8.7
Sub-total (SGD mil)		169.0



SUMMARY VALUATION LETTERS AND VALUATION CERTIFICATES



Colliers International (Hong Kong) Ltd
Valuation & Advisory Services
 Company Licence No: C-006052

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15 AUGUST 2014

ST. JAMES HOLDINGS LIMITED

3 SENTOSA GATEWAY #01-01
 ST. JAMES POWER STATION
 SINGAPORE 098544

Dear Sirs,

St. James Holdings Limited PORTFOLIO COMPRISING SEVEN MIXED-USE DEVELOPMENT ASSETS (Together "the Properties")

Instructions

We refer to instructions issued by St. James Holdings Limited, requesting formal valuation advice in respect of the abovementioned retail and office properties. We have specifically been instructed to provide our opinion of Market Value as at 31 March 2014 of the remaining leasehold interests in the Properties, subject to existing leases and occupancy arrangements and/or development proposals as disclosed.

We have prepared comprehensive formal valuation reports (individually a "Report" and collectively the "Reports") in accordance with the requirements of our instructions and the following international definition of Market Value, namely:

"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"The price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

- i. a willing, but not anxious, buyer and seller; and
- ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Properties and the state of the market for property of the same kind; and
- iii. that the Properties will be reasonably exposed to the market; and
- iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the Properties being valued; and
- v. that the seller has sufficient resources to allow a reasonable period for the exposure of the Properties for sale; and
- vi. that the seller has sufficient resources to negotiate an agreement for the sale of the Properties."

Colliers International 2014

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors (RICS).

For the specific purposes of this Circular, we provide a Summary of the Reports outlining key factors that have been considered in arriving at our opinions of value. The value conclusions reflect all information known by the valuers of Colliers who worked on the valuations in respect of the Properties, market conditions and available data.

Reliance on this Letter

This short format report alone does not contain the necessary data and support information included in our Reports. For further information to that contained herein, reference should be made to the Reports, copies of which are held by the Manager.

Colliers has provided the Manager with comprehensive valuation reports for each of the Properties. The valuations and market information are not guarantees or predictions and must be read in consideration of the following:

Each report is approximately 40 to 50 pages in length and the conclusions as to the estimated value are based upon the factual information set forth in that report. Whilst Colliers has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager (primarily copies of leases and financial information with respect to the Properties as well as reports by independent consultants engaged by the Manager). Colliers believes that every investor, before making an investment in St. James Holdings Limited, should review at least one of the reports to understand the complexity of the methodology and the many variables involved.

The methodologies used by Colliers in valuing the Properties – the Income Capitalisation Method and Residual Approach – are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the respective local markets. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for the properties are summarised in the Valuation Rationale of this letter.

The Reports were undertaken based upon information available as at 31 March 2014. Colliers accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

This confidential document is for the sole use of persons directly provided with it by Colliers. Use by, or reliance upon this document by anyone other than St. James Holdings Limited is not authorised by Colliers and Colliers is not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

Portfolio Summary

In total, the portfolio includes seven mixed-use developments containing a combined land area of 305,285 square metres which yields a total planned Gross Floor Area (GFA) of 2.92 million square metres (31.45 million square feet). Excluding carpark and M&E areas, the GFA is 2.16 million square metres (23.21 million square feet). The Portfolio comprises a mix of Retail (25% of total planned GFA), Office (31% of total planned GFA), Apartments (13% of total planned GFA), Hotel (4% of total planned GFA) and Underground Car Park and other uses (26% of total planned GFA). The properties are located in four cities in the People's Republic of China; namely Beijing, Chengdu, Xi'an and Zhuhai.

Property Descriptions

The following pages provide a brief summary of each of the Properties.

1) **Beijing Tongzhou Integrated Development Phase 1**

Beijing Tongzhou Integrated Development Phase 1 is located at the Core Tongzhou Grand Canal Zone, next to the Xinhua East Street and Binhe North Road. It comprises three land plots named as Plots No. 13, 14-1 and 14-2. The Property is planned as a large-scale mixed-use complex, comprising three towers for office and residences, and a four-storey retail building together with a four-storey basement level of retail and car parking. It is to be connected with Phase 2 of the Development and directly accessible by the Xinhua Avenue Metro Station under construction at Basement Level 2. The excavation work had commenced in 2Q 2013 and construction is expected to be completed in 2016.

2) **Beijing Tongzhou Integrated Development Phase 2**

Beijing Tongzhou Integrated Development Phase 2 is located at the Core Tongzhou Grand Canal Zone, next to the Xinhua East Street and Binhe North Road. It comprises three land plots named as Plots No. 10, 11 and 12. The Property is planned as a large-scale mixed-use complex comprising three towers for office and residences, and a three-storey retail building together with a four-storey basement level of retail and car parking. It is to be connected with Phase 1 of the Development and directly accessible by the Xinhua Avenue Metro Station under construction at Basement Level 2. The excavation work had commenced in 2Q 2013 and construction is expected to be completed in 2016.

3) **Chengdu East High Speed Railway Integrated Development Plot C**

Chengdu East High Speed Railway (HSR) Integrated Development is a large-scale mixed-use complex located at Plots C and D next to the Chengdu East High Speed Railway Station. The whole development will be directly accessible to Chengyu Cloverleaf Junction Metro Station on Line 2 via basement connections. Construction is expected to be completed at the end of 2016. The planned development on Plot C will comprise four high-rise office buildings above a four-storey retail mall with a three-storey basement that includes retail and car parking use.

4) **Chengdu East High Speed Railway Integrated Development Plot D**

Chengdu East High Speed Railway (HSR) Integrated Development is a large-scale mixed-use complex located at Plots C and D next to the Chengdu East High Speed Railway Station. The whole development will be directly accessible to Chengyu Cloverleaf Junction Metro Station on Line 2 via basement connections. Construction is expected to be completed at the end of 2016. The planned development on Plot D will comprise ten high-rise commercial building above a four-storey retail podium with a four-storey basement that includes retail and car parking use.

5) Xi'an North High Speed Railway Integrated Development Plot 4

Xi'an North High Speed Railway (HSR) Integrated Development is a large-scale mixed-use complex located at Plots 4 and 5 next to the South Square of Xi'an North HSR Station. The whole development will be directly accessible from the HSR Station and Subway Line 2 via basement connections. Construction is expected to be completed at the end of 2016. Based on current available plans, the Property on Plot 4 will comprise two hotels, high-rise towers for apartments, retail podium, and basement retail and car parking spaces.

6) Xi'an North High Speed Railway Integrated Development Plot 5

Xi'an North High Speed Railway (HSR) Integrated Development is a large-scale mixed-use complex located at Plots 4 and 5 next to the South Square of Xi'an North HSR Station. The whole development will be directly accessible from the HSR Station and Subway Line 2 via basement connections. Construction is expected to be completed at the end of 2016. Based on current available plans, the Property on Plot 5 will comprise high-rise towers for office and apartments, retail podium, and basement retail and car parking spaces.

7) Zhuhai Hengqin Integrated Development

Zhuhai Hengqin Integrated Development is located next to Hengqin Port, which links to Cotai of Macau by the Lotus Bridge. The Property is planned as a mixed-use complex for office, hotel, retail, apartments and car parking use. Construction is expected to be completed at the end of 2016.

Summary of Property Details

The following table summarises the key property details for each of the Properties:

Property Portfolio	Lease Term	Type	Land Area	Proposed GFA (excluding carpark and M&E areas)	Proposed GFA (including carpark and M&E areas)
Beijing Tongzhou Integrated Development Phase 1	Commercial : 40 years, Composite : 50 years	Mixed-use (retail, office, residences)	38,926 sm (418,999 sf)	326,358 sm (3,512,918 sf)	422,471 sm (4,547,480 sf)
Beijing Tongzhou Integrated Development Phase 2	Commercial : 40 years, Composite : 50 years	Mixed-use (retail, office, residences)	49,934 sm (537,489 sf)	290,640 sm (3,128,449 sf)	417,012 sm (4,488,716 sf)
Chengdu East High Speed Railway Integrated Development Plot C	36.9 years until February 2051	Mixed-use (retail, office)	38,313 sm (412,401 sf)	357,612 sm (3,849,336 sf)	522,110 sm (5,619,992 sf)
Chengdu East High Speed Railway Integrated Development Plot D	36.9 years until February 2051	Mixed-use (retail, office, apartment)	55,682 sm (599,361 sf)	400,873 sm (4,314,997 sf)	512,052 sm (5,511,732 sf)
Xi'an North High Speed Railway Integrated Development Plot 4	Commercial: 40 years	Mixed-use (retail, hotel, apartment)	47,099 sm (506,974 sf)	309,064 sm (3,326,766 sf)	404,770 sm (4,356,942 sf)
Xi'an North High Speed Railway Integrated Development Plot 5	Commercial: 40 years	Mixed-use (retail, office, apartment)	51,497 sm (554,314 sf)	331,613 sm (3,569,484 sf)	440,009 sm (4,736,257 sf)

Property Portfolio	Lease Term	Type	Land Area	Proposed GFA (excluding carpark and M&E areas)	Proposed GFA (including carpark and M&E areas)
Zhuhai Hengqin Integrated Development	Commercial: 39.9 years until 1 March 2054, Apartments: 69.9 years until 1 March 2084	Mixed-use (office, hotel, retail, apartment)	23,834 sm (256,552 sf)	140,103 sm (1,508,065 sf)	203,074 sm (2,185,885 sf)
Total Portfolio			305,285 sm (3,286,090 sf)	2,156,263 sm (23,210,015 sf)	2,921,498 sm (31,447,004 sf)

Valuation Rationale

We have valued the Properties on an “as is” basis by using Residual Approach. In the course of arriving at the Gross Development Value (GDV) of the Property in the Residual Approach, we have adopted Income Capitalisation Approach - Direct Capitalisation Approach and Direct Comparison Approach to value the Property on “as if complete” basis.

Residual Approach

Residual Approach is essentially a means of valuing land by reference to its development potential. The land value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the units have been disposed of in the open market, after deducting the development costs including building costs, professional fees and allowance for risk and profit.

Direct Comparison Approach

The Direct Comparison Approach estimates the value of the Property's interest by comparing recent sales of similar interests located in the surrounding area. By analysing sales which qualify as ‘arms-length’ transactions, between willing buyers and sellers, market value indicators and price trends can be identified. Adjustments can be made for size, location, time, amenities and other relevant factors when comparing such sales against the Property. This method is most commonly used when reliable and recent sales evidence is available. The rationale of the adjustments mentioned above is summarised as follows:

Adjustment Factors for Direct Comparison Approach

Factors

Time

Basis of Adjustment

This refers to the difference in market conditions between the date of transaction of comparable properties and the date of valuation. Our adjustments are made with reference to our observations of the market over the past few years and our opinions of the local market.

Location	In the course of the valuation, we have made appropriate adjustments to reflect location factors by considering and assessing the difference between the Property and comparables in factors including transport conditions, accessibility of the Property, environment, present nature of the neighbouring area, and completeness of community service facilities and development of the submarket.
Building Quality and Amenities	This refers to the difference in building quality and facilities between the comparable properties and the Property. In the course of the valuation, we have made appropriate adjustments to the unit price to reflect the differences.
Building Age	In the course of the valuation, we have made adjustments to the unit price considering the difference in age of comparable properties and the Property, which causes a difference in the depreciation cost. The prices of older properties are deducted for larger depreciation.
Size	Under normal market condition, the unit price of larger-size properties is generally lower, reflecting the scale effect.
Floor Level	In the course of the valuation, we have made appropriate adjustments to reflect the difference in sales price between different floor levels of comparable properties and the Property.
Marketability	Considering differences in the market acceptability and absorption speed between comparable properties and the Property, we have made appropriate adjustments in the course of the valuation.

Capitalisation of Income Approach

We have utilised a capitalisation approach in which the sustainable net income on a fully leased basis has been estimated having regard to the net rental income.

The resultant net income has thereafter been capitalised for the remaining tenure of the respective Properties to produce a core capital value. The yields adopted reflect the nature, location and tenancy profile of the Properties together with current market investment criteria, as evidenced by the sales evidence considered. Thereafter, appropriate capital adjustments have been included relating to rental reversion adjustments.

Summary of Values

Based on the above, the following table summarises the assessed market values for the Properties:

Property Portfolio	Assessed Market Value (RMB)	RMB psm GFA (excluding carpark and M&E areas)	RMB psm GFA (including carpark and M&E areas)
Beijing Tongzhou Integrated Development Phase 1	5,759,000,000	17,646	13,632
Beijing Tongzhou Integrated Development Phase 2	5,783,000,000	19,897	13,868

Property Portfolio	Assessed Market Value (RMB)	RMB psm GFA (excluding carpark and M&E areas)	RMB psm GFA (including carpark and M&E areas)
Chengdu East High Speed Railway Integrated Development Plot C*	1,711,000,000	4,785	3,277
Chengdu East High Speed Railway Integrated Development Plot D*	1,349,000,000	3,365	2,634
Xi'an North High Speed Railway Integrated Development Plot 4	1,063,000,000	3,439	2,626
Xi'an North High Speed Railway Integrated Development Plot 5	872,000,000	2,630	1,982
Zhuhai Hengqin Integrated Development	2,205,000,000	15,738	10,858
Total Portfolio	18,742,000,000		

* the market value for Chengdu East High Speed Railway Integrated Development Plot C and Plot D in this table is on 100% interest.

Appendix A:

1 PRC Overview

The People's Republic of China ("the PRC") is the world's second largest economy with a total population of 1.4 billion in 2013. Since the institution of the Open Door Policy 30 years ago, the PRC's gross domestic product (GDP) has exhibited continuous growth. In 2013, its GDP growth rate was 7.7% and the total GDP amount reached RMB57 trillion according to preliminary data from the National Bureau of Statistics of the PRC. With reference to the International Monetary Fund (IMF) World Economic Outlook, the PRC's GDP is anticipated to continue its growth at an average rate of 7.5% in 2014. The growing demand for real estate assets has been primarily driven by urbanisation and the increasing purchasing power of the population. In 2013, the total real estate investment amounted to RMB8.6 trillion. To support the urbanisation trend, Tier-1 cities have expanded and improved their infrastructure, focusing on transportation and area developments. Tier-2 cities, on the other hand, have been advancing their infrastructure and have undergone improvements to residential, commercial, and retail structures, thereby supplying more high-end properties to the market.

2 City and Market Overviews

2.1 BEIJING

Beijing is the capital of the PRC. It serves as a major hub for the country's political, financial, cultural and educational centres. It has six urban districts, eight suburban districts and two rural counties under its jurisdiction. As the capital city of the PRC, Beijing is home to the Chinese Central Government, many important government agencies and financial institutions, as well as most of the PRC's state-owned enterprises (SOEs) and multinational corporations (MNCs). Additionally, the successful hosting of the 2008 Summer Olympic Games spurred global interest and demonstrated Beijing's robust integrated infrastructure and transportation network. Beijing has steadily become more attractive to international and domestic investors. In 2013, Beijing realised a total GDP of approximately RMB1,950 billion, representing a year-on-year growth rate of 7.7%.

Key Economic Factors: Beijing	Unit	2009	2010	2011	2012	2013
GDP	RMB billion	1,215.3	1,377.8	1,600.0	1,780.1	1,950.1
GDP Growth Rate	%	10.2	10.2	8.1	7.7	7.7
Fixed Asset Investment	RMB billion	485.8	549.4	591.1	646.3	703.2
Total Retail Sales of Consumer Goods	RMB billion	531.0	622.9	690.0	770.3	837.5
Disposable Income of Urban Households	RMB / capita	26,738	29,073	32,903	36,469	40,321
Foreign Capital Actually Utilised	USD billion	6.1	6.4	7.1	8.0	8.5
Registered Population	million persons	12.46	12.58	12.58	12.98	13.16

Source: Statistics Bureau of Beijing

According to the Beijing Urban Master Plan (2004-2020), Tongzhou New City, an area encompassing approximately 155 sq km, was first introduced and planned for development in 2004. In 2010, it was officially renamed Tongzhou Modern International New City (通州现代国际新城) and Beijing's municipal government positioned the area as a 'secondary centre', appointing responsibility for some important functions of the capital such as government administration, finance, business, residential, entertainment and tourism. As planned by the Tongzhou District Government, this sub-centre contains a planned central area known as Core Tongzhou Grand Canal Zone (通州运河核心区) which will be established by the end of 2015. This core area is planned to be a key commercial hub in Beijing, housing a variety of high-quality commercial complexes and abundant amenities.

Beijing's infrastructure has seen a dramatic improvement since the early 1980s. Currently, Beijing boasts six ring roads that encircle the city, ten expressways and city express routes, 12 national highways, four large railway stations, two civil-use airports and an expanding metro network. Beijing Capital International Airport (PEK), located in the northeast, is one of the busiest airports in Asia. In addition, Beijing has an expanding metro network, which is the second longest in PRC. Presently, there are 16 operational metro lines. Another two lines are expected to be completed by the end of 2015. These large scale transportation projects have substantially contributed to an influx of labour and business in recent years.

MARKET OVERVIEW

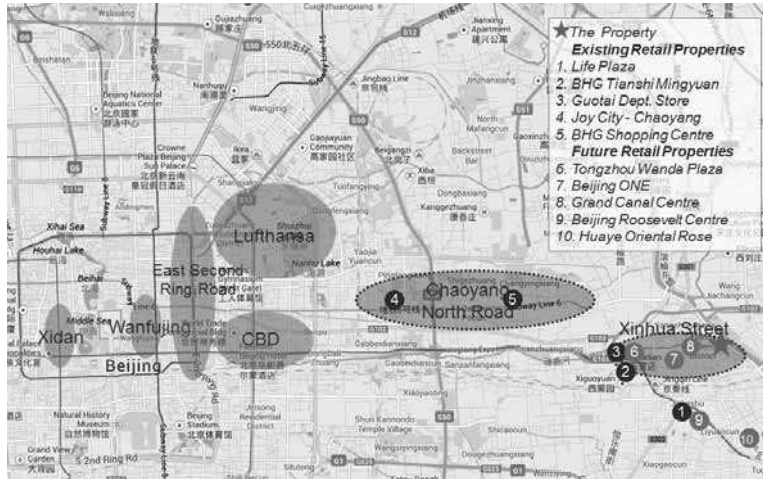
General Overview

Retail Markets

In the past decade, the retail market in Beijing has experienced significant growth and development supported by an increase in social consumption and sustainable economic growth. Consumer shopping habits have shifted from traditional department stores to "one-stop" shopping malls. The majority of the mid- to high-end shopping centre facilities are concentrated in several major commercial retail catchments within the 4th Ring Road in Beijing. These retail catchments have become so popular in recent years that they not only have frequent domestic visitors, but have also become tourist attractions as well.

Beijing Tongzhou Integrated Development is a large-scale complex containing a shopping mall amongst other components located in core area of Tongzhou Modern International New City, east Beijing. Metro Line M6 and planned Train Line S6 will intersect at Xinhua Avenue Metro Station (新华大街站), connecting to the Property on Basement Level 2. The area around Xinhua Street is the main retail catchment in Tongzhou District. An emerging retail catchment outside the 4th Ring Road along Chaoyang North Road is another retail centre in east Beijing.

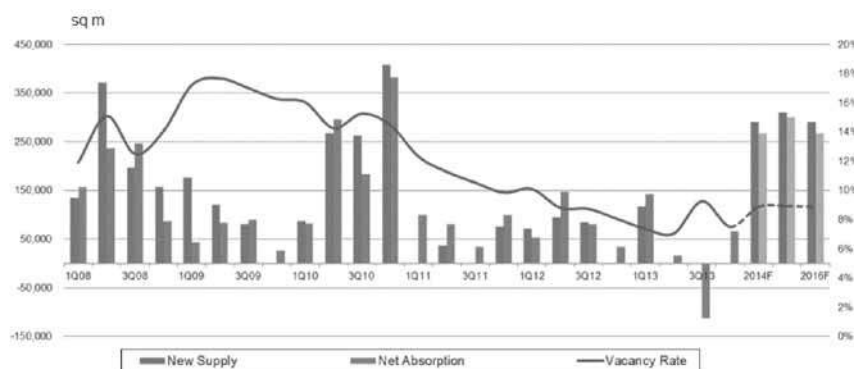
Major Retail Areas in Beijing



Source: Colliers International (for identification purposes only)

Beijing's shopping centre market has expanded substantially after the 2008 Olympic Games. The global exposure from the Olympic Games piqued the interest of international and domestic investors. From 2008 to 2013, the total stock increased to approximately 5.1 million sq m. During the same period, net absorption averaged approximately 135,000 sq m per annum. Vacancy rates have also improved the same period from 17% to 8% as at the end of 2013, implying strong demand. However, certain well-established luxury brands have slowed or suspended their expansion plans. Instead, niche and fast fashion brands have been active in the Beijing market. In the F&B sector, high-end restaurants reported a decline in revenue but mass market restaurant brands continued to expand their presence.

Beijing Shopping Centre Market: Supply, Demand and Vacancy Rate, 2008 - 2016F

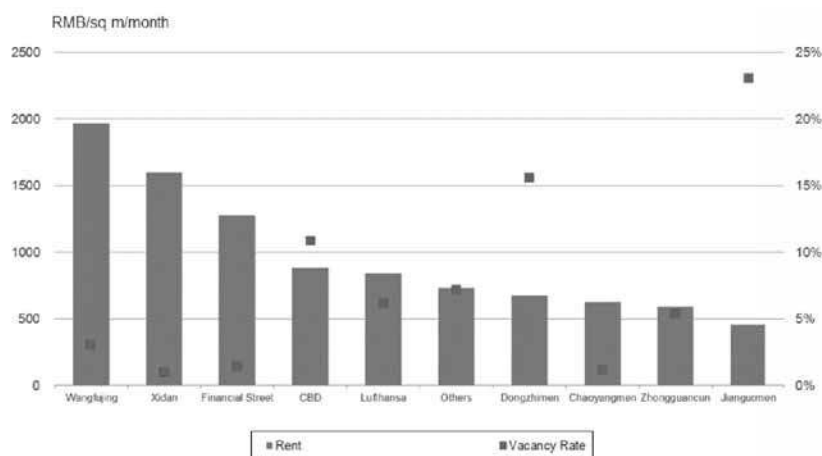


Source: Colliers International

In 2012 and 2013, except for renovation projects, the majority of the shopping centre supply was found in areas other than the major retail catchments. From 2014 to 2018, about 60% of the expected new supply will be located in non-core retail areas. This indicates that new retail supply in the core retail catchments will become scarcer and competition for prime spaces is expected to be greater.

The average rental rate of ground floor retail space of mid- to high-end shopping centres has demonstrated steady growth since 2008, reaching RMB863 per sq m per month as of the end of 2013. Properties in prime locations with a strategic brand mix and professional property management have the healthiest rental growth. Properties in downtown areas such as, Xidan and Wangfujing, rents reach as high as RMB1,600-1,900 per sq m per month. In the high-end retail catchments such as CBD and Financial Street areas, rents range between RMB800 and 1,300 per sq m per month. The average rents of other retail areas outside the downtown recorded the largest quarterly gain, reaching between RMB500-800 per sq m per month in 2013.

Major Shopping Centre Average Ground Floor Rents by Catchments: 2013



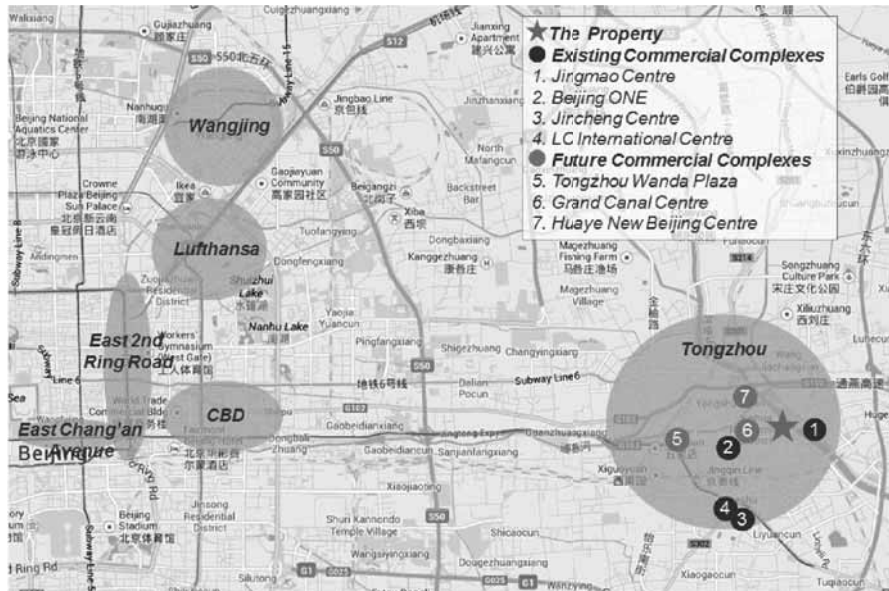
Source: Colliers International

Office Markets

There are currently seven major office areas in Beijing distributed within the Fifth Ring Road, namely: CBD, East 2nd Ring, East Chang'an Avenue, Financial Street, Lufthansa, Zhongguancun and Wangjing. Zhongguancun and Wangjing areas have recently become more attractive because of government subsidies to the hi-tech industry, rental hikes and low-supply of traditional office areas. Subsequently, the suburban districts of Tongzhou, Daxing, and Shunyi have benefitted from the transportation and city infrastructure improvements in those areas.

Tongzhou Modern International New City comprises a planned business area in east Beijing, which is expected to develop over the next three years. There are plans for several large-scale commercial complexes including high quality office towers.

Major Office Areas in Beijing

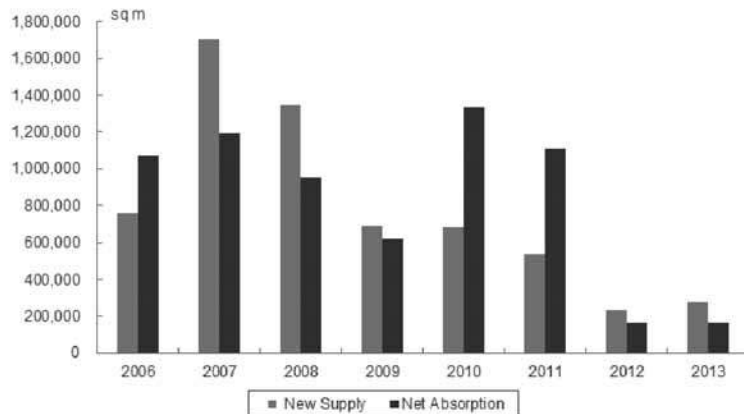


Source: Colliers International (for identification purposes only)

The total stock of office properties increased from less than 4 million sq m in 2004 to over 12 million in 2013, consisting of 5 million sq m of Grade A and 7 million sq m of Grade B standard office buildings. The new supply of the office peaked during 2007 and then gradually decreased until 2012. In 2013, new office supply increased to 300,000 sq m.

The demand for office space fluctuated from 2006 to 2013. In 2010 and 2011, the net absorption was recorded at 1.3 and 1.1 million sq m per annum, respectively. The net absorption during those years exceeded the new supply by about 100% and led to a sharp decrease in vacancy rate. From 2014 to 2016, a total supply of approximately 1.9 million sq m is expected to enter the traditional office areas. The majority of new supply will be located in the CBD, Wangjing and Zhongguancun areas. The new supply in suburban districts will be more likely projected and positioned to be as business park office developments.

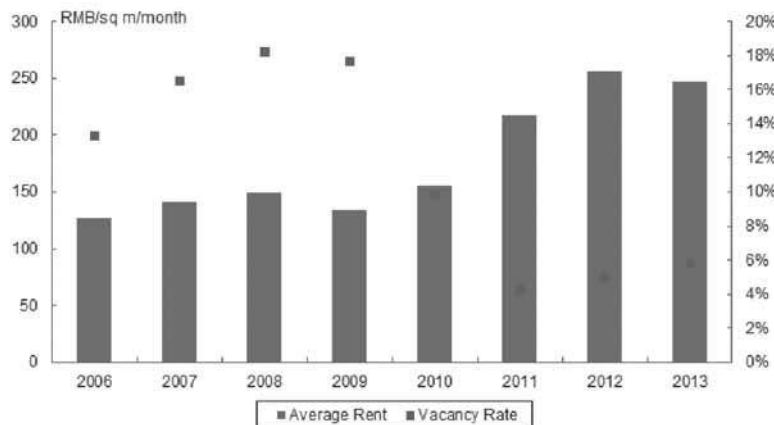
Beijing Office Market: Supply and Demand, 2006 - 2013



Source: Colliers International

From 2006 to 2013, the average rental rate of office properties in Beijing nearly doubled, reaching approximately RMB250 per sq m per month as the vacancy rate decreased to 6% as at the end of 2013. As reference below, the increase in rent was a response to the declining vacancy rate and increased bargaining power of land lords. In 2012, rental rates hit a historical high of RMB260 per sq m per month. Due to seasonal adjustments and the decision by some companies with budget constraints to move into non-core business areas where more spacious options were usually offered, a moderate decline was seen in 2013.

Beijing Office Market: Average Rent and Vacancy Rate, 2006 - 2013



Source: Colliers International

Due to the rapid increase in capital values of office developments in Tier-1 cities, the trend rose on yield compression in these markets including Beijing. The strata-title office sales market has drawn investor interest due to the effects of 2008 Olympic Games and the implementation of new regulatory policies in the residential market. After 2010, only a few office developments in traditional central business areas were available for sale whereas in suburban districts, such as Shunyi, Fengtai, Tongzhou and Fangshan Districts, large transaction volume occurred.

Selected Office Transactions: 2013

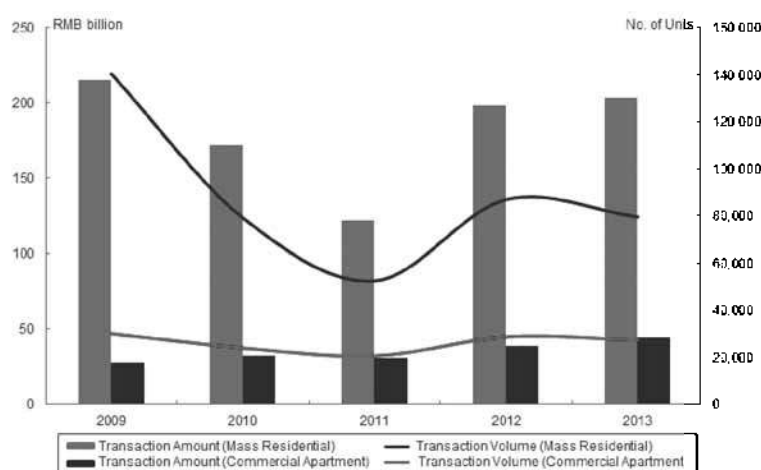
No.	Project	District	Transaction Area (sq m)	Transaction Amount (RMB billion)
1	Beijing GreenLand Centre 北京绿地中心	Chaoyang	86,000	2.7
2	Hangcheng Plaza 航城广场	Shunyi	76,000	0.9
3	Nuode Centre 诺德中心	Fengtai	69,000	2.2
4	Tongzhou Wanda Plaza 通州万达广场	Tongzhou	62,000	1.7
5	GreenLand Metropolitan 绿地新都会	Fangshan	60,000	1.0

Commercial Apartment Markets

The residential market in Beijing can be divided into mass residential, commercial apartment (including serviced apartment sector) and villa sectors. The commercial apartment properties are mainly situated in the area between the 5th and 6th Ring Roads, with a portion extending beyond the 6th Ring Road. Tongzhou District, benefiting from close proximity to Beijing CBD, is the locality of many complexes including commercial apartments available for strata-title sale.

In 2013, over 27,000 units of commercial apartments were sold, representing 25% of the total transaction volume in the whole residential market. Among different sectors in the residential market, only the commercial apartment sector showed an increase in the transaction price on a per sq m basis compared to 2012. Tongzhou District accounted for the highest percentage of sales at about 35%, with Fangshan District ranking the second highest. The prosperity of commercial apartment sales in Tongzhou District is expected to continue as the area develops into the secondary city centre in Beijing.

Transaction Volume (units) and Amount (RMB billion) in Mass Residential and Commercial Apartment Markets in Beijing: 2009 - 2013



Source: Colliers International

2.2 CHENGDU

Chengdu is the capital city of Sichuan Province and the fourth most populous city in PRC with 14 million inhabitants in 2012. Chengdu is well-known for its important economic, transportation, and communication centres in western PRC. Chengdu's city core is divided into five core districts and a high-tech industrial development zone. Recently, Chengdu has experienced rapid economic growth, driven by secondary and tertiary industries such as information technology, physical media, conferences and exhibitions, aerospace and tourism. GDP growth ranked fourth highest among all provincial cities in the country at the end of 2013, amounting to RMB911 billion. According to the 2012 PRC Cities Survey by the Urban Land Institute, Chengdu was ranked first in the top ten cities for investment in PRC. The real estate market in Chengdu has experienced rapid growth with the notable support of the government and with the planned expansion of city infrastructure.

Key Economic Factors: Chengdu	Unit	2009	2010	2011	2012	2013
GDP	RMB billion	450.3	555.1	685.5	813.9	910.9
GDP Growth Rate	%	14.7	15.0	15.2	13.0	10.2
Fixed Asset Investment	RMB billion	402.6	425.5	500.6	589.0	650.1
Total Retail Sales of Consumer Goods	RMB billion	195.0	241.8	286.1	331.8	375.3
Disposable Income of Urban Households	RMB / capita	18,659	20,835	23,932	27,194	29,968
Foreign Capital Actually Utilised	USD billion	28	48.6	65.5	85.9	N/A
Registered Population	million persons	11.4	11.5	11.6	11.7	N/A

Source: Statistics Bureau of Chengdu

MARKET OVERVIEW

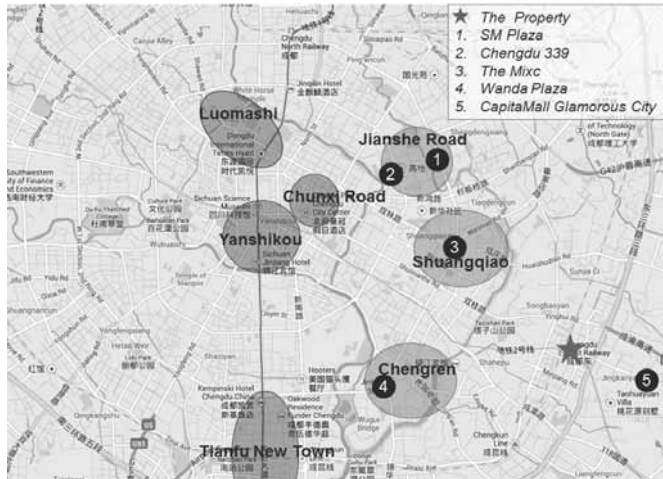
General Overview

Retail Markets

Chengdu is a major retail hub in southwest PRC. The retail market of Chengdu is spread throughout four major areas and several regional areas. Chunxi Road, Yanshikou and Luomashi Retail areas are three traditional developed retail areas within the central districts of Chengdu. Tianfu New Town, a designated secondary city centre outside the South Third Ring Road, is a newly-developed major retail area comprising of large-scale commercial complexes.

At present, there are three regional retail areas located in east Chengdu, which are Jianshe Road, Shuangqiao and Chengren Retail areas. These retail areas are all along the Second Ring Road and mainly serve the residential communities nearby. There are various types of shopping facilities, such as department stores, malls and retail streets and podiums under residential and office towers.

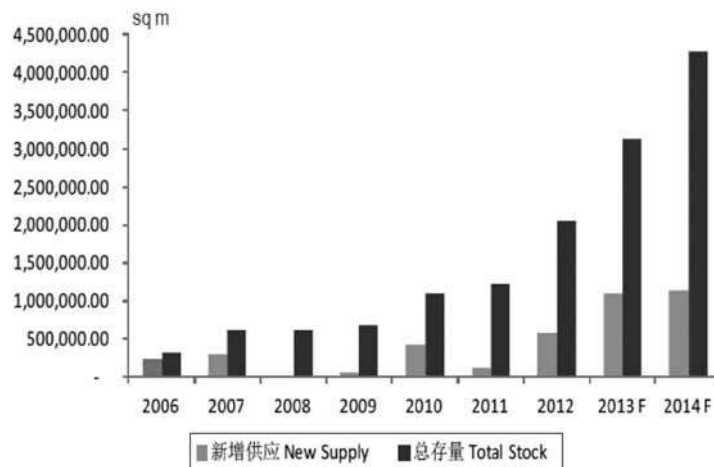
Major Retail Areas in Chengdu



Source: Colliers International (for identification purposes only)

Chengdu's shopping centre market has expanded substantially after 2006 especially in 2010 and 2012 due to the newly opened projects along Metro Line 1 and Tianfu New Town. In 2013, approximately 700,000 sq m of supply was injected into the market. By 2014, the total stock is expected to be over 4 million sq m. Demand is driven by fast fashion, supermarket and food & beverage sectors and fierce competition occurs in well-designed and good managed shopping malls. These shopping malls are likely to achieve a relatively high occupancy of above 95%.

Chengdu Shopping Centre Market: New Supply and Total Stock, 2006-2014F



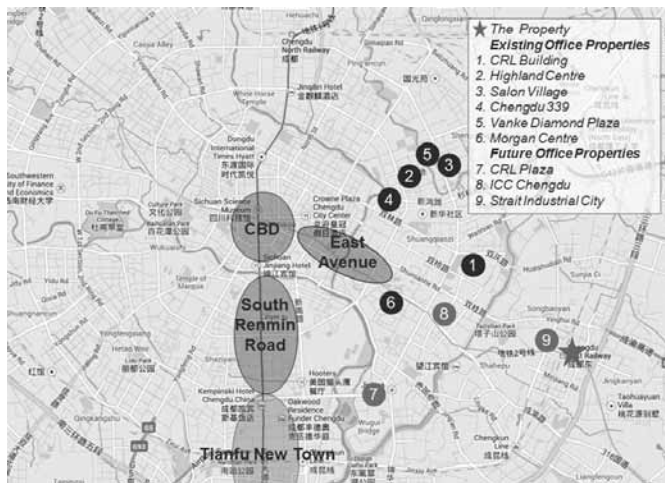
Source: Colliers International

Chengdu's shopping centre rents have displayed an upward trend in recent years with a spike from 2011 to 2013. The average rent for the overall market has reached approximately RMB800 per sq m per month, driven up by medium-high end shopping malls that entered into the market. Going forward, the rent will continue to increase as international brands continue to enter into Chengdu and create a positive effect to the business atmosphere.

Office Markets

Chengdu's commercial office market has undergone extensive improvements in both quantity and quality in the past decade. Three prime office areas, Central Business District (CBD), East Avenue and South Renmin Road, contain the majority of the high quality office towers in Chengdu. Additionally, Tianfu New Town, the extension of South Renmin Road outside the Third Ring Road, is holding a large stock of future office building supply.

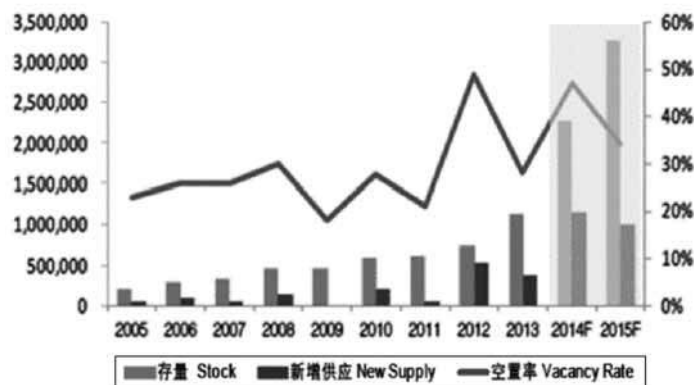
Major Office Areas in Chengdu



Source: Colliers International (for identification purposes only)

Demand for office space has been driven by relocation due to contract renewal or expansion needs. In 2013, the annual absorption volume was 423,000 sq m. Up till 4Q 2013, the total stock of office building was approximately 1.1 million sq m. Between 2014 and 2015, about 1 million sq m of office space is forecasted to enter the market each year. Of the 1 million sq m of office space, 85% will occur in East Avenue and its extension, and Tianfu New Town.

Chengdu Grade A Office Properties: Stock, New Supply and Vacancy Rate



Source: Colliers International

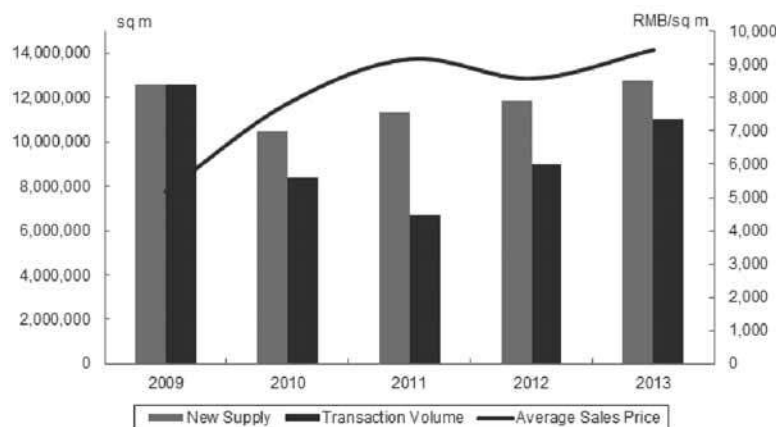
From 2002 to 2011, with the exception of 2009, the average office rent has been steadily increasing. In 2011, the rent peaked at RMB142 per sq m. The main driver was a strong demand for improved, quality office space. Since the peak in 2011, rent has decreased slightly, to RMB114 per sq m at the end of 2013. The decrease is attributed to the influx of new supply outpacing demand and in 2013, the overall vacancy rate was 28.2%.

Commercial Apartment Markets

Commercial apartments are high-rise commercial buildings constructed for both residential and office purposes. Further strengthening of Chengdu's leading position in West PRC has attracted an increasing volume of international and domestic business population residing in or traveling to the city. These commercial apartments with good quality decorations, proper management and complementary amenities have attracted their attention. In addition, under tighter regulations in the mass residential market, apartments are a favourable choice for individual investors with a limited budget looking for stable return.

In the past three years, the supply of residential properties was at above 10 million sq m each year from 2009 to 2013, with the proportion of commercial apartments rising. In 2013, a total residential area of approximately 12.7 million sq m was launched into the market, about 31% of which was located in High-tech Zone and 24% in Chenghua District. These two districts are also popular areas containing the majority of the stock of commercial apartments in Chengdu. The demand for commercial apartment developments has maintained an upward trend in the past five years with more than 40% increase in transaction volume.

New Supply, Transaction Volume (sq m) and Average Sales Price (RMB/sq m) in Overall Residential Market: Chengdu, 2009 - 2013



Source: Colliers International

The average sales price of residential property market in Chengdu has undergone a general upward trend in the past five years, reaching a historical high of approximately RMB9,500 per sq m as of the end of 2013. The average sales price of residential developments in Chenghua District was recorded at between RMB8,500-9,000 per sq m with strong growth prospects.

The commercial apartment developments are usually designed with small to medium unit sizes of 40-90 sq m, attracting investors with limited budget with its ease of leasing. Properties with superior locations such as prime business areas and downtown, and with high quality of construction and fitting-out, are usually priced at a relatively high level.

2.3 XI'AN

Xi'an, the capital city of Shaanxi Province, is one of the four Great Ancient Capitals of the PRC with more than 3,000 years of history. Playing an important role in the PRC Western Development policy, Xi'an has experienced rapid economic growth and industrial output, which is mainly driven by equipment manufacturing, tourism and service outsourcing industries. Xi'an Economic and Technological Development Zone (西安经济技术开发区) and Xi'an Hi-Tech Industries Development Zone (西安高新技术开发区) are two national level development zones located in the northern and southern sides of the city respectively. The real estate market has experienced rapid growth with the notable support of the government and with the planned expansion of city infrastructure.

Key Economic Factors: Xi'an	Unit	2009	2010	2011	2012	2013
GDP	RMB billion	271.9	324.1	386.4	436.9	448.4
GDP Growth Rate	%	14.5	15.0	13.8	11.8	11.1
Fixed Asset Investment	RMB billion	250.0	325.1	335.2	424.3	513.5
Total Retail Sales of Consumer Goods	RMB billion	138.1	161.1	193.5	223.6	254.8
Disposable Income of Urban Households	RMB / capita	18,963	22,244	25,981	29,982	33,100
Foreign Capital Actually Utilised	USD billion	12	16	20	25	-
Registered Population	million persons	7.82	7.40	7.72	7.96	-

Source: Statistics Bureau of Xi'an

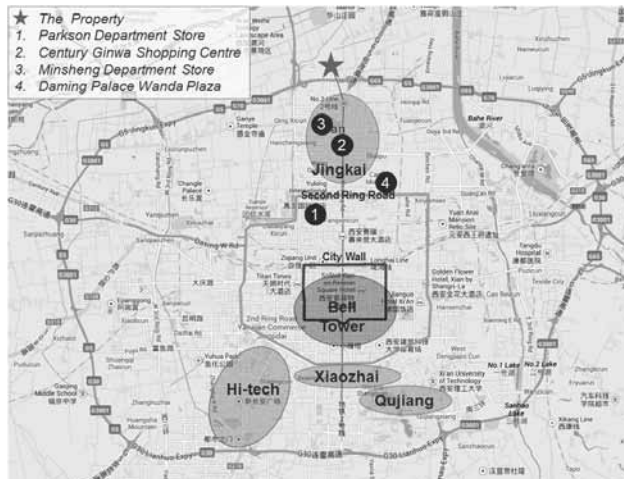
MARKET OVERVIEW

General Overview

Retail Markets

Xi'an is a major retail hub in northwest PRC. The retail development in Xi'an has matured to a stage where retail catchments are divided into city-level and regional. City-level retail catchments include the Bell Tower area within the city wall and regional retail catchments include Xiaozhai, Qujiang and Hi-tech areas in the south. The Bell Tower area represents the downtown centre of Xi'an. It is the most mature retail area and is full of shopping centres and pedestrian retail streets from low-end to luxury ones, attracting consumers from northwest PRC. The Economic and Technological Development Zone (known as "Jingkai Zone") is another area in the north in which a majority of the new-style retail facilities are concentrated.

Major Retail Areas in Xi'an



Source: Colliers International (for identification purposes only)

New retail supply in Xi'an has experienced continuous growth since the 1990s. At present, the market is mainly dominated by several big players including Parkson (百盛), Century Ginwa (世纪金花), Minsheng (民生) and Wanda (万达). Traditional-style department stores and street retail are still the main retail modes in Xi'an; however, new-style shopping malls have been emerging in various regional areas since 2004.

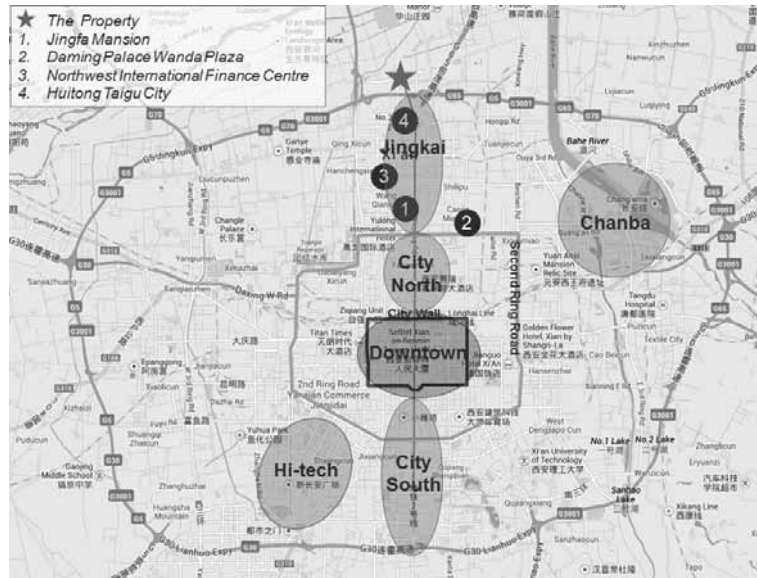
The demand for retail space has been active as a response to the fast growth of total consumer goods sold. Retail space in prime retail areas, in particular the Bell Tower area, is usually the first choice for influential brands establishing their flagship shops in Xi'an. As land and available retail space have become limited in the downtown area, some mid- to high-end brands have started to enter regional areas to expand their presence, which has led to both occupancy and rental rate improvement in the whole market.

The average rental rate for prime floor spaces in the Bell Tower area can reach RMB450-900 per sq m per month, representing the highest level of rental rates achieved in Xi'an. However, there is a large spread between average prime floor rental rates in different regional areas. The lowest rental rate recorded was RMB50-300 per sq m per month in the Jingkai area.

Office Markets

There are six major office areas in Xi'an. Four of the office areas are located along Metro Line 2. From north to south, they are: Jingkai, City North, Downtown, and City South. The other two, Chanba and Hi-tech Zones are located in the northeast and southwest of Xi'an; respectively. Presently, the majority of high-quality office developments are concentrated in the Downtown and City South areas. The Hi-tech Zone has established a business atmosphere with the completion of many iconic complexes, whereas the Chanba Ecological Zone is a developing area focused on tertiary industries with sustainable developments.

Major Office Areas in Xi'an



Source: Colliers International (for identification purposes only)

The office supply market in Xi'an has shown a growing trend in the past decade. New supply has been increasing since 2011 because residential restriction policies have forced developers to focus on commercial office space. However, the distribution of new office developments demonstrates an unbalanced situation in both location and product quality. A large stake of new supply is concentrated along the "central axis" with the quality varying to a large extent.

Demand for office units has been quite active as evident by an increasing trend in transaction volume. In 2013, a total GFA of approximately 600,000 sq m of office space was transacted. Around 40% of the transaction volume was located in City North and Jingkai Zone with 38% located in the Hi-tech Zone. The average sales price of office space increased by more than 60% in the past five years, reaching approximately RMB11,000 per sq m in 2013. The average sales price in City South and Downtown areas were the highest at a level above RMB15,000 per sq m.

Hotel Markets

Xi'an is a famous tourism city with a large amount of visitors every year. In 2013, there were 32.6 million domestic citizens and 673,000 international persons who visited the city. According to the Xi'an Tourism Bureau, in 2013, there were 96 star-rated hotels, 27 four-star hotels, and 9 five-star hotels. The existing prominent hotels are run by international operators and are mainly located in the Bell Tower area within the City Wall. With the economic developments expanding to the Hi-tech Zone and other areas in Xi'an, a few well-known hotel operators have expanded beyond the City Wall. However, the majority are still concentrated in the southern side of the city, Hi-tech Zone and the Qujiang area (曲江新区).

The performance of Xi'an's hotel market remained moderately positive. The average daily rates of five-star and four-star hotels were approximately RMB580 and RMB340 per room per night as of end of 3Q 2013, respectively. The average occupancy rate was about 61% for five-star hotels and 62% for

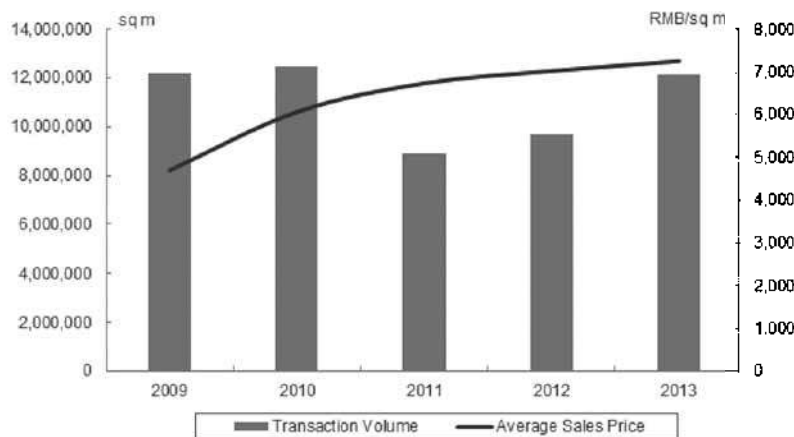
four-star hotels. The performance has shown a slight downwards trend compared to 2012, which is mainly due to the fiercer competition brought by an increased number of players and a slower growth rate of the overall macro-economy.

Commercial Apartment Markets

The residential market in Xi'an expanded significantly with the construction area being doubled from 2009 to 2013. In 2013, approximately 12.2 million sq m of GFA was injected into the market, 34% of which was located in the southern side, 24% in the east and 20% in the north. In 2013, the total transacted area was approximately 12.2 million sq m, almost the same as the supply of that year.

The average sales price in the residential market has shown an upwards trend, reaching approximately RMB7,300 per sq m. The highest average sales price was seen in the downtown area, which was almost RMB10,000 per sq m. Southern side of the city and the Hi-tech Zone was recorded the second and third highest; while north Xi'an was the next, reaching RMB6,400 per sq m.

Xi'an Residential Market: Transaction Volume and Average Sales Price, 2009 - 2013



Source: Colliers International

Commercial apartments are high-rise commercial buildings constructed for both residential and office purposes. The commercial apartment developments in Xi'an are mostly available for strata-title sales, which come with moderate decoration and basic amenities. The majority of these projects are located in the downtown area and office clusters in the city. Compared to pure commercial apartment projects, apartments in large-sized mixed-use complexes are more favoured by both investors and self-use buyers.

2.4 ZHUHAI

Zhuhai is a prefecture-level, port city in the Pearl River Delta on the southern coast of Guangdong province. Zhuhai borders 3 cities; Jiangmen to the northwest, Zhongshan to the north, and Macau to the south. Zhuhai has been positioned as a hub for transportation due to its close proximity to Macau and Hong Kong, two Special Administrative Regions established by the PRC. In 2009, the Hong Kong-Zhuhai-Macau Bridge began construction to further integrate the Pearl River Delta region. The

bridge will effectively reduce the distance between the cities and allow more efficient transportation over land. The bridge is expected to be fully functional by 2016.

Zhuhai's major industries include cutting edge technology, commerce, logistics, tourism, and real estate development. Hong Kong and Macau have historically been and still are their largest traders and investors. In recent years, Zhuhai's economy has experienced substantial growth. The real estate market investment had doubled between 2008 and 2013 to RMB27.3 billion. During this period, the city expanded from Xiangzhou district into Hengqin district, Jinwan district and Doumen district.

Key Economic Factors: Zhuhai	Unit	2009	2010	2011	2012	2013
GDP	RMB billion	103.9	120.9	140.5	150.4	166.2
GDP Growth Rate	%	6.6	12.9	11.3	7.0	10.5
Fixed Asset Investment	RMB billion	41.1	49.7	63.7	78.8	96.1
Retail Sales of Consumer Goods	RMB billion	40.4	48.6	56.8	63.5	72.1
Disposable Income of Urban Households	RMB per capita	22,859	25,382	28,731	32,978	25,171 (3Q13)
Real Estate Investment	RMB billion	16.8	18.0	25.7	24.2	27.3

Source: Statistics Bureau of Zhuhai

There are currently two immigration ports by land between The PRC and Macau: Gongbei and Hengqin. Gongbei is located in the city centre and experiences heavier pedestrian flow than Hengqin. However, due to the close proximity to Cotai, Macau, the Hengqin port will become increasingly important. In 2009, Hengqin district announced its urban planning of the Shizimen Business area and its upcoming developments. Hengqin district has also announced more infrastructure developments in the future, including a light rail station connecting the cross border of Macau and an inter-city rail station that extends to Guangzhou and Zhuhai. Both developments are expected to significantly improve the economic and investment environment for Zhuhai and, in particular, Hengqin district.

MARKET OVERVIEW

General Overview

Retail Markets

There are three major retail submarkets in Zhuhai, they are Gongbei, Jida and Lao Xiangzhou. These submarkets are located in the traditional old district – Xiangzhou district. Gongbei and Jida submarkets target tourists, Macau visitors and locals whilst Lao Xiangzhou is an area popular amongst locals.

Gongbei retail catchment is an established area with heavy pedestrian flow due to the presence of the Gongbei immigration port that links Macau and the PRC. Jida retail catchment area is positioned for mid to high end consumers and currently consists of department stores, duty-free shopping malls and retail street shops. Lao Xiangzhou retail catchment area is driven by shopping malls and attracts locals who reside in Zhuhai.

Major Retail Areas in Zhuhai



Source: Colliers International (for identification purposes only)

The demand for retail space in Zhuhai is expected to increase when the Hong Kong-Zhuhai-Macau Bridge is completed. Subsequently, the government has planned a new supply of commercial retail areas especially in locations close to the borders to meet the demands of visitors. The future supply is likely to improve and raise the quality of the overall retail property market to suit the needs of the new consumer groups.

Office Markets

The commercial office market in Zhuhai is still in its early stages. Commercial office developments started to develop rapidly as Zhuhai's economy emerged. It is at an advantageous position in Guangdong province with close proximity to Macau and Hong Kong. Hence, Zhuhai has benefited from the Closer Economic Partnership Agreement (CEPA) that provides business incentive policies between the PRC and Hong Kong/Macau.

Demand for office space has been steadily increasing as a result of more business opportunities from the improvements in infrastructure and transportation between cities. The opening of the Hong Kong-Zhuhai-Macau Bridge in early 2016 will subsequently have spill-over benefits to Hengqin's business district that is progressively developing.

Prior to 2010, the supply of annual newly constructed office space was less than 30,000 sq m. As Zhuhai's economy gradually grew as an economic zone, construction increased significantly. From 2011 to 2013, the annual newly constructed office space ranged from 120,000 sq m to 240,000 sq m.

Currently, the office supply is distributed across the city and ownership is typically strata-titled. Better quality office buildings are located downtown within Jida and Gongbei areas of Xiangzhou district.

Major Office Areas in Zhuhai

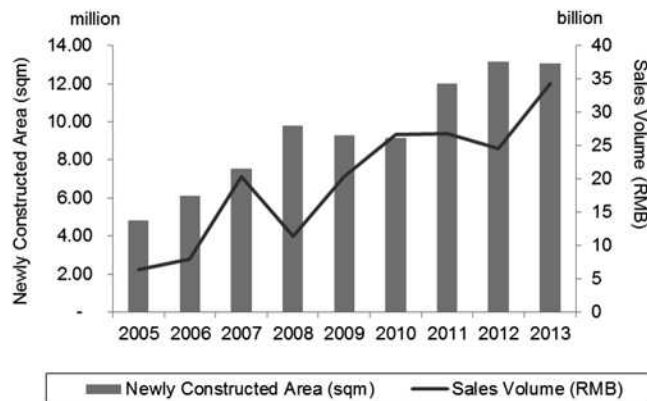


Source: Colliers International (for identification purposes only)

Luxury Residential Markets

The residential market in Zhuhai has experienced a rising trend since 2005 with slight fluctuations between 2009 and 2010. The newly constructed area for residential properties increased approximately 2.7 times from 2005 to 2013. In 2013, the newly constructed area reached over 13.0 million sq m. The residential market is divided into mass residential, luxury residential, commercial apartment (including serviced apartment sector) and villa sectors.

Zhuhai Residential Market: Newly Constructed Area and Sales Volume, 2005 - 2013



Source: Colliers International

Supply for luxury residential properties is distributed along the coast of Zhuhai in Xiangzhou District, which is a traditional district where established commercial areas are located. The majority of the luxury properties along the coast have sea views.

Demand for luxury residential units in Zhuhai is mainly driven by entrepreneurs or mid-to-high income people who have business relationships between Hong Kong, Macau and Guangdong provinces. Due to its close proximity to Macau and the price differential between luxury residential properties in Zhuhai and Macau, there is strong demand from Macau residents who purchase these luxury residential units for investment purposes. Luxury residential prices in Macau have risen significantly in the past decade, making Zhuhai comparatively more affordable.

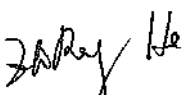


Appendix B:

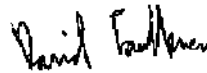
All valuation certificates

VALUATION CERTIFICATE

Our Reference	: 20793-2	
Name of Property	: Beijing Tongzhou Integrated Development Phase 1	
Valuation Prepared for	: St. James Holdings Limited	
Purpose of Valuation	: Acquisition and Corporate Finance	
Address of Property	: Plots 13, 14-1 and 14-2, West bank of Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing, PRC	
Type of Property	: Mixed-use (retail, office, residences)	
Brief Description	: The Property, Beijing Tongzhou Integrated Development Phase 1, is a proposed commercial complex comprising three towers for offices and residences, and a retail podium. It is located on the west bank of Core Tongzhou Grand Canal Zone. The Property is designed to be directly connected to the Metro Lines M6 and S6 via its basement level.	
Land Area	: 38,926 sq m (418,999 sq ft)	
Proposed Gross Floor Area (Incl. Car Park)	: 422,471 sq m (4,547,480 sq ft)	
Registered Owner	: 北京美融加投资有限公司、鹏瑞利通州开发（1）有限公司、鹏瑞利通州开发（2）有限公司、鹏瑞利通州开发（3）有限公司	
Legal Description	: Pursuant to the three State-owned Land-use Rights Grant Contracts Jing Di Chu (He) Zi (2012) No. 0314, 0315 and 0316 dated 5 November 2012, the land-use rights of the Property with a total site area of 10,956, 16,621 and 11,349 sq m respectively have been granted to 鹏瑞利通州开发（3）有限公司、北京美融加投资有限公司、鹏瑞利通州开发（2）有限公司、北京美融加投资有限公司 and 鹏瑞利通州开发（1）有限公司、北京美融加投资有限公司.	
Tenure	: Commercial : 40 years, Composite : 50 years	
Condition	: At the time of inspection, the Property was under construction.	
Permitted Uses	: Commercial and composite	
General Comments	: The PRC's GDP has been growing steadily. In 2013, it grew by 7.7%. According to the International Monetary Fund (IMF) World Economic Outlook, the PRC is anticipated to grow at an average rate of 7.5% in 2014. In the past decade, there was a growing demand for real estate assets due to the country's urbanisation and increasing affluence of the nation's population. In Tier-1 cities, as infrastructure improves and the city further expands, complex properties draw attention because these assets are more adaptable and comprehensive to the market which enhances the presence of urbanisation in these cities. Tier-2 cities will also attract investors because these cities are undergoing an upgrade of the residential, commercial and retail structure. Hence, there will be more high-end properties available to these markets leading to an expected mid-to-long term stable growth.	
Method of Valuation	: Residual Approach	
Date of Valuation	: 31 March 2014	
Valuation Basis	: MARKET VALUE – "As is" basis (RENMINBI FIVE BILLION SEVEN HUNDRED AND FIFTY NINE MILLION ONLY) RMB5,759,000,000	
Prepared by	: Colliers International (Hong Kong) Limited	



Zhirong He (Flora He)
MRICS MCOMFIN
Senior Director
Valuation and Advisory Services I China

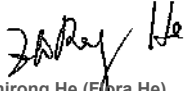


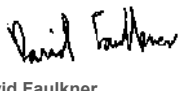
David Faulkner
BSc(Hons) FRICS FHKIS RPS(GP) MAE
Executive Director
Valuation and Advisory Services I Asia

This valuation certificate is subject to the attached Limiting Conditions

VALUATION CERTIFICATE

Our Reference	: 20793-3	
Name of Property	: Beijing Tongzhou Integrated Development Phase 2	
Valuation Prepared for	: St. James Holdings Limited	
Purpose of Valuation	: Acquisition and Corporate Finance	
Address of Property	: Plots 10, 11 and 12, West bank of Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing, PRC	
Type of Property	: Mixed-use (retail, office, residences)	
Brief Description	: The Property, Beijing Tongzhou Integrated Development Phase 2, is a proposed commercial complex comprising three towers for offices and residences, and a retail podium. It is located on the west bank of Core Tongzhou Grand Canal Zone. The Property is designed to be directly connected to the Metro Lines M6 and S6 via its basement level.	
Land Area	: 49,934 sq m (537,489 sq ft)	
Proposed Gross Floor Area (Incl. Car Park)	: 417,012 sq m (4,488,716 sq ft)	
Registered Owner	: 北京美融加投资有限公司, 鹏瑞利通州开发(4)有限公司, 通州滨海湾开发有限公司 and 通州运河开发有限公司	
Legal Description	: Pursuant to the State-owned Land-use Rights Grant Contracts Jing Di Chu (He) Zi (2013) No. 0160, 0168, and 0159 dated 10 May 2013, 15 May 2013 and 10 May 2013, the land-use rights of the Property with a total site area of 20,423, 16,160 and 13,351 sq m respectively have been granted to 北京美融加投资有限公司 and 鹏瑞利通州开发(4)有限公司, 北京美融加投资有限公司 and 通州滨海湾开发有限公司 and 北京美融加投资有限公司 and 通州运河开发有限公司.	
Tenure	: Commercial : 40 years, Composite : 50 years	
Condition	: At the time of inspection, the Property was under construction.	
Permitted Uses	: Commercial and composite	
General Comments	: The PRC's GDP has been growing steadily. In 2013, it grew by 7.7%. According to the International Monetary Fund (IMF) World Economic Outlook, the PRC is anticipated to grow at an average rate of 7.5% in 2014. In the past decade, there was a growing demand for real estate assets due to the country's urbanisation and increasing affluence of the nation's population. In Tier-1 cities, as infrastructure improves and the city further expands, complex properties draw attention because these assets are more adaptable and comprehensive to the market which enhances the presence of urbanisation in these cities. Tier-2 cities will also attract investors because these cities are undergoing an upgrade of the residential, commercial and retail structure. Hence, there will be more high-end properties available to these markets leading to an expected mid-to-long term stable growth.	
Method of Valuation	: Residual Approach	
Date of Valuation	: 31 March 2014	
Valuation Basis	MARKET VALUE – "As is" basis (RENMINBI FIVE BILLION SEVEN HUNDRED AND EIGHTY THREE MILLION ONLY)	
Valuation	RMB5,783,000,000	
Prepared by	: Colliers International (Hong Kong) Limited	

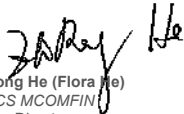

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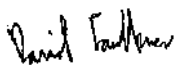

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This valuation certificate is subject to the attached Limiting Conditions

VALUATION CERTIFICATE

Our Reference	: 20793-1	
Name of Property	: Chengdu East High Speed Railway Integrated Development Plots C & D	
Valuation Prepared for	: St. James Holdings Limited	
Purpose of Valuation	: Acquisition and Corporate Finance	
Address of Property	: Plot C & Plot D, East of Qionglai Road, Chenghua District, Chengdu, Sichuan Province, PRC	
Type of Property	: Mixed-use (retail, office, apartment)	
Brief Description	The Property, Chengdu East High Speed Railway Integrated Development Plots C & D, is a proposed complex comprising of four high-rise office buildings above a four-storey retail mall with a three-storey basement that includes retail and car parking use in Block C, and ten high-rise commercial building above a four-storey retail podium with a four-storey basement that includes retail and car parking use in Block D. It is located next to the Chengdu East High Speed Railway (HSR) Station within the Third Ring Road of South-east Chengdu in Chenghua District.	
Land Area	Plot C: 38,313 sq m (412,401 sq ft) Plot D: 55,682 sq m (599,361 sq ft) Total: 93,995 sq m (1,011,762 sq ft)	
Proposed Gross Floor Area (Incl. Car Park)	Plot C: 522,110 sq m (5,619,992 sq ft) Plot D: 512,052 sq m (5,511,732 sq ft) Total: 1,034,162 sq m (11,131,724 sq ft)	
Registered Owner	Plot C: 成都汇峰商业置业有限公司; Plot D: 成都长峰房地产开发有限公司	
Legal Description	Pursuant to the State-owned Land-use Rights Certificate Cheng Guo Yong (2013) No. 40 dated 21 January 2013, the land-use rights of Plot C of the Property with a total site area of 38,313 sq m has been granted to 成都汇峰商业置业有限公司. Pursuant to the State-owned Land-use Rights Certificate Cheng Guo Yong (2013) No. 10 and No. 41 dated 14 January 2013 and 21 January 2013 respectively, the land-use rights of Plot D of the Property with a total site area of 21,916 and 33,766 sq m respectively have been granted to 成都长峰房地产开发有限公司.	
Tenure	Commercial: expiring on 20 February 2051	
Condition	At the time of inspection, Plot C was a parcel of vacant land and Plot D was under construction.	
Permitted Uses	Commercial	
General Comments	The PRC's GDP has been growing steadily. In 2013, it grew by 7.7%. According to the International Monetary Fund (IMF) World Economic Outlook, the PRC is anticipated to grow at an average rate of 7.5% in 2014. In the past decade, there was a growing demand for real estate assets due to the country's urbanisation and increasing affluence of the nation's population. In Tier-1 cities, as infrastructure improves and the city further expands, complex properties draw attention because these assets are more adaptable and comprehensive to the market which enhances the presence of urbanisation in these cities. Tier-2 cities will also attract investors because these cities are undergoing an upgrade of the residential, commercial and retail structure. Hence, there will be more high-end properties available to these markets leading to an expected mid-to-long term stable growth.	
Method of Valuation	Residual Approach	
Date of Valuation	31 March 2014	
Valuation Basis	MARKET VALUE – "As is" basis 50% interest attributable to the Company on various conditions, such as the unanimous approval of both Summit Group and PREHL on the asset sale strategy, the availability of cash in the project companies and an undertaking from Summit Group that sufficient funds are available to ensure completion of the development	Plot C: RMB855,500,000 Plot D: RMB674,500,000 Total: RMB1,530,000,000 (RENMINBI ONE BILLION FIVE HUNDRED THIRTY MILLION ONLY)
Prepared by	Colliers International (Hong Kong) Limited	

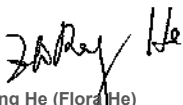

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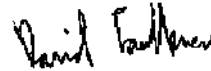
This valuation certificate is subject to the attached Limiting Conditions

VALUATION CERTIFICATE

Our Reference	: 20793 - 4		
Name of Property	: Xi'an North High Speed Railway Integrated Development		
Valuation Prepared for	: St. James Holdings Limited		
Purpose of Valuation	: Acquisition and Corporate Finance		
Address of Property	: Plots 4 and 5, South of Xi'an North High Speed Railway station, Weiyang District, Xi'an, Shaanxi Province, PRC		
Type of Property	: Mixed-use (retail, hotel, office, apartment)		
Brief Description	The Property, Xi'an North High Speed Railway Integrated Development, is comprised of two plots, namely Plots 4 and 5. The Property is to be developed into two hotels, retail podium, apartments, office towers, underground car park spaces, etc. It is located opposite to the Xi'an North High-Speed Railway (HSR) Station near the Jingku expressway of North Xi'an in Weiyang District. The Property is designed to be directly connected to the HSR and Subway Line 2 via its basement level and will have easy access to the future Line 4.		
Land Area	Plot 4: 47,099 sq m (506,974 sq ft) Plot 5: 51,497 sq m (554,314 sq ft) Total: 98,596 sq m (1,061,287 sq ft)		
Proposed Gross Floor Area (Incl. car park)	Plot 4: 404,770 sq m (4,356,942 sq ft) Plot 5: 440,009 sq m (4,736,257 sq ft) Total: 844,779 sq m (9,093,199 sq ft)		
Registered Owner	西安鹏瑞利城投站西置业有限公司 (Plot 4), 西安鹏瑞利城投站东置业有限公司 (Plot 5)		
Legal Description	Pursuant to the State-owned Land-use Rights Grant Contracts No. 2012429-1 and 2012429-2 dated 7 November 2012, the land-use rights of Plots 4 and 5 of the Property located on south of train station and north of Shangxin road with a total site area of 47,099 and 51,497 sq m respectively have been granted to 西安鹏瑞利城投站西置业有限公司 and 西安鹏瑞利城投站东置业有限公司.		
Tenure	Commercial: 40 years.		
Condition	At the time of inspection, the Property was under construction.		
Permitted Uses	Commercial and financial		
General Comments	The PRC's GDP has been growing steadily. In 2013, it grew by 7.7%. According to the International Monetary Fund (IMF) World Economic Outlook, the PRC is anticipated to grow at an average rate of 7.5% in 2014. In the past decade, there was a growing demand for real estate assets due to the country's urbanisation and increasing affluence of the nation's population. In Tier-1 cities, as infrastructure improves and the city further expands, complex properties draw attention because these assets are more adaptable and comprehensive to the market which enhances the presence of urbanisation in these cities. Tier-2 cities will also attract investors because these cities are undergoing an upgrade of the residential, commercial and retail structure. Hence, there will be more high-end properties available to these markets leading to an expected mid-to-long term stable growth.		
Method of Valuation	Residual Approach		
Date of Valuation	31 March 2014		
Valuation Basis	MARKET VALUE – "As is" basis		
		Plot 4: RMB 1,063,000,000 Plot 5: RMB 872,000,000 Total: RMB1,935,000,000 (RENMINBI ONE BILLION NINE HUNDRED THIRTY FIVE MILLION ONLY)	
Prepared by	Colliers International (Hong Kong) Limited		



Zhirong He (Flora He)
MRICS MCOMFIN
Senior Director
Valuation and Advisory Services I China



David Faulkner
BSc(Hons) FRICS FHKIS RPS(GP) MAE
Executive Director
Valuation and Advisory Services I Asia

This valuation certificate is subject to the attached Limiting Conditions

VALUATION CERTIFICATE

Our Reference : 20793-5
Name of Property : Zhuhai Hengqin Integrated Development
Valuation Prepared for : St. James Holdings Limited
Purpose of Valuation : Acquisition and Corporate Finance
Address of Property : East of Huandao East Road, South of Jilin Road,
West of Fulin Road and next to Hengqin Port Plaza,
Hengqin District, Zhuhai, Guangdong Province, PRC



Type of Property : Mixed-use (office, hotel, retail, apartment)
Brief Description : The Property is currently a parcel of vacant land that is planned as a mixed-use development for high-quality office, retail, apartment, hotel, car park spaces, etc. Hengqin Port links to Cotai of Macau by the Lotus Bridge and is the major gateway between Hengqin, Zhuhai in PRC and Macau, the Special Administrative Region. Also, near to the Property, there will be a planned Macau cross-border light rail station and an inter-city station that is an extension from Guangzhou High-Speed train to Zhuhai.

Land Area : 23,834 sq m (256,552 sq ft)

Proposed Gross Floor Area (incl. carpark) : 203,074 sq m (2,185,885 sq ft)

Registered Owner : 珠海横琴信德房地产开发有限公司

Legal Description : Pursuant to the Zhuhai City State-owned Land Use Right Grant Contract (amended) (珠海市国有建设用地使用权出让变更合同) No. 440401-2013-000019 dated 28th November 2013, the land-use rights of the Property with a total site area of 23,834.28 sq m has been granted to 珠海横琴信德房地产开发有限公司 for Mixed-use development (office, hotel, retail, apartments).

Tenure : Commercial: expiring on 1 March 2054, Apartments: expiring on 1 March 2084

Condition : At the time of inspection, the Property was a parcel of vacant land.

Permitted Uses : Mixed-use (office, hotel, retail, apartment)

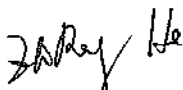
General Comments The PRC's GDP has been growing steadily. In 2013, it grew by 7.7%. According to the International Monetary Fund (IMF) World Economic Outlook, the PRC is anticipated to grow at an average rate of 7.5% in 2014. In the past decade, there was a growing demand for real estate assets due to the country's urbanisation and increasing affluence of the nation's population. In Tier-1 cities, as infrastructure improves and the city further expands, complex properties draw attention because these assets are more adaptable and comprehensive to the market which enhances the presence of urbanisation in these cities. Tier-2 cities will also attract investors because these cities are undergoing an upgrade of the residential, commercial and retail structure. Hence, there will be more high-end properties available to these markets leading to an expected mid-to-long term stable growth.

Method of Valuation : Residual Approach

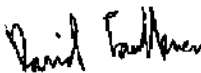
Date of Valuation : 31 March 2014

Valuation Basis : MARKET VALUE – "As is" basis
RMB2,205,000,000
 (RENMINBI TWO BILLION TWO HUNDRED AND FIVE MILLION ONLY)

Prepared by : Colliers International (Hong Kong) Limited



Zhirong He (Pipra He)
 MRICS MCOMFIN
 Senior Director
 Valuation and Advisory Services I China



David Faulkner
 BSc(Hons) FRICS FHKIS RPS(GP) MAE
 Executive Director
 Valuation and Advisory Services I Asia

This valuation certificate is subject to the attached Limiting Conditions

15 August 2014

St. James Holdings Limited
3 Sentosa Gateway #01-01
Singapore 098544

Dear Sirs

VALUATION OF

- (1) 283 STRATA RETAIL UNITS AND 4 STRATA OFFICE UNITS
WITHIN CHINATOWN POINT AT 133 NEW BRIDGE ROAD**
 - (2) 30 VICTORIA STREET, CHIJMES**
 - (3) LOTS 346M, 80001L, 80002C AND 383P TOWN SUBDIVISION 10
AT STAMFORD ROAD/NORTH BRIDGE ROAD**
- SINGAPORE**

1 Instructions

We refer to your instructions to carry out a formal valuation in respect of the abovementioned properties (the "Properties"). We have specifically been instructed to provide our opinion of Market Values of the Properties as at 31 March 2014, for acquisition and corporate finance purposes, as below:

- (1) Subject to existing tenancies and occupational arrangements for Chinatown Point;
- (2) "As-Is" basis taking into account the proposed asset enhancement initiatives (AEI) works and cost of work done and Gross Development Value assuming satisfactory completion of the proposed AEI works and issuance of Certificate of Statutory Completion for Chijmes; and
- (3) In its existing partially completed state of construction taking into account the cost of work done and Gross Development Value of the proposed development assuming satisfactory completion and Issuance of Temporary Occupation Permit and Certificate of Statutory Completion for Stamford Road/North Bridge Road site.

We have, in accordance with the instructions, prepared a formal comprehensive valuation report for each of the Properties.

Our valuation is our opinion of the Market Value, which we would define as intended to mean:

"the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing, but not anxious, buyer and seller;
- (b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market), for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation; and
- (d) that no account is taken of any additional bid by a purchaser with a 'special interest'."

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
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Other Offices:

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Knight Frank Asset Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373



1 Instructions

Our valuation has been made on the assumption that the Properties are sold in the open market without the benefit of a deferred term contract, leaseback or similar arrangement which would serve to affect the value of the Properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect value.

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS).

In preparing this valuation, we have relied on information provided by St. James Holdings Limited and the registered owners, particularly in respect of such matters as tenancy schedules, site and floor areas, other revenue, planning approvals, cost of work done, etc. Dimensions, measurements and areas are only approximations.

We have prepared and provided this Valuation Summary letter outlining key factors that have been considered in arriving at our opinion of values for St. James Holdings Limited. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuations in respect to the Properties, market conditions and available data.

2 Reliance on This Letter

For the purposes of the Circular, we have prepared this letter which summarises our Reports and outlines key factors which have been considered in arriving at our opinion of values. This letter alone does not contain all the necessary data and support information included in our Reports. Knight Frank Pte Ltd has provided St. James Holdings Limited a comprehensive valuation report for each of the Properties. The valuations and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated value is based upon the factual information provided by St. James Holdings Limited. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by St. James Holdings Limited (primarily copies of tenancy schedule and other information) or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every investor and every recipient of the Circular, should review the Reports to understand the complexity of the methodology and the many variables involved.
- (b) The methodologies used by Knight Frank Pte Ltd in valuing the Properties are the Capitalisation Approach and the Comparable Sales Method, where appropriate. The Residual Land Value Method is adopted in valuing the Properties in its existing partially completed state of construction, taking into account the cost of work done and on "As-Is" basis taking into account the proposed asset enhancement initiatives (AEI) works and cost of work done. These valuation methodologies are summarised in Section 5 of this letter.
- (c) The Reports were undertaken based upon information available as at 31 March 2014. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

3 The Properties

Brief descriptions of the Properties are as follows:

- (1) 283 Strata Retail Units and 4 Strata Office Units within Chinatown Point at 133 New Bridge Road

Chinatown Point is a 25-storey commercial development with 2 basement levels which underwent a major facelift in 2012. It comprises a 4-storey retail podium block with 2 basement levels and a 25-storey office tower block accommodating a supermarket, restaurants & cafes, retail units, fast food outlets, travel agencies from Basement 2 to the 3rd storey and a Chinese-themed collection library@chinatown at the 4th storey.

The Property comprises a total of 283 strata retail units within the retail podium block and 4 strata office units within the office tower block of Chinatown Point.

- (2) 30 Victoria Street, Chijmes

Chijmes is a retail, dining, entertainment and cultural complex with conservation and adaptive reuse of historical property. It comprises four blocks of one to two-storey, two basement levels and a Chapel. The two historic buildings are the Old Convent of Holy Infant Jesus Chapel and Caldwell House. Grant of Written Permission was obtained on 15 August 2013 for the proposed AEI works which include reconfiguration of F&B and entertainment outlets on Basement 1, restoration of historical elements of building, upgrading of equipment and internal finishing, etc. The AEI works are expected to be completed by end 2014.

- (3) Lots 346M, 80001L, 80002C and 383P Town Subdivision 10 at Stamford Road/North Bridge Road

The Property is a mixed-use development which will, upon completion, comprise a new 15-storey building accommodating a retail podium block and a residential tower block above it, conservation and restoration of Capitol Building and Stamford House into a new luxury boutique hotel and commercial use including a pedestrian mall/galleria in the existing streets between Capitol Theatre and Capitol Building/Stamford House and restoration of Capitol Theatre into a cinema-cum-performance theatre. There will be an underground pedestrian connection to City Hall MRT Interchange station. The retail mall is known as Capitol Piazza, the hotel is known as The Patina, Capitol Singapore whilst the residential apartment is known as Eden Residences Capitol. We understand that The Patina, Capitol Singapore will be managed by Patina Hotels & Resorts.

4 Summary of Property Details

The following table summarises key property details for each of the Properties:

Property	Gross Floor Area (sm)	Net Lettable/ Strata Floor Area (sm)	Remaining Land Lease Term (Years)
283 Strata Retail Units and 4 Strata Office Units within Chinatown Point at 133 New Bridge Road			
Retail*	16,161.00	19,330.8	65.6
Office	393.00	393.0	
	<u>16,554.00</u>	<u>19,723.8</u>	
* Excluding Civic & Community Institution (C&CI) space	(Strata)		
30 Victoria Street Chijmes		7,413.0 (pre AEI)	76.1
	14,805.61 (post AEI)	10,414.4 (post AEI)	
Lots 346M, 80001L, 80002C and 383P Town Subdivision 10 at Stamford Road/North Bridge Road	51,283.56 (total)		95.8
Retail (new podium)		8,939.0	
Retail (conservation buildings)		3,250.0	
Residential		<u>12,012.0</u>	
		<u>24,201.0</u>	

5 Valuation Rationale

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the commercial/residential property market. We have utilised the Capitalisation Approach, Comparable Sales Method and Residual Land Value Method, where appropriate, in undertaking our assessment for each of the Properties.

Capitalisation Approach

In the Capitalisation Approach, the estimated gross revenue has been adjusted, where appropriate, to reflect an ongoing vacancy and bad debts allowance, operating expenses, property tax and property management fees, producing a net income.

The net income of the Property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment, based on analysis of yields reflected in the sales of comparable property types. Capital adjustments such as letting-up allowance, capital expenditure/asset enhancement cost and capitalised rental reversions are then made to derive the capital value of the Property.

Gross revenue comprises rental from existing and committed tenancies, potential future income from vacant units (if any), turnover and other income of the Property. Other income includes rentals of atrium space, A&P income, car park and other miscellaneous income.

5 Valuation Rationale

Comparable Sales Method

In this method, a comparison is made with sales of similar properties. Adjustments are made for differences in tenure, location, floor area, age, storey level, type of development, date of sale, etc., before arriving at the value of the Property.

Residual Land Value Method

In this method, the value of the Property on "As-Is" basis and in its existing partially completed state of construction taking into account the cost of work done is arrived at by deducting estimated cost to complete (including professional fees, project management fees, contingency, development and design fees, etc.) and other relevant costs from the gross development value of the proposed development assuming satisfactory completion.

The gross development value is arrived at by the Capitalisation Approach and the Comparable Sales Method, where appropriate.

6 Summary of Values

We are of the opinion that the Market Values of the unencumbered remaining leasehold interest in the Properties, as at 31 March 2014, in accordance to the parameters set out in Section 1 of this letter, are:

Property	Market Value
283 Strata Retail Units and 4 Strata Office Units within Chinatown Point at 133 New Bridge Road	S\$424,500,000 (subject to existing tenancies and occupational arrangements)
30 Victoria Street Chijmes	S\$266,000,000 ("As-Is" basis taking into account the AEI works and cost of work done) S\$335,000,000 (Gross Development Value assuming satisfactory completion of the proposed AEI works and issuance of Certificate of Statutory Completion)
Lots 346M, 80001L, 80002C and 383P Town Subdivision 10 at Stamford Road/North Bridge Road	S\$760,000,000 (In its existing partially completed state of construction taking into account the cost of work done) S\$1,126,150,000 (Gross Development Value assuming satisfactory completion and issuance of Temporary Occupation Permit and Certificate of Statutory Completion)

7 Disclaimer

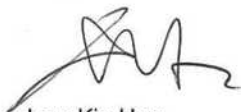
We have prepared this Valuation Summary letter or a summary thereof for inclusion in the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the Valuation Summary letter or the valuation reports. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary letter or the valuation reports.

Knight Frank Pte Ltd has been provided and relied on information provided by external third parties which we assumed to be accurate and true. This information has not been independently verified. Knight Frank Pte Ltd takes no responsibility and do not make any warranty or representation as to the accuracy of the data other than those expressly made or given in this document.

The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.

The document together with its opinions and conclusions are limited to the reported assumptions, limitations and qualifications and are based on the valuers' unbiased professional analyses, opinions and conclusions.

Yours faithfully
Knight Frank Pte Ltd



Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Managing Director, Valuation
Appraiser's Licence No. AD 041-20037521

VALUATION CERTIFICATE

Property	: 283 strata retail units and 4 strata office units within Chinatown Point at 133 New Bridge Road, Singapore 059413
Client	: St. James Holdings Limited
Purpose	: Acquisition and corporate finance
Legal Description	: Land Lot No. 401M pt Town Subdivision 6 <i>Note: Individual Subsidiary Strata Certificates of Titles have been issued for "Chinatown Point".</i>
Tenure	: Leasehold 99 years with effect from 12 November 1980 (Balance of about 65.6 years as at 31 March 2014)
Basis of Valuation	: Market value subject to existing tenancies and occupational arrangements
Registered Owners	: CP1 Pte. Ltd, CP2 Pte. Ltd, CP3 Pte. Ltd, CP4 Pte. Ltd and CP5 Pte. Ltd.
Land Area of Lot No. 401M Town Subdivision 6	: 9,216.2 sm
Master Plan 2008 & 2014	: "Commercial" with a gross plot ratio of 5.6
Brief Description	: "Chinatown Point" is bounded by Upper Cross Street, New Bridge Road and Upper Hokkien Street, within the traffic restricted zone of the Central Business District, and approximately 1.0 km from the City Centre. It is a 25-storey commercial development with 2 basement levels which underwent a major facelift in 2012. It comprises a 4-storey retail podium block with 2 basement levels and a 25-storey office tower block. There is a covered linkway from the subject development to the Chinatown MRT station (NE4) at the 1st storey and a direct link to the newly completed Downtown Line 1, Chinatown MRT station (DT4) at Basement 1. The development is also linked to Hong Lim Complex via a covered linkway at the 1st storey and to People's Park Centre and Hong Lim Food Centre via pedestrian overhead bridges at the 2nd storey. The Property comprises a total of 283 strata retail units within the retail podium block and 4 strata office units within the office tower block of Chinatown Point.
Gross Floor Area	: 28,961.26 sm
Strata Floor Area	: Retail : 16,161.0* sm Office : 393.0 sm Total : 16,554.0 sm
Net Lettable Area	: Retail : 19,330.8* sm Office : 393.0 sm Total : 19,723.8 sm * Excluding Civic & Community Institution (C&CI) space of 1,728.0 sm
Valuation Approaches	: Capitalisation Approach and Comparable Sales Method, where appropriate
Date of Valuation	: 31 March 2014
Market Value	: S\$424,500,000/- (Singapore Dollars Four Hundred Twenty-Four Million And Five Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By	: Knight Frank Pte Ltd



Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Managing Director, Valuation
Appraiser's Licence No. AD 041-2003752I

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
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Knight Frank Asset Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

LIMITING CONDITIONS

This Valuation Certificate is subject to the following limiting conditions:

- (1) The Valuer's responsibility in connection with this certificate is limited to the client to whom the certificate is addressed. The Valuer disclaims all responsibility and will accept no liability to any other party.
- (2) Reproduction of this certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer's prior written approval of the form and context in which may appear is prohibited.
- (3) The opinion expressed in this certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.
- (4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.
- (5) The Valuer does not warrant to the client to whom the certificate is addressed and any other person the title or the rights of any person with regard to the property.
- (6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.
- (7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- (8) The Valuer is not obliged to give testimony or to appear in Court with regard to this certificate, with reference to the property unless specific arrangement has been made therefor.

VALUATION CERTIFICATE

Property	: 30 Victoria Street "Chijmes" Singapore 187996
Client	: St. James Holdings Limited
Purpose	: Acquisition and corporate finance
Legal Description	: Lot No. 419V Town Subdivision 11
Tenure	: Leasehold 99 years with effect from 13 May 1991 (Balance of about 76.1 years as at 31 March 2014)
Basis of Valuation	: Market values on "As-Is" basis taking into account the proposed asset enhancement initiatives (AEI) works and cost of work done and assuming satisfactory completion.
Registered Owner	: PRE 8 Investments Pte. Ltd.
Land Area	: 14,312.8 sm
Master Plan 2008 & 2014	: "Commercial" and within Conservation Area. <i>Note: Based on the Written Permission granted on 15 August 2013, the approved gross plot ratio is 1.0344.</i>
Brief Description	: Chijmes is bounded by Victoria Street along its north-western boundary, Bras Basah Road along its north-eastern boundary and North Bridge Road along its south-eastern boundary. The Property is situated just inside the traffic-restricted zone of the Central Business District and is part of the historic Civic District. The City Hall MRT Interchange station is within walking distance. Chijmes is a retail, dining, entertainment and cultural complex with conservation and adaptive reuse of historical property. The Property comprises four blocks of one to two-storey, two basement levels and a Chapel. It is currently undergoing AEI works which are expected to be completed by end 2014.
Gross Floor Area	: Post AEI : 14,805.61 sm
Net Lettable Area	: Pre AEI : 7,413.0 sm Post AEI : 10,414.4 sm
Cost to Complete As At 31 March 2014	: S\$34.096 million approximately
Valuation Approaches	: Residual Land Value Method. The Gross Development Value assuming satisfactory completion is derived by the Capitalisation Approach.
Date of Valuation	: 31 March 2014
Market Value	: S\$266,000,000/- (Singapore Dollars Two Hundred And Sixty-Six Million Only) "AS-IS" BASIS TAKING INTO ACCOUNT THE PROPOSED AEI WORKS AND COST OF WORK DONE S\$335,000,000/- (Singapore Dollars Three Hundred And Thirty-Five Million Only) GROSS DEVELOPMENT VALUE ASSUMING SATISFACTORY COMPLETION OF THE PROPOSED AEI WORKS AND ISSUANCE OF CERTIFICATE OF STATUTORY COMPLETION
Assumptions, Disclaimers, Limitations & Qualifications	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>
Prepared By	: Knight Frank Pte Ltd  Low Kin Hon B.Sc.(Estate Management) Hons.,FSISV Managing Director, Valuation Appraiser's Licence No. AD 041-2003752I

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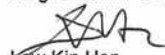
LIMITING CONDITIONS

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- (2) Reproduction of this certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer's prior written approval of the form and context in which may appear is prohibited.
- (3) The opinion expressed in this certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.
- (4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.
- (5) The Valuer does not warrant to the client to whom the certificate is addressed and any other person the title or the rights of any person with regard to the property.
- (6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.
- (7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- (8) The Valuer is not obliged to give testimony or to appear in Court with regard to this certificate, with reference to the property unless specific arrangement has been made therefor.

VALUATION CERTIFICATE

Property	Lot Nos. 346M, 80001L, 80002C and 383P Town Subdivision 10 at Stamford Road/North Bridge Road, Singapore		
Client	St. James Holdings Limited		
Purpose	Acquisition and corporate finance		
Legal Description	Lot Nos. 346M, 80001L, 80002C and 383P Town Subdivision 10		
Tenure	Leasehold 99 years with effect from 24 January 2011 (Balance of about 95.8 years as at 31 March 2014)		
Basis of Valuation	Market values in its existing partially completed state of construction taking into account the cost of work done and assuming satisfactory completion		
Registered Owners	Capitol Retail Management Pte. Ltd. (37/100 shares, In Trust), Capitol Hotel Management Pte. Ltd. (33/100 shares, In Trust) and Capitol Residential Development Pte. Ltd. (30/100 shares) as tenants in common in unequal shares		
Land Area	16,506.2 sm, including subterranean land		
Master Plan 2008 & 2014	"Commercial", part gross plot ratio 3.5 (building height subject to detailed control) and part Conservation Area		
Brief Description	The subject land parcel is located at the junction of Stamford Road/North Bridge Road, within the traffic restricted zone of the Central Business District and the Civic District. The proposed development is a mixed-use development which will, upon completion, comprise a new 15-storey building accommodating a retail podium block and a residential tower block above it, conservation and restoration of Capitol Building and Stamford House into a new luxury boutique hotel and commercial use including a pedestrian mall/galleria in the existing streets between Capitol Theatre and Capitol Building/Stamford House and restoration of Capitol Theatre into a cinema-cum-performance theatre. There will be an underground pedestrian connection to City Hall MRT Interchange station. The retail mall is known as Capitol Piazza, the hotel (total 157 rooms) is known as The Patina, Capitol Singapore whilst the residential apartment (total 39 units) is known as Eden Residences Capitol. The proposed development is expected to be completed by early 2015.		
Proposed Gross Floor Area	51,283.56 sm		
Proposed Net Lettable/ Strata Floor Areas	Retail (new podium)	8,939.0 sm	
	Retail (conservation buildings)	3,250.0 sm	
	Residential	12,012.0 sm	
	Total :	24,201.0 sm	
Cost to Complete As At 31 March 2014	S\$245.516 million approximately		
Valuation Approaches	Residual Land Value Method. The Gross Development Values of each component assuming satisfactory completion are derived by the Capitalisation Approach and Comparable Sales Method, where appropriate.		
Date of Valuation	31 March 2014		
Market Value	S\$760,000,000/- (Singapore Dollars Seven Hundred And Sixty Million Only) IN ITS EXISTING PARTIALLY COMPLETED STATE OF CONSTRUCTION TAKING INTO ACCOUNT THE COST OF WORK DONE S\$1,126,150,000/- (Singapore Dollars One Billion One Hundred Twenty-Six Million One Hundred And Fifty Thousand Only) GROSS DEVELOPMENT VALUE OF THE PROPOSED DEVELOPMENT ASSUMING SATISFACTORY COMPLETION AND ISSUANCE OF TEMPORARY OCCUPATION PERMIT AND CERTIFICATE OF STATUTORY COMPLETION		
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorized, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorized use or reliance. The document should not be reproduced without our written authority. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>		
Prepared By	Knight Frank Pte Ltd		


 Low Kin Hon
 B.Sc.(Estate Management) Hons.,FSISV
 Managing Director, Valuation
 Appraiser's Licence No. AD 041-20037521

Knight Frank Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
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 Knight Frank Asset Management Pte Ltd 16 Raffles Quay #30-01 Hong Leong Building Singapore 048581
 KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

LIMITING CONDITIONS

This Valuation Certificate is subject to the following limiting conditions:

- (1) The Valuer's responsibility in connection with this certificate is limited to the client to whom the certificate is addressed. The Valuer disclaims all responsibility and will accept no liability to any other party.
- (2) Reproduction of this certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement without the Valuer's prior written approval of the form and context in which may appear is prohibited.
- (3) The opinion expressed in this certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.
- (4) All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.
- (5) The Valuer does not warrant to the client to whom the certificate is addressed and any other person the title or the rights of any person with regard to the property.
- (6) Unless otherwise stated all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.
- (7) While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects.
- (8) The Valuer is not obliged to give testimony or to appear in Court with regard to this certificate, with reference to the property unless specific arrangement has been made therefor.

Our Ref: PKE:HN:ao:3.477:1404158

23 June 2014

The Board of Directors
St. James Holdings Limited
3 Sentosa Gateway #01-01
Singapore 098544

Dear Sirs

**RE : VALUATION OF 101 PENANG ROAD, HOUSE OF TAN YEOK NEE,
SINGAPORE 238466**

This Valuation Certificate has been prepared in accordance with the instructions from St. James Holdings Limited to determine the market value of the subject property as at 31 March 2014 ("the material date of valuation") for acquisition and corporate finance purposes. We confirm that we have inspected the property and made relevant local searches and enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the market value of the subject property as at 31 March 2014.

The term "Market Value" as used herein is intended to mean "the highest value" at which the sale interest in property might reasonably be expected to have been completed at the date of valuation, assuming,

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation has been made on the assumption that the owner sells the property on the market without the benefit of deferred term contracts, sale & leasebacks, joint ventures or any similar arrangements which would affect the value of the property.

The subject property has been valued by the Capitalisation Approach and Discounted Cash Flow Analysis.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

.../Page 2

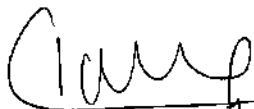
Information as to tenure, site area and ownership is obtained from our searches carried out at the Singapore Land Authority. We have also relied to a considerable extent on information provided by TYN Investment Group Pte Ltd particularly in relation to matters such as lettable floor areas, proposed capital expenditure, tenancy details and outgoings.

We were not instructed to carry out structural survey of the building, or to test any of the services, but we have reflected in our valuation, where necessary, any items of disrepair which we noticed during the course of our inspection. We are not, however, able to report that the building is free of rot, infestation or any other defect.

Neither the whole of this letter, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

A brief description of the subject property is appended to this valuation certificate.

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD



Poh Kwee Eng (Ms)
Executive Director
Regional Head of Valuation, SE Asia
BSc (Est Mgt) FSISV, MRICS
(Appraiser's Licence No: AD041-2003168D)

VALUATION CERTIFICATE

Client : St. James Holdings Limited

Address : 101 Penang Road
House of Tan Yeok Nee
Singapore 238466

Purpose of Valuation : Acquisition and Corporate Finance.

Registered Proprietor : TYN Investment Pte Ltd

Tenure : Freehold.

Master Plan Zoning (2014 Edition) : Commercial and gazetted as a national monument.

Brief Description : House of Tan Yeok Nee is located at the junction of Clemenceau Avenue and Penang Road, diagonally opposite the Istana Park and approximately 3 km from the city centre at Raffles Place.

The subject property comprises a part 1/part 2-storey conserved chinese courtyard house which is part of the mixed development known as Visioncrest.

Strata Floor Area : 6,433 sq.m. including 2,330 sq.m. of void area.

Net Lettable Area * : 2,103.05 sq.m.

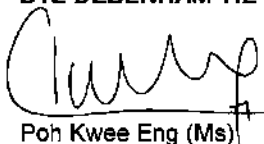
Valuation Methodologies : Capitalisation Approach and Discounted Cash Flow Analysis.

Valuation Date : 31 March 2014

Valuation : **S\$74,200,000/-**
(Singapore Dollars Seventy-Four Million And Two Hundred Thousand)

* Based on information provided.

for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD



Poh Kwee Eng (Ms)
Executive Director
Regional Head of Valuation, SE Asia
BSc (Est Mgt) FSISV, MRICS
(Appraiser's Licence No: AD041-2003168D)

Date : 23 June 2014
Our Ref : PKE:HN:ao:1404158

LIMITING CONDITIONS

This property Valuation and Report has been prepared subject to the following limiting conditions :-

1) VALUATION BASIS

Our valuation is made on the basis of Market Value. This is intended to mean the highest value at which the sale interest in the property might reasonably be expected to have been completed on the date of valuation, assuming :

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms for the completion of the sale;
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- d) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.

Values are reported in Singapore Currency.

2) CONFIDENTIALITY

Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear.

3) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

4) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

5) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plan (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

6) STRUCTURAL SURVEYS

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

7) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

8) ATTENDANCE IN COURT

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefor.

9) MAXIMUM LIABILITY

Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence.



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15 August 2014

St James Holdings Limited
3 Sentosa Gateway #01-01
Singapore 098544

Dear Sirs,

VALUATION OF:

- (1) 112 KATONG, 112 East Coast Road, Singapore 428802
- (2) TRIPLEONE SOMERSET, 111 Somerset Road, Singapore 238164

Instructions

We refer to your instructions to carry out a valuation in respect of the abovementioned properties for acquisition and corporate financing purposes. Our instructions are to provide our opinion of the market value of the leasehold interests in the properties as at 31 March 2014, on 'As Is' basis and subject to existing and committed tenancies. For the property at TRIPLEONE SOMERSET, we have been advised that asset enhancement initiatives ("AEI") will be carried out and we have also been instructed to provide our opinion of its market value assuming the asset enhancement initiatives are fully completed based on the scheme provided.

We confirm that we have inspected the subject properties and have prepared full valuation reports ("Reports") in accordance with the requirements of the instructions.

The valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

Our valuation is on the basis of Market Value which is defined as the "estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This definition of value is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors (RICS).

Our valuation has been made on the assumption that the properties are sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the value of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the properties are free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Reliance on This Letter

This letter and the enclosed valuation certificates provide a summary of our Reports and outline key factors which we have considered in arriving at our opinion of values. This letter and the valuation certificates do not contain all the necessary data and information included in our Reports. For further information, reference should be made to the Reports.

The valuations and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated value is based upon the factual information and proposed AEI scheme provided by the owner/asset manager. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavoured to ensure the accuracy of the information, it has not independently verified all information provided by the owner/asset manager. Colliers International also accepts no responsibility for subsequent changes in information as to areas, income, expenses, AEI scheme or market conditions.
- The methodologies adopted in valuing the properties are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the properties and future economic conditions in the local market.

Summary of Property Information

No.	Property	Remaining Lease Term	Land Area (sm)	Gross Floor Area (sm)	Lettable Area (sm)
1	112 KATONG 112 East Coast Road, Singapore 428802	64.4 years	7,261.1	26,207.6	19,246.0
2	TRIPLEONE SOMERSET 111 Somerset Road, Singapore 238164	59.9 years	10,165.5	71,214.16	52,469.4

Valuation Rationale

In determining the market value of the properties, we have considered relevant general and economic factors and examined available market evidence in particular recent sales and leasing transactions of comparable properties. We have used the Income Capitalisation Method and Sales Comparison Method. In addition, Discounted Cash Flow Analysis has been applied in the valuation of 112 KATONG.

In the Income Capitalisation Method, the estimated annual net income of the property after deducting all necessary outgoings is capitalized at an appropriate rate of return for the balance term of the lease tenure to arrive at the market value. The adopted rate reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

The Discounted Cash Flow (DCF) Analysis entails comparison of all future receipts from an investment with all future outgoings and the application of an appropriate discounted rate to this flow of net income to determine the net present value (NPV) of this income stream. The property is hypothetically assumed to be sold after the end of the tenth year. In undertaking this method, a wide range of assumptions are made including rental growth and outgoings escalation throughout the cash flow period as well as sale price (or terminal value) of the property at the end of the investment horizon. The future estimates adopted for rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date. These assumptions have been based on the current market conditions and current expectations as to property values, income and yield.

Summary of Values

Summarised below are our opinion of values:

No.	Property	Market Value as at 31 March 2014 (S\$)
1	112 KATONG 112 East Coast Road, Singapore 428802	439,000,000
2	TRIPLEONE SOMERSET 111 Somerset Road, Singapore 238164	983,000,000 ('As Is' basis) 1,400,000,000 (assuming full completion of AEI)*

**Based on the proposed scheme made known to us and subject to approval by URA and relevant authorities*

Disclaimer

We have prepared this Valuation Summary Letter and the enclosed Valuation Certificates for inclusion in the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the Reports and this Valuation Summary Letter.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Colliers International has relied upon the property data supplied by the owner/asset manager which we assume to be true and accurate. Colliers International takes no responsibility for inaccurate data supplied by the owner/asset manager and subsequent conclusions related to such data.

We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorised to practise as valuers and have at least 15 years continuous experience in valuation.

Our Valuation Certificates are appended.

Yours faithfully
Colliers International Consultancy & Valuation (Singapore) Pte Ltd



Goh Seow Leng
B Sc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2003809B
Executive Director (Valuation & Advisory)

Encl



VALUATION CERTIFICATE

Address of Property	:	112 East Coast Road 112 KATONG Singapore 428802
Valuation Prepared For	:	St James Holdings Limited
Purpose of Valuation	:	For acquisition and corporate financing
Type of Property	:	A 5-storey shopping mall with 3 basement levels
Brief Description	:	112 KATONG is located on the southern side of East Coast Road, at its junction with Joo Chiat Road, some 9 km from the City Centre. Free shuttle bus service is provided between the development and the Paya Lebar MRT Interchange at regular intervals. Accessibility is further enhanced by its close proximity to the Nicoll Highway, East Coast Parkway and Kallang- Paya Lebar Expressway. The immediate surrounding is mixed residential and commercial in nature comprising apartment/ condominium developments, commercial buildings, shophouses, hotels, places of worship and HDB flats at Marine Parade. Also located nearby is the East Coast Park with beaches and many sea sports/recreational facilities. The development comprises a 5-storey shopping mall with 3 basement levels accommodating retail shops, restaurants, food & beverage (F&B) outlets, a bank, a supermarket, clinics, enrichment centres, a food court, a cinema and a roof-top landscaped garden with wet playground. A total of 304 car park lots and 4 handicap car park lots are provided at Basement 2 and Basement 3.
Legal Description	:	Lot 5892L Mukim 26
Tenure	:	99-year leasehold estate commencing 17 August 1979 (with a balance lease term of 64.4 years)
Registered Proprietor	:	DBS Trustee Limited (in its capacity as trustee of Perennial Katong Retail Trust)
Site Area	:	7,261.1 sm or thereabouts
Gross Floor Area	:	Approximately 26,207.6 sm (based on approved plan and subject to survey)

Lettable Floor Area	: Approximately 19,246 sm (as provided)
Year of Completion	: The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 29 November 2011 and 29 January 2013 respectively.
Condition of Building	: Good
Master Plan Zoning (2008 Edition)	: "Commercial"
Methods of Valuation	: Discounted Cash Flow Approach, Income Capitalisation Method and Sales Comparison Method
Basis of Valuation	: 'As Is' basis and subject to the existing tenancies
Date of Valuation	: 31 March 2014
Valuation	: Market Value S\$439,000,000/- (Singapore Dollars Four Hundred and Thirty-Nine Million Only)

Prepared by:
Colliers International Consultancy & Valuation (Singapore) Pte Ltd



Goh Seow Leng
B Sc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2003809B
Executive Director (Valuation & Advisory)

GSL/KN/k

This valuation certificate is subject to the attached Limiting Conditions.



VALUATION CERTIFICATE

Address of Property	:	111 Somerset Road TRIPLEONE SOMERSET Singapore 238164
Valuation Prepared For	:	St James Holdings Limited
Purpose of Valuation	:	For acquisition and corporate financing
Type of Property	:	A 17-storey commercial development with basement carpark
Brief Description	:	TRIPLEONE SOMERSET is located on the southern side of Somerset Road, off Orchard Road and approximately 3 km from the City Centre. The Somerset MRT Station is just across the road. The immediate vicinity is a prime shopping and entertainment belt comprising predominantly shopping complexes, serviced apartments, hotels and office buildings. Prominent developments in the vicinity include 313 @ Somerset, Orchard Central, Comcentre, Orchard Cineleisure, Mandarin Orchard and Mandarin Gallery, Ngee Ann City and Winsland House. The subject 17-storey development comprises an office tower with 2 levels of retail space and 2 basement levels of car park. Major tenants include WorleyParsons Pte Limited, AXA Life Insurance Singapore Pte Ltd, International Air Transport Association, Petroleum Geo-Services Asia Pacific Pte Ltd and Singapore Power Ltd. We are given to understand that there are proposed asset enhancement initiatives ("AEI") which will involve addition and alteration works to the building to reconfigure and add more retail space by extending the retail footprint on the 1st and 2nd storeys, converting 2 levels of basement car park and 3rd storey office space to retail space and re-locating the car park to the upper levels. In addition, there will be an underground linkway to connect the building to the Somerset MRT Station and some mechanical equipment will also be upgraded. The proposed AEI is subject to approval by URA and relevant authorities. It is estimated to cost about S\$150 million and scheduled to take approximately 2 years to complete.
Legal Description	:	Lots 678N and 1421V Town Subdivision 21
Tenure	:	99-year leasehold estate commencing 19 February 1975 (with a balance lease term of approximately 59.9 years)

Registered Proprietor	: Perennial (Somerset) Pte. Ltd.						
Site Area	: 10,165.50 sm or thereabouts						
Gross Floor Area	: Approximately 71,214.16 sm - as provided and subject to survey						
Letttable Floor Area	: Based on the Tenancy Schedule provided, the letttable areas are as follows:						
	<table> <tr> <td>Office Area</td><td>45,942.7 sm</td></tr> <tr> <td>Retail Area*</td><td><u>6,526.7 sm</u></td></tr> <tr> <td>Total</td><td><u>52,469.4 sm</u></td></tr> </table>	Office Area	45,942.7 sm	Retail Area*	<u>6,526.7 sm</u>	Total	<u>52,469.4 sm</u>
Office Area	45,942.7 sm						
Retail Area*	<u>6,526.7 sm</u>						
Total	<u>52,469.4 sm</u>						
	<i>*Including Outdoor Refreshment Area</i>						
	According to the plan made known to us, the proposed letttable area after the AEI (subject to further feasibility studies by consultants and planning authorities' approvals) will be as follows:						
	<table> <tr> <td>Office Area</td><td>29,270.4 sm</td></tr> <tr> <td>Retail Area</td><td><u>22,270.5 sm</u></td></tr> <tr> <td>Total</td><td><u>51,540.9 sm</u></td></tr> </table>	Office Area	29,270.4 sm	Retail Area	<u>22,270.5 sm</u>	Total	<u>51,540.9 sm</u>
Office Area	29,270.4 sm						
Retail Area	<u>22,270.5 sm</u>						
Total	<u>51,540.9 sm</u>						
Year of Completion	: We understand that the original building was built circa 1970s. Addition and alteration works were carried out in 2006 and subsequently in late 2009/early 2010.						
Condition of Building	: Generally good						
Master Plan Zoning (2008 Edition)	: "Commercial"						
Methods of Valuation	: Income Capitalisation Method and Sales Comparison Method						
Basis of Valuation	: (a) 'As Is' basis and subject to the existing tenancies (b) Assuming full completion of the proposed AEI based on the scheme outlined above and subject to approval by URA and relevant authorities						

Date of Valuation : 31 March 2014

Valuation : (a) 'As Is' basis

Market Value **S\$983,000,000/-**
(Singapore Dollars Nine Hundred and Eighty-Three Million Only)

(b) Assuming full completion of the proposed AEI

Gross Development Value **S\$1,400,000,000/-**
(Singapore Dollars One Billion and Four Hundred Million Only)

Prepared by:
Colliers International Consultancy & Valuation (Singapore) Pte Ltd



Goh Seow Leng
B Sc (Est Mgt), MSISV
Appraiser's Licence No. AD041-2003809B
Executive Director (Valuation & Advisory)

GSL/KN/k

This valuation certificate is subject to the attached Limiting Conditions.

LIMITING CONDITIONS

1. Values are reported in Singapore currency unless otherwise stated.
2. In our valuation it is presumed that the property as currently used is not in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise.
3. For obvious reasons, we do not and cannot provide information relating to government acquisitions unless the land has already been gazetted for acquisition.
4. No requisition on road, MRT, LRT, drainage and other government proposals has been made. Such information will not be tendered unless specifically requested for and we be properly reimbursed.
5. While due care is exercised in the course of our inspection to note any serious defects, we will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible. Further, we will not be able to report that the building is free from rot, infestations or other defects. The building services will not be tested but will be presumed to be in good working order. We recommend that appropriately qualified persons be engaged to undertake investigations excluded from our scope of work.
6. Neither the whole nor any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorised inclusion or publication and reserve the right to claim for any loss, liability, costs or expenses (including but not limited to professional or executive time) we may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
7. In accordance with our usual practice, we must state that this valuation report is restricted to the client or person to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.
8. Where it is stated in the valuation report that information has been supplied to us by another party, the information is presumed to be reliable and we do not accept any responsibility should it be proven otherwise. The study of possible alternative development options and the related economics are not within the scope of this report unless expressly stated.
9. Our opinion of the market value of the property is free from any influence and/or point of views of any other parties.
10. Any market projections incorporated within our services including but not limited to, income, expenditure, associated growth rates and other variables are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
11. No allowance will be made in our valuation report for any charges, mortgages or other claims affecting the property nor for any costs, expenses, taxation or outgoings which may be involved in any transaction of the property.
12. The title to the property is presumed to be good and marketable and, unless mentioned in this valuation report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.
13. Any plans included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
14. All Location Plans are obtained from Streetdirectory.com. Whilst we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.
15. We shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed. For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets. The amount of aggregate liability of Colliers is limited to the fee for this service.

Stone Forest Corporate Advisory

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15 August 2014

The Board of Directors
St. James Holdings Limited
3 Sentosa Gateway
Singapore 098544

Dear Sirs,

FAIR MARKET VALUE OF THE BUSINESS AS AT 30 JUNE 2014

1. INTRODUCTION

Stone Forest Corporate Advisory Pte Ltd ("SFCA") has been appointed by the Board of Directors (the "Directors") of St. James Holdings Limited ("St. James") to conduct a Fair Market Value of the businesses relating to the provision of asset management, property management and project or development management services (herein defined as the "Business") of the following entities from Perennial Real Estate Holdings Pte Ltd ("PREHPL") as at 30 June 2014:-

- 100% of Perennial (Singapore) Retail Management Pte. Ltd. ("PSRM")
- 100% of Perennial (Singapore) Asset Management Pte. Ltd. ("PSAM")
- 100% of Perennial China Retail Management Pte. Ltd. ("PCRM") and its subsidiaries
- 82.5% of Perennial China Retail Trust Management Pte. Ltd. ("PCRTM").

(The above identified companies are herein grouped and referred in this letter ("Letter") as "Targets")

For the avoidance of any doubt, the Fair Market Value of the Business refers to the Enterprise Value of the Business held under the entities described above.

As at 30 June 2014, the 82.5% interest in PCRTM is held by Perennial Real Estate Pte Ltd ("PRE"). The 82.5% interest in PCRTM takes into account the increase in effective interest in PCRTM from 78% to 82.5% on the basis that there is an immediate obligation by a shareholder to transfer 4.5% equity interest in PCRTM to PRE.

As at 30 June 2014, PREHPL owns 49% of PRE. The 51% interest in PRE is held under Mr Pua Seck Guan ("Mr Pua"). Mr Pua shall transfer his 51% interest in PRE to St James after 26 July 2016. This is due to i) an undertaking given by Mr Pua to PCRTM, which requires him to continue holding the shares in PRE until the date falling five years after the listing of Perennial China Retail Trust ("PCRT") and ii) a covenant in relation to PCRT S\$500,000,000 Multicurrency Medium Term Note Programme, to hold at least 51% of the shares until 26 July 2016.

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For all intents and purposes, St James will eventually own 100% of PRE in stages:-

- (a) On completion date, the transfer of 49% interest in PRE to St. James which will result in St James owning an effective interest of 40.425% in PCRTM (i.e. $49\% \times 82.5\%$).
- (b) After 26 July 2016, the transfer of 51% interest in PRE by Mr Pua to St. James which will result in St James increasing its effective interest in PCRTM from 40.425% to 82.5% in PCRTM.

This Letter indicates our conclusion of the valuation of the Business that is contained in our valuation report dated 15 August 2014 (the "**Report**"). Accordingly, this Letter should be read in conjunction with the full text of the Report.

2. TERMS OF REFERENCE

Scope of work

SFCA has been appointed by the Board of St. James to conduct an independent valuation and provide a Fair Market Value of the Business of the Targets as at 30 June 2014.

The management of PREHPL has provided to us the historical gross revenue and operating expenses relating to the provision of asset management, property management and project or development management services of Targets.

Fair Market Value is defined as the price at which the Business would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. For the avoidance of any doubt, the Fair Market Value of the Business refers to the Enterprise Value of the Business of the Targets.

We have considered the nature and economic characteristics of the Business. We have applied the Income Approach to arrive at the Fair Market Value of the Business. The Fair Market Value is the present value of the net free operating cash flows after tax after subtracting the reinvestment capital and applying a discount rate that best represents the cost of capital for this Business.

SFCA's compensation is not contingent upon the reporting of a value or direction in value that favours anyone, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Limitations of the Letter

This Letter is addressed strictly to the Board of St. James and for the intended purpose as set out above and accordingly this Letter may not be used or relied upon in any other connection by, and is not intended to confer any benefit on, any person (including without limitation the respective shareholders of St. James).

Our terms of reference does not require us to evaluate or comment on the rationale, or the strategic or long term perspective of the Proposed Transaction or future financial performance of the Business. We are not required to express any view on the growth prospects or potential of the Business to be injected into St. James.

We are not required to and have not conducted a comprehensive review of the business, technical, operational, financial, strategic and commercial risks and merits of the Proposed Transaction. We will not be expressing any opinion on the commercial merits and structure of the Proposed Transaction, nor are we providing any opinion,

expressed or implied, as to the price of the shares or the financial condition or performance of St. James upon the completion of the Proposed Transaction.

Our estimate of the Fair Market Value of the Business is based upon prevailing market, economic, industry, monetary and other conditions and on the information made available to us as of the date of this Letter. Such conditions may change significantly over a relative short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this Letter to reflect events or developments subsequent to the date of this Letter.

Reliance on information

In conducting our work, we have held discussions with the management of PREHPL and we have read the information provided by them and other publicly available information, upon which analysis is based. The management of PREHPL has confirmed to us, that all material information available to them with respect to the Business that is relevant for the purpose of our terms of reference, has been disclosed to us and that such information is fair and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect on the Business.

3. KEY ASSUMPTIONS

The Fair Market Value of the Business is based on the information provided by and representations made by the management of PREHPL relating to the provision of asset management, property management and project or development management services. The assumptions used reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties affecting the Business.

We have relied on the following general assumptions in arriving at the Fair Market Value of the Business as at 30 June 2014:

- 1) The assumptions provided by the management of PREHPL up to 30 June 2014 relating to the provision of asset management, property management and project or development management services are realistic and reasonable;
- 2) The Targets are going concerns and have sufficient capital or unrestricted access to capital to meet current payment obligations, support future capital expenditure and working capital;
- 3) There are no restrictions on the distribution of cash flows to the shareholders;
- 4) Discount rate is estimated at 8.33% for PSAM, PSRM and PCRTM ("Singapore companies") and 11.43% for PCRM ("Chinese company"); and
- 5) Terminal growth rate is estimated at 3.0% for Singapore companies and 5.0% for Chinese company.

4. CONCLUSION

In accordance with the terms of reference, limitations, key assumptions and factors set out herein, SFCA has arrived at the Fair Market Value of the Business to be S\$102.89 million as at 30 June 2014 based on income approach valuation methodology and valuing 100% of PSRM, PSAM, PCRM and 40.425% of PCRTM.

Company	Equity (%)	Enterprise Value (S\$million)
PSRM	100	34.68
PSAM	100	29.72
PCRM	100	24.56
PCRTM	40.425	13.93
Total		102.89

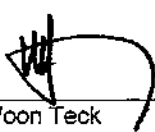
When Mr. Pua transfers his effective interest in PCRTM of 42.075% to St. James at a later date, St. James eventually shall own 82.5% of PCRTM.

On the basis that St James own 82.5% of PCRTM and 100% of PSRM, PSAM and PCRM, SFCA has arrived at the Fair Market Value of the Business of S\$117.40 million as at 30 June 2014.

Company	Equity (%)	Enterprise Value (S\$million)
PSRM	100	34.68
PSAM	100	29.72
PCRM	100	24.56
PCRTM	82.5	28.44
Total		117.40

Yours faithfully,

For and on behalf of Stone Forest Corporate Advisory Pte Ltd



Tay Woon Teck
Director

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PERENNIAL 利瑞鵬