



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200210338M)

30 December 2014

To: Unitholders of Perennial China Retail Trust

Dear Sir / Madam

Compulsory Acquisition of Units in Perennial China Retail Trust ("PCRT") pursuant to Section 40A(1) of the Business Trusts Act, Chapter 31A of Singapore (the "Business Trusts Act") by Perennial Real Estate Holdings Limited ("PREHL" or the "Offeror") and rights pursuant to Section 40A(4) of the Business Trusts Act

1. INTRODUCTION

- 1.1 Offer.** We refer to the offer document dated 10 November 2014 (the "**Offer Document**") in connection with the voluntary conditional general offer (the "**Offer**") by PREHL for all the issued units ("**Units**") of PCRT, other than those already owned, controlled or agreed to be acquired by PREHL, its related corporations and their respective nominees (the "**Offer Units**").

All capitalised terms used and not defined in this letter ("**Letter**") shall have the same meanings as ascribed to them in the Offer Document.

If you have already (i) accepted the Offer in respect of all your Units by completing and returning a valid FAA or (ii) sold all your Units on the SGX-ST prior to the date of this Letter, please disregard this Letter.

- 1.2 Holdings of Units.** As at 5.30 p.m. on 22 December 2014, we have received in aggregate valid acceptances in respect of 777,606,379 Units, representing approximately 67.87 per cent. of the issued Units¹ which, when taken together with the Units held by us as at the same date, comprise an aggregate of 1,103,449,361 Units, representing **approximately 96.32 per cent.** of the total number of Units.
- 1.3 Compulsory Acquisition.** As we have received valid acceptances and/or acquired Units in respect of not less than 90 per cent. of the total number of Offer Units, we are entitled and intend to, as indicated in the Offer Document, exercise the right of compulsory acquisition under Section 40A(1) of the Business Trusts Act, to compulsorily acquire, at the Offer Price of S\$0.70 for each Unit, 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), all the Units in respect of which acceptances have not been received by us as at the date of this Letter.

2. COMPULSORY ACQUISITION UNDER SECTION 40A(1) OF THE BUSINESS TRUSTS ACT

- 2.1 Form 4.** According to the records maintained by The Central Depository (Pte) Limited ("**CDP**") and/or Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Registrar**"), as the case may be, you have not accepted the Offer. Accordingly, we are writing to inform you that we are exercising our right under Section 40A(1) of the Business Trusts Act **to acquire all the Units held by you at a consideration of S\$0.70 for each Unit that you own, 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) (the "Consideration").** We enclose, for this purpose, a Notice to Dissenting Unitholder in the form prescribed under the Business Trusts Act ("**Form 4**").

Please disregard this Letter and the accompanying Form 4 and Form 5 (as defined below) if you have already accepted the Offer in respect of all your Units.

¹ Unless otherwise stated, references in this Letter to percentages or total number of Units are based on the total number of Units in issue of 1,145,654,397 as at the date hereof.

- 2.2 Transfer Date.** We will exercise the right of compulsory acquisition to acquire all the Units held by you after 30 January 2015 (the “**Transfer Date**”), being after the expiration of one month from the date of the enclosed Form 4, subject to and on the terms set out in the enclosed Form 4.
- 2.3 Registration of Transfer.** Upon the payment of the Consideration to PCRT by us through the issuance of share certificates in respect of the appropriate number of new PREHL Shares which will be sent to PCRT, PCRT will cause to be transferred to us all the Units held by you and register us as the holder of those Units as soon as practicable. The Consideration will be held by PCRT on trust for you.
- 2.4 Settlement.** Subject to and in accordance with the provisions of Section 40A(1) of the Business Trusts Act and the terms set out in Form 4, as soon as practicable after the Transfer Date, PCRT will instruct CDP to debit the Units in your Securities Account and will credit your Securities Account with the appropriate number of new PREHL Shares as soon as practicable after the Transfer Date.

CDP will send by ordinary post to you at your address as it appears in the records of CDP, and at your own risk, a notification letter showing the number of Units which have been debited against your Securities Account and the number of new PREHL Shares which have been credited to your Securities Account.

3. RIGHTS UNDER SECTION 40A(4) OF THE BUSINESS TRUSTS ACT

- 3.1 Form 5.** Under Section 40A(4) of the Business Trusts Act, you have the right to require us to acquire your Units. In connection therewith, a Notice to Non-Assenting Unitholder in the form prescribed under the Business Trusts Act (“**Form 5**”) is enclosed with this Letter. You may, within three months from the date of the enclosed Form 5 (that is, by 30 March 2015), require us to acquire your Units and we shall be entitled and bound to acquire your Units at the Consideration, subject to and on the terms set out in the enclosed Form 5.
- 3.2 No Action Required.** **As we would be proceeding to compulsorily acquire your Units pursuant to Section 40A(1) of the Business Trusts Act, you need not take any action in relation to Form 5.** Unitholders who nevertheless wish to exercise their right under Section 40A(4) of the Business Trusts Act are advised to seek their own independent legal advice.

4. GENERAL

If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

5. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate and that no material facts have been omitted from this Letter, 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 Letter.

Yours faithfully

For and on behalf of

Perennial Real Estate Holdings Limited

Pua Seck Guan

Chief Executive Officer and Executive Director

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