



PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

MINUTES OF ANNUAL GENERAL MEETING HELD ON 28 APRIL 2017

DATE & TIME : 28 APRIL 2017 AT 2.30 P.M.

VENUE : MARINA MANDARIN SINGAPORE, LEO AND CAPRICORN
BALLROOMS, 6 RAFFLES BOULEVARD, MARINA SQUARE LEVEL 1,
SINGAPORE 039594

PRESENT :

Directors

Mr Kuok Khoon Hong (Chairman and Non-Independent Non-Executive Director)

Mr Eugene Paul Lai Chin Look (Lead Independent Non-Executive Director)

Mr Ooi Eng Peng (Independent Non-Executive Director)

Mr Chua Phuay Hee (Independent Non-Executive Director)

Mr Lee Suan Hiang (Independent Non-Executive Director)

Mr Pua Seck Guan (Executive Director and Chief Executive Officer)

ABSENT : Mr Ron Sim (Vice-Chairman, Non-Independent Non-Executive Director)

By Invitation

Mr Jerry Koh Deputy Managing Partner, Allen & Gledhill LLP

Mr Teh Hoe Yue Partner, Allen & Gledhill LLP

Ms Liu Hai Ling Senior Associate, Allen & Gledhill LLP

Ms Karen Lee Partner, KPMG LLP

Ms Sarina Lee Senior Manager, KPMG LLP

In Attendance

Mr Liak Teng Lit Group Chief Operating Officer

Ms Annie Lee Deputy Chief Executive Officer (Singapore)

Ms Belinda Gan Chief Financial Officer

Ms Maggie Ma Head, Legal & Company Secretary

Ms Tong Ka-Pin Head, Investors Relations, Corporate Communication & Marketing

Perennial Real Estate Holdings Limited

Minutes of AGM held on 28 April 2017

Ms Evelyn Kwok	Head, Human Resources
Mr Lim Kong Cheng	Head, Project Management
Ms Tan Boon Pheng	Head, Design Management
Mr Roy Lim	Vice President, Asset and Investment Management
Ms Sim Ai Hua	Joint Company Secretary

Shareholders

As per Attendance List

Proxies

As per Attendance List

Scrutineers

Ms Koo Kah Yee, Moore Stephens LLP

Share Registrar

Mr Rick Ong Zhi Wei, Boardroom Limited

1. INTRODUCTION

Ms Tong Ka-Pin, the emcee for the Annual General Meeting (“**AGM**” or the “**Meeting**”) welcomed all to the AGM and went through the agenda for the AGM.

Before proceeding to deal with the formal business of the AGM, Ms Tong invited Mr Pua Seck Guan, the Chief Executive Officer (“**CEO**”) and Executive Director of Perennial Real Estate Holdings Limited (the “**Company**”), to deliver a presentation on an overview of the Company’s performance for the year ended 31 December 2016.

2. PRESENTATION BY CHIEF EXECUTIVE OFFICER

The CEO took the Meeting through a short presentation which covered the following areas:

- (i) a brief overview of the Company;
- (ii) key financial highlights;
- (iii) a brief overview of the Company’s business in real estate and healthcare; and
- (iv) its plans looking forward.

A copy of the CEO’s presentation slides is annexed to these minutes as “**Appendix A**”.

After the CEO finished his presentation, Ms Tong invited the Chairman and the members of the board of directors of the Company (the “**Board**”) and the professional adviser (Mr Jerry Koh Keen Chuan, Allen & Gledhill LLP) onto the stage.

3. CHAIRMAN AND QUORUM

Having ascertained that a quorum was present from the Company Secretary, Mr Kuok Khoon Hong, the Chairman of the Board, called the Meeting to order.

4. NOTICE OF ANNUAL GENERAL MEETING

The Chairman recommended that the Notice of the AGM dated 6 April 2017, which was earlier circulated to shareholders of the Company (“**Shareholders**”) be taken as read. There was no objection from any Shareholder.

5. VOTING BY POLL

The Chairman advised the Meeting that, in accordance to Rule 730(A)(2) of the Listing Manual, he had directed that the vote on each Resolution as set out in the Notice of Meeting be conducted by poll.

The Chairman informed the Meeting that polling was to be conducted in a paperless manner using a wireless handset and that he will be proposing all the resolutions of the Meeting with the exception of Resolution 5. Moore Stephens LLP had been appointed as the independent scrutineer to conduct the poll and validate the poll results. Ms Koo Kah Yee of Moore Stephens LLP proceeded to explain the procedures for voting by electronic poll.

The Chairman also informed the Meeting that the poll on each Resolution shall be taken after each of the Resolution has been dealt with and the Resolution has been moved and put to vote.

ORDINARY BUSINESS

6. ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE AUDITORS’ REPORT THEREON

The Chairman proposed the resolution and informed the Meeting that the Directors’ Statement and Audited Financial Statements can be found in the annual report 2016 of the Company (the “**Annual Report**”). A Shareholder, Mr Soh Thiam Hing, seconded the resolution.

- (i) A Shareholder, Mr Mano referred to page 3 of the Annual Report and commented that the Company possesses good assets with good potential in several countries. However, he sought to understand if Shareholders could receive returns from these investments in a quicker and faster manner. He opined that a business gestation period was generally fine but noted that the Company had been taking a long time to stabilise income stream from its properties. Separately, Mr Mano noted that earnings per share had fallen from 3.74 cents (12M 2015) to 2.11 cents (12M 2016) and the Company’s

profit after tax had decreased by 40% to S\$35 million (12M 2016). Mr Mano went on to refer to page 159 of the Annual Report and highlighted that total finance costs were S\$57 million but the profit attributable to shareholders stood at only S\$35 million, which meant that the total finance costs were actually higher than the bottom-line profit number. In view of the financial figures, Mr Mano questioned the Board on the possibility of the Company undertaking further divestments to realise capital appreciation of its properties and to assist in its gearing reduction. He added that divestments could also be a market indication of the quality of the Company's China assets.

- (ii) In response to Mr Mano's question, the CEO mentioned that the Company had divested a part of its share in TripleOne Somerset to demonstrate the value of its properties to Shareholders. With regards to the China assets, the management had been working on the Chengdu East High Speed Railway ("**HSR**") Integrated Development and would expect it to be the iconic asset of the Company. The CEO opined that it would be unlikely for the Company to divest any of its properties prior to income stabilisation. He added that eldercare would eventually become the trump card of the Company. The CEO expects Chengdu East HSR Integrated Development to start generating income by the end of 2017 when construction is completed. In relation to Beijing Tongzhou Integrated Development, the Company has received two construction permits with remaining permits expected to receive by 2Q 2017. The commencement of residential units' sales and block sales of office towers are targeted for the end of 2017.
- (iii) For his second question, Mr Mano referred to note 28 on pages 219 and 220 of the Annual Report. He noted a drop in segment result for the both the Company's Singapore segment (from S\$84.0 million to S\$31.4 million) and China segment (from approximately S\$73.1 million to S\$36.0 million). He continued by referring to page 185 of the Annual Report where it showed a loss after tax of S\$41.1 million for the Capitol entities and a reduction in profit after tax from S\$25.7 million to S\$13.2 million for Shenyang Summit. Mr Mano also added that page 198 of the Annual Report showed that Perennial Chijmes and Perennial Tongzhou both registered losses in FY 2016. As such, Mr Mano would like the Board to shed some light on the situation of the properties and the reasons for the downturn.
- (iv) In response to Mr Mano's second question, the CEO quoted the example of TripleOne Somerset and AXA Tower as testaments of the Company's ability to unlock value from its assets. For AXA Tower, the Company's cost was about S\$1,900 per square feet ("**sq ft**") but it managed to sell the office spaces at S\$2,450 to S\$2,850 per sq ft. He added that the consortium made a deliberate decision to undertake enhancement work for AXA Tower which removed some retail space and resulted in a rental income fall. For TripleOne Somerset, the CEO revealed the Company's breakeven cost to be S\$1,900 per sq ft but it managed to sell its stake to Shun Tak at S\$2,200 per sq ft. Moreover, every strata sale within TripleOne Somerset transacted at around S\$2,500 to S\$2,700 per sq ft. The capital gain from such divestment and revenue from strata sale will provide income to the Company. Although the Company removed the retail component which reduced rental income during the asset enhancement phase, the CEO reassured Shareholders that the Company is creating value for TripleOne Somerset. The CEO went on to comment that Perennial Chijmes had achieved better performance with improved operations, while Chinatown Point was generating good income. He explained that Capitol was currently held in a deadlock situation without any recurring income but

he was confident that its capital value remains intact. In relation to the China assets, the CEO expected the Chengdu East HSR Integrated Development to be the signature asset of the Company. He clarified that the drop in revenue for Shenyang Summit was due to a rent default by an antique operator. Nevertheless, the CEO explained that the Company had made efforts to improve Shenyang Summit's office towers rental and he believed that rental revenue will improve in 2017. The CEO also shared with Shareholders that the Beijing Tongzhou Integrated Development was essentially a development asset and its value will only be unlocked upon sale of its residential units or office block.

- (v) Next, Mr Mano enquired on whether the Company have held talks with Pontiac Land, the other shareholder of Capitol entities, to dissolve the joint venture instead of resorting to legal solutions.
- (vi) The CEO responded by stating that the directors of the Board are savvy businessmen and had exhausted all avenues over the past two years in their attempts to resolve this issue. Court proceedings were measures of last resort.
- (vii) Mr Mano once again referred to page 219 of the Annual Report and questioned whether figures for the healthcare business can be included under note 28 as a separate segment.
- (viii) In his response, the CEO explained that the Company's healthcare business took shape only last year and the share transfer for the eldercare home had only been completed in 1Q 2017. As such, the figures do not warrant separate presentation in the Annual Report. The CEO informed Mr Mano that the healthcare business performance will be presented in the future.
- (ix) Mr Mano made his final comment by suggesting to the Board to shift the Company's annual general meetings to early April so as to avoid clashes with other meetings held in late April.
- (x) The CEO responded by saying that the Board will take note of the suggestion.
- (xi) A Shareholder, Mr Lim Shang Liang referred to page 100 of the Annual Report which sets out the Company's debt maturity profile. He noted that \$2 billion of debt would be due by 2018 while the cash flow statement as at 31 December 2016 had indicated the Company's cash flow to be only \$220 million. He mentioned that the CEO, during one of his interviews, alluded to project financing for some of the Company's new investments. Looking at the financial figures, Mr Lim Shang Liang sought deeper understanding on the Company's sources of funds for the next couple of years.
- (xii) The CEO responded to Mr Lim Shang Liang by stating that a significant portion of the Company's debt was at the project level. For projects such as TripleOne Somerset and AXA Tower, banks would be keen to perform roll-overs on project financing. He added that the Company has a MTN programme in place and can draw down on the programme when the need arises. The CEO also highlighted to shareholders that the Company's cost of financing has been decreasing since Perennial China Retail Trust IPO days, from a high of 6% to the current 4%.

- (xiii) A Shareholder, Mr Cedric Ho Yi Liang commented on the conflicting information relating to Capitol. He stated that the April 2016 announcement released by the Company failed to mention an exit mechanism. Such exit mechanism was instead mentioned in a court judgment by a Judicial Commissioner who mentioned that the exit mechanism existed under the constitution. Mr Cedric Ho would like the Board to clarify the discrepancy between the Company's announcement and the court judgment.
- (xiv) The CEO responded by stating that since the Company was in the process of appealing to the Court of Appeal, there should not be a detailed discussion on the circumstances surrounding the issue. However, the CEO explained that the Judicial Commissioner brought up the existence of a pre-emption clause and not a deadlock clause. The distinction between the two clauses was entirely up to legal interpretation and this happened to be the basis of the Company's appeal.
- (xv) Mr Cedric Ho followed by asking the CEO on the preferred resolution for the Company in such a situation.
- (xvi) In his response, the CEO opined that the best solution would be for the winding up of the joint venture and for any party (including a third party) to purchase the assets. This would also present the best value to the Shareholders.

7. ORDINARY RESOLUTION 2: TO APPROVE A FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 0.4 SINGAPORE CENTS PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Chairman proposed the resolution and a Shareholder, Mr Soh Thiam Hing, seconded the resolution. The Shareholders did not have any question on the resolution.

8. ORDINARY RESOLUTION 3A: TO RE-ELECT MR EUGENE PAUL LAI CHIN LOOK AS A DIRECTOR

The Chairman proposed the resolution on Mr Lai's re-election and a Shareholder, Mr Soh Thiam Hing, seconded the resolution. The Shareholders did not have any question on the resolution.

9. ORDINARY RESOLUTION 3B: TO RE-ELECT MR CHUA PHUAY HEE AS A DIRECTOR

The Chairman proposed the resolution on Mr Chua's re-election and a Shareholder, Mr Jen Shek Chuen seconded the resolution. The Shareholders did not have any question on the resolution.

10. ORDINARY RESOLUTION 4: TO RE-APPOINT KPMG LLP AS THE COMPANY'S AUDITORS FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman proposed the resolution and a Shareholder, Mr Soh Thiam Hing, seconded the resolution. The Chairman informed the Meeting that KPMG LLP had expressed their willingness to continue in office. The Shareholders did not have any question on the resolution.

11. ORDINARY RESOLUTION 5: TO APPROVE THE PAYMENT OF THE DIRECTORS' FEES OF S\$420,000 for the financial year ended 31 December 2016.

The Chairman informed the Meeting that the resolution was to seek Shareholders' approval for payment of S\$420,000 as Directors' fees for the financial year ended 31 December 2016 and the fees are for services rendered by the Directors on the Board, as well as the various Board Committees.

The Chairman invited a Shareholder to propose the resolution. A Shareholder, Mr Tan Chek Soon, proposed the resolution, and another Shareholder, Mr Henry Ang Yu Qing, seconded the resolution. The Shareholders did not have any question on the resolution.

SPECIAL BUSINESS

12. ORDINARY RESOLUTION 6: General authority to allot and issue shares in the capital of the Company

The Chairman informed the Meeting that the resolution was to authorise Directors to issue shares in the Company pursuant to Section 161 of the Companies Act. This authority given to the Directors would expire at the conclusion of the next AGM.

The Chairman proposed the resolution and a Shareholder, Mr Soh Thiam Hing, seconded the resolution. The Shareholders did not have any question on the resolution.

13. ORDINARY RESOLUTION 7: AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE PERENNIAL EMPLOYEE SHARE OPTION SCHEME 2014

The Chairman informed the Meeting that the resolution was to authorise the Directors to issue shares pursuant to the exercise of options under the Perennial Employee Share Option Scheme 2014. The resolution provided that the number of new shares which may be issued under the share option scheme is limited to 15% of the Company's issued share capital.

The Chairman proposed the resolution and a Shareholder, Mr Soh Thiam Hing, seconded the resolution. The Shareholders did not have any question on the resolution.

14. ORDINARY RESOLUTION 8: RENEWAL OF SHARE BUYBACK MANDATE

The Chairman informed the Meeting that the resolution was to approve the renewal of the share buyback mandate to enable the Company to acquire or purchase its shares. The limit on the number of shares which may be purchased or acquired under this mandate is 5% of the Company's current issued share capital (excluding treasury shares). If approved by Shareholders, this mandate would continue until the next AGM of the Company or until it is varied or revoked by the Company in general meeting.

The Chairman proposed the resolution and a Shareholder, Mr Jen Shek Chuen, seconded the resolution.

- (i) A Shareholder, Mr S Nallakaruppan, mentioned that in the early years of Perennial China Retail Trust, distribution per unit was reasonable due to the earn out agreement.

However, after the reverse take-over of St James Holdings Limited, share price fell and dividend dropped. He noted that Net Asset Value per share as at 31 December 2016 was \$1.63 while the market price per share is \$0.88. As such, he suggested that the Company should proceed with share buy-backs.

- (ii) In response, the Chairman replied that although the Company was required to conserve funds for its new projects, the Board will also look into the share repurchase topic.

15. RESULTS OF AGM

Ordinary Resolution 1

The poll results on Ordinary Resolution 1 were as follows:

	Number of Shares	%
Votes "For"	1,369,750,967	99.94
Votes "Against"	828,283	0.06
Total number of valid votes cast	1,370,579,250	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

Ordinary Resolution 2

The poll results on Ordinary Resolution 2 were as follows:

	Number of Shares	%
Votes "For"	1,369,721,312	99.93
Votes "Against"	1,025,419	0.07
Total number of valid votes cast	1,370,746,731	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

Ordinary Resolution 3a

The poll results on Ordinary Resolution 3a were as follows:

	Number of Shares	%
Votes "For"	1,368,120,340	99.92
Votes "Against"	1,065,359	0.08
Total number of valid votes cast	1,369,185,699	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 3a carried.

Ordinary Resolution 3b

The poll results on Ordinary Resolution 3b were as follows:

	Number of Shares	%
Votes "For"	1,367,203,603	99.93
Votes "Against"	1,010,721	0.07
Total number of valid votes cast	1,368,214,324	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 3b carried.

Ordinary Resolution 4

The poll results on Ordinary Resolution 4 were as follows:

	Number of Shares	%
Votes "For"	1,368,286,225	99.94
Votes "Against"	888,222	0.06
Total number of valid votes cast	1,369,174,447	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 4 carried.

Ordinary Resolution 5

The poll results on Ordinary Resolution 5 were as follows:

	Number of Shares	%
Votes "For"	1,368,009,414	99.92
Votes "Against"	1,044,407	0.08
Total number of valid votes cast	1,369,053,821	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 5 carried.

Ordinary Resolution 6

The poll results on Ordinary Resolution 6 were as follows:

	Number of Shares	%
Votes "For"	1,364,768,765	99.68
Votes "Against"	4,313,787	0.32
Total number of valid votes cast	1,369,082,552	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 6 carried.

Ordinary Resolution 7

The poll results on Ordinary Resolution 7 were as follows:

	Number of Shares	%
Votes "For"	1,366,010,530	99.78
Votes "Against"	3,035,728	0.22
Total number of valid votes cast	1,369,046,258	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 7 carried.

Ordinary Resolution 8

The poll results on Ordinary Resolution 8 were as follows:

	Number of Shares	%
Votes "For"	1,367,746,778	99.93
Votes "Against"	948,338	0.07
Total number of valid votes cast	1,368,695,116	100.00

Based on the results of the poll, the Chairman declared Ordinary Resolution 8 carried.

16. CONCLUSION

There being no other business, the Chairman declared the AGM closed at 3.30 p.m. and thanked everyone present for their attendance.

Confirmed by:

Mr Kuok Khoon Hong
Chairman