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PERENNIAL REAL ESTATE HOLDINGS LIMITED

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

**OFFER OF UP TO S\$150,000,000
IN AGGREGATE PRINCIPAL AMOUNT OF 3-YEAR 4.65 PER CENT. BONDS DUE 2018
TO THE PUBLIC IN SINGAPORE,
SUBJECT TO THE INCREASE OF OFFER SIZE IN THE EVENT OF OVERSUBSCRIPTION OF
THE PUBLIC OFFER, THE RE-ALLOCATION FROM THE PUBLIC OFFER TO THE
PLACEMENT (IF ANY) AND THE RIGHT TO CANCEL THE OFFER
(THE "OFFER")**

1. Introduction

Perennial Real Estate Holdings Limited (the "**Issuer**") wishes to announce its offer (the "**Public Offer**") of up to S\$150,000,000 in aggregate principal amount of 3-year 4.65 per cent. bonds due 2018 (the "**Bonds**"), provided that:

- (1) in the event of oversubscription under the Public Offer, the Issuer shall have the right, in consultation with the Sole Lead Manager and Bookrunner (as defined herein), to issue up to an additional S\$150,000,000 in aggregate principal amount of Bonds at the issue price of 100 per cent. to satisfy the excess demand;
- (2) the aggregate principal amount of Bonds to be issued shall not exceed S\$300,000,000;
- (3) the Issuer reserves the right, in consultation with the Sole Lead Manager and Bookrunner, to re-allocate Bonds from the Public Offer to institutional and other investors in offshore transactions (as defined under Regulation S), outside the United States and to non-U.S. persons in reliance on Regulation S (the "**Placement**") as further described below; and
- (4) the Issuer reserves the right to cancel the Offer in the event that less than S\$25,000,000 in aggregate principal amount in applications are received under the Offer.

The issue price of the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds).

The Issuer may, in the circumstances set out in the management and placement agreement entered into with the Sole Lead Manager and Bookrunner, at any time after the Public Offer has commenced, offer up to S\$100,000,000 in aggregate principal amount of Bonds under the Placement. The offer of Bonds under the Placement, if any, will be made through re-allocation from the Public Offer to the Placement. The actual aggregate principal amount of the Bonds to be allocated between the Public Offer and the Placement, if any, will be finalised on or prior to the issue date of the Bonds.

The sole lead manager and bookrunner ("**Sole Lead Manager and Bookrunner**") for the Offer is DBS Bank Ltd.

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Full details of the terms and conditions of the Offer and the Bonds will be set out in the offer information statement (the "**Offer Information Statement**") to be lodged by the Issuer (together with the product highlights sheet, prepared by the Issuer (the "**Product Highlights Sheet**") with the Monetary Authority of Singapore (the "**MAS**") in connection with the Offer. An announcement containing further information on the Offer, the principal terms of the Bonds, the expected timetable of key events of the Offer and the detailed method of application and payment for the Bonds will be made after the lodgment of the Offer Information Statement and the Product Highlights Sheet with the MAS.

2. Listing Approval for the Bonds

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") had, on 7 October 2015, granted its in-principle approval for the listing and quotation of the Bonds on the Main Board of the SGX-ST, subject to certain conditions. Such approval should not be taken as an indication of the merits of the Issuer, its subsidiaries (together, the "**Group**"), associated companies (if any), joint ventures (if any), the Bonds or the Offer. The Bonds are expected to be listed on the SGX-ST on 26 October 2015. For the purpose of trading on the Main Board of the SGX-ST, each board lot of Bonds will comprise S\$1,000 in principal amount of Bonds.

The listing approval is subject to the following conditions:

- (a) the conditions referred to in the SGX-ST's Waivers and Qualifications Letter (as defined herein), in relation to the waivers and qualifications granted in connection with the issue of the Bonds, being met;
- (b) adequate disclosure of all risks and material information in the Offer Information Statement in respect of the Bonds to enable investors to make an informed decision on the Bonds; and
- (c) the submission of the following:
 - (i) a written undertaking from the Issuer to make periodic announcements as and when proceeds from the Bonds are materially deployed, and to provide a status report on the use of the proceeds in the annual reports of the Issuer;
 - (ii) a written confirmation from the directors of the Issuer that a suitable trustee has been appointed prior to the issue of debt securities as required under Rule 308(4) of the listing manual of the SGX-ST (the "**Listing Manual**");
 - (iii) a written undertaking from the Issuer in the format set out in Appendix 2.3.1 of the Listing Manual;
 - (iv) a copy of the other documents required under Rule 315 of the Listing Manual, such as the signed subscription agreement, agent bank agreement, fiscal and agency agreement; and
 - (v) a copy of the documents, such as a deed poll, that may be applicable to the issue of debt securities, as required under Rule 314 of the Listing Manual.

3. Waivers and Qualifications from Compliance with the Listing Manual

The SGX-ST had, on 18 August 2015, granted certain waivers and qualifications from the Listing Rules more particularly set out below (the "**Waivers and Qualifications Letter**").
Waivers

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The SGX-ST had granted waivers from compliance with Rule 308(8)(b), Rule 308(8)(c)(iii), Rule 308(8)(c)(iv), Rule 308(8)(c)(vi) and Rule 308(8)(c)(viii) of the Listing Manual in connection with the listing and quotation of the Bonds to be issued by the Issuer on the SGX-ST (collectively, the "**Waivers**"), subject to the Issuer's shares being listed on the SGX-ST and an immediate announcement (when the Issuer has the obligation to announce the issue of the Bonds) of the Waivers granted by the SGX-ST, the reasons for the Issuer's application and the conditions attached to the Waivers (as required under Rule 107 of the Listing Manual).

The Issuer's reasons for seeking waivers of the above-mentioned rules are as follows:

- (1) with respect to Rule 308(8)(b) of the Listing Manual, whether or not The Trust Company (Asia) Limited, as trustee for the holders of the Bonds (the "**Trustee**"), should have the right to request for a guarantor for the Bonds upon the occurrence of certain events (as contemplated in Rule 308(8)(b) of the Listing Manual) is ultimately a commercial consideration. The Issuer, the Sole Lead Manager and Bookrunner, the Trustee and their respective advisers should be given the flexibility to determine how best to address these situations as and when such events occur, taking into account the prevailing circumstances at that point in time;
- (2) Rule 308(8)(c)(iii) of the Listing Manual is not relevant as the Bonds will not be secured;
- (3) Rule 308(8)(c)(iv) of the Listing Manual is not relevant to the Issuer as it is not engaged in the trading business. In any event, to the extent the Issuer is not able to fulfil its obligations under the trust deed constituting the Bonds (the "**Trust Deed**") or the terms and conditions of the Bonds as a result of it incurring material losses, it will be required to disclose such circumstances accordingly in compliance with Rule 308(8)(c)(iv) of the Listing Manual;
- (4) Rule 308(8)(c)(vi) of the Listing Manual is not necessary as the information will be apparent from the accounts of the Issuer which will be provided to the Trustee every financial quarter; and
- (5) with respect to Rule 308(8)(c)(viii) of the Listing Manual, the Issuer proposed to modify the information required to state whether or not there has been any change in any methods of valuation of assets or liabilities of the Issuer and/or the Group. While the scope to be covered by the proposed modification is slightly different from the language set out in Rule 308(8)(c)(viii) of the Listing Manual, it nevertheless serves the purposes of providing information to the Trustee relating to the valuation methods employed for the valuation of assets or liabilities of the Issuer and/or the Group. It is also not necessary for the exact language under Rule 308(8)(c)(viii) of the Listing Manual to be replicated in the Trust Deed as the required information would be relevant only to the extent that the occurrence of such circumstance would affect the ability of the Issuer to comply with its obligations under the Trust Deed and the terms and conditions of the Bonds; and to the extent the ability of the Issuer to comply with its obligations under the Trust Deed and the terms and conditions of the Bonds is affected by the occurrence of such circumstance, the Issuer will in any event be required to disclose the same in compliance with Rule 308(8)(c)(v) of the Listing Manual.

Qualifications

The SGX-ST has, in the Waivers and Qualifications Letter, further allowed:

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- (a) a qualification of Rule 308(7) of the Listing Manual to the effect that for so long as no potential event of default or event of default has occurred under the terms and conditions of the Bonds, the Issuer would not be obliged to provide the Trustee with any information of a confidential, price sensitive or proprietary nature. The Issuer's obligation to provide the Trustee and its agents(s) its financial and other records for inspection will at all times be subject to the Issuer not being in breach of any law or the listing rules prescribed by the SGX-ST as a result of the provision of such information;
- (b) a qualification of Rule 308(8)(a) of the Listing Manual for the terms and conditions of the Bonds to contain certain financial covenants by the Issuer relating to the maintenance of its consolidated total equity as well as the ratio of its consolidated net debt to consolidated equity, instead of a numerical borrowing limit;
- (c) a qualification of Rules 308(8)(c)(i), 308(8)(c)(ii), 308(8)(c)(v), 308(8)(c)(vii) and 308(8)(c)(ix) for the Issuer to prepare and lodge with the Trustee half-yearly reports signed by a director or an authorised signatory of the Issuer within 180 days after the end of each of the Issuer's financial years and within 90 days after the end of the first six months of each of the Issuer's financial years respectively, instead of quarterly reports provided within one month of the end of the relevant period signed by two directors of the Issuer as required in Rule 308(8)(c).
- (d) a qualification of Rule 308(8)(d) of the Listing Manual to allow the Issuer to provide its audited full year consolidated accounts to the Trustee within 180 days or if a longer period is subsequently prescribed by the SGX-ST, such longer period, after the end of each of its financial years, instead of within three months after the end of the full year.

4. Further Information

Details of the Offer will be set out in the Offer Information Statement and the Product Highlights Sheet. An announcement containing further information on the Offer, the principal terms of the Bonds, the expected timetable of key events of the Offer and application and payment procedures for the Bonds will be made after the lodgement of the Offer Information Statement and the Product Highlights Sheet with the MAS.

By Order of the Board

Pua Seck Guan
Chief Executive Officer

12 October 2015

Important Notice

No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than Singapore) where such steps would be required. The issue, the subscription for or the purchase of the Bonds may be subject to specific legal or regulatory restrictions in certain jurisdictions. The Issuer assumes no responsibility for any violation of any such restrictions by any person.

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This Announcement does not constitute or form a part of any offer for sale or solicitation to purchase or subscribe for securities in the United States. Securities may not be offered, subscribed or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof. The securities of the Issuer have not been and will not be registered under the Securities Act and the Issuer does not intend to make a public offer of its securities in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and will contain detailed information about the company and management, as well as financial statements.

The distribution of this Announcement in certain countries may constitute a breach of applicable law. This Announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or acquire, the Bonds in any jurisdiction in which such an offer or solicitation is unlawful. No person should subscribe for or acquire any Bonds except on the basis of the information contained in the Offer Information Statement.

This Announcement may not be published, forwarded or distributed, directly or indirectly, in the United States (including its territories and possessions, any State of the United States, and the District of Columbia).

The information contained in this Announcement is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Information Statement and the Product Highlights Sheet. Anyone wishing to subscribe for the Bonds should read the Offer Information Statement and the Product Highlights Sheet in full and must make an application in the manner set out in the Offer Information Statement.

DBS Bank and Standard Chartered Bank acted as Joint Financial Advisers in relation to the reverse take-over of the Company which was completed on 27 October 2014.
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About Perennial Real Estate Holdings Limited (www.perennialrealestate.com.sg)

Perennial Real Estate Holdings Limited (the "**Group**") is an integrated real estate owner, developer and manager listed on the Mainboard of the Singapore Exchange. Headquartered in Singapore, the Group focuses strategically on large scale mixed-use developments and has a presence in the People's Republic of China ("**PRC**"), Singapore, Malaysia and Ghana with a combined portfolio measuring over 45 million square feet in gross floor area. The Group's business also extends into the healthcare industry in the PRC, with an established joint-venture to acquire, develop and manage hospital/medical services.

The 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. Other landmark projects in the Group's portfolio include the Beijing Tongzhou Integrated Development, the Shenyang Longemont Integrated Development and the Zhuhai Hengqin Integrated Development.

In Singapore, the Group is invested in and manages prime and iconic properties located predominantly in the Downtown Civic District, Central Business District and Orchard Road precinct, such as CHIJMES, Capitol Singapore, TripleOne Somerset, AXA Tower and the House of Tan Yeok Nee. The Group also holds stakes in and manages 112 Katong mall and Chinatown Point mall.