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Restrictions: The attached documents are being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the bonds described therein.

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You are reminded that you have accessed the attached offer information statement and product highlights sheet on the basis that you are a person into whose possession this offer information statement and product highlights sheet may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver these documents, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not authorised and will be unable to purchase any of the bonds described therein.**

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OFFER OF UP TO S\$150 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF 3-YEAR 4.65 PER CENT. BONDS DUE 2018 BY PERENNIAL REAL ESTATE HOLDINGS LIMITED (THE “BONDS”)¹

Prior to making a decision to purchase the Bonds, you should carefully consider all the information contained in the Offer Information Statement dated 12 October 2015 (the “OIS”) lodged with the Monetary Authority of Singapore². This Product Highlights Sheet should be read in conjunction with the OIS. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Bonds, you should consult your legal, financial, tax or other professional advisers.

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Bonds contained in the OIS. It complements the OIS.
- You should not purchase the Bonds if you do not understand the nature of an investment in debt securities, our business or are not comfortable with the accompanying risks.
- If you wish to purchase the Bonds, you will need to make an application in the manner set out in the OIS. If you do not have a copy of the OIS, please contact us to ask for one.

Issuer and Guarantor (if applicable)	Perennial Real Estate Holdings Limited (the “Issuer”)	Place of incorporation	Singapore
Issue Price and denomination of the Bonds	S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). The Bonds will be issued in registered form in denominations of S\$1,000 each or integral multiples thereof.	Total amount to be raised in this offer	Gross proceeds: Up to a maximum of S\$300 million. Net proceeds: <ul style="list-style-type: none"> • Approximately S\$147.7 million (Assuming gross proceeds of S\$150 million³); and • Approximately S\$296.3 million (Assuming gross proceeds of S\$300 million⁴).
Description of the Bonds, including maturity date, tenure, coupon rate and frequency of coupon payments	Up to S\$150 million in aggregate principal amount of 3-year Bonds ¹ with fixed interest of 4.65 per cent. per annum, made in two payments each year, on 23 April and 23 October of each year. The Bonds are expected to have an issue date of 23 October 2015, and are expected to mature on 23 October 2018.	Listing status of Issuer and the Bonds	<ul style="list-style-type: none"> • Issuer – Listed on the Mainboard of SGX-ST. • Bonds – Expected to be listed on the Mainboard of SGX-ST on and from 26 October 2015. Trading will be in board lots of S\$1,000 in principal amount of the Bonds.

¹ Subject to the Increase of Offer Size, the Re-allocation and the Right to Cancel.

² A printed copy of the OIS (together with this Product Highlights Sheet) may be obtained on request, subject to availability, during operating hours from selected branches of DBS Bank Ltd. (including POSB). A copy of each of the OIS and this Product Highlights Sheet is also available on the OPERA website of the Monetary Authority of Singapore at <https://opera.mas.gov.sg/ExtPortal/>.

³ Assuming that S\$100 million in aggregate principal amount of Bonds are issued under the Public Offer and S\$50 million in aggregate principal amount of Bonds are issued under the Placement.

⁴ Assuming that S\$250 million in aggregate principal amount of Bonds are issued under the Public Offer and S\$50 million in aggregate principal amount of Bonds are issued under the Placement.

Issue Manager(s)/ Arranger(s)	DBS Bank Ltd.	Underwriter(s)	The offer is not underwritten.
Credit rating of Issuer/Guarantor (if applicable)/the Bonds (if any) and Credit Rating Agencies	The Bonds and the Issuer are not rated by any credit rating agency.	Trustee/Registrar	<ul style="list-style-type: none"> • Trustee: The Trust Company (Asia) Limited. • Registrar: DBS Bank Ltd. • Paying Agent: DBS Bank Ltd.

INVESTMENT SUITABILITY

WHO IS THE INVESTMENT SUITABLE FOR?

The Bonds are only suitable for you if you:

- o want regular income at a fixed rate rather than capital growth;
- o want priority in payouts over share dividends in an insolvency situation;
- o are prepared to lose your principal investment if the Issuer fails to repay the amount due under the Bonds; and
- o are prepared to hold your investment for the full 3 years (i.e. until the Maturity Date), or to exit the Bonds only by sale in the secondary market which may be difficult or unprofitable.

There are further risks associated with an investment in the Bonds. Please refer to the section entitled “**Risk Factors**” of the OIS and in particular, the sub-section entitled “Risks Associated with an Investment in the Bonds” for a summary of the risks relating to an investment in the Bonds.

KEY FEATURES

Background Information on the Issuer

WHO ARE YOU INVESTING WITH?

The Issuer is a Singapore-incorporated company, and together with its subsidiaries, is an integrated real estate owner, developer and manager listed on the Mainboard of the SGX-ST. The Group was formed through a reverse take-over of St. James Holdings Limited which was completed on 27 October 2014.

Headquartered in Singapore, the Group focuses strategically on large-scale mixed-use developments and has a presence in the PRC, Singapore, Malaysia and Ghana with a combined portfolio measuring over 45 million square feet in gross floor area as at the LPD. 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.

As at 30 June 2015, the Group has consolidated total assets of S\$6.20 billion and total equity of S\$3.85 billion.

As at the LPD, the Issuer has a market capitalisation of approximately S\$1.56 billion and its issued and paid-up ordinary share capital is S\$2,195,373,453.65 comprising 1,655,468,453 issued and paid up shares. As at the LPD, its substantial shareholders are (a) Kuok Khong Hong @ Kuok Khoon Hong, (b) HPRY Holdings Limited, (c) Perennial Real Estate Holdings Pte. Ltd., (d) Ron Sim Chye Hock, and (d) Pua Seck Guan.

The Issuer’s board of directors comprises (a) Kuok Khong Hong @ Kuok Khoon Hong, (b) Ron Sim Chye Hock, (c) Eugene Paul Lai Chin Look, (d) Chua Phuay Hee, (e) Lee Suan Hiang, (f) Ooi Eng Peng, and (g) Pua Seck Guan.

Further Information

Refer to the 16th Schedule Section:

– Part IV, paragraph 9(b) on pages 87 to 100 of the OIS for more information on the business of the Issuer and the Group; and

– Part IV, paragraph 9(e) on pages 105 and 106 of the OIS for more information on the substantial shareholders of the Issuer.

WHAT ARE YOU INVESTING IN?

The Issuer is offering up to S\$150 million in aggregate principal amount of Bonds, subject to the Increase of Offer Size, the Re-allocation and the Right to Cancel.

The issue price is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). Bondholders will receive interest on the Bonds from the Issue Date to the Maturity Date at a rate of 4.65 per cent. per annum, made in two payments on 23 April and 23 October of each year. The Issuer will redeem each Bond at its principal amount on the Maturity Date. If any date for payment in respect of the Bonds is not a business day, Bondholders shall not be entitled to payment until the following business day and shall not be entitled to any interest or other sum in respect of such postponed payment.

The Bonds will contain restrictions of the Issuer and (where applicable) certain of its subsidiaries against, amongst other things, (a) creation of security to secure certain investment securities of the Issuer, (b) disposal of assets, (c) material change in business, and (d) reconstruction events such as re-organisation, amalgamation, merger or consolidation, subject to certain carve-outs.

For more information on the Bonds, refer to:

- the section entitled “Summary of the Offer and the Bonds” on pages 10 to 16 of the OIS; and*
- the section entitled “Terms and Conditions of the Bonds” on pages 59 to 75 of the OIS.*

Key Financial Information

As the reverse take-over of St. James Holdings Limited was completed on 27 October 2014, audited historical financial statements in relation to the Group’s Real Estate Business are not available. As at the date of the OIS, only the unaudited interim financial information of the Group in relation to the Group’s most recent completed 12-month financial period (being 12M2015) are available. The unaudited interim financial information of the Group has been reviewed by the Issuer’s auditor.

For more information on the financial performance of the Group, refer to the 16th Schedule Section:

- Part V, paragraphs 1 to 8 on pages 109 to 113 of the OIS; and*
- Appendix B on pages B-1 to B-40 of the OIS.*

Key items in the consolidated statement of profit or loss for 12M2015:

	12M2015 (S\$’000)
Revenue	88,114
Profit before tax	57,124
Profit for the period	51,741

Key items in the consolidated statement of cash flows for 12M2015:

	12M2015 (S\$’000)
Net cash from operating activities	6,486
Net cash used in investing activities	(61,611)
Net cash from financing activities	146,622
Net increase in cash and cash equivalents	91,497
Cash and cash equivalents at end of the period	94,227

Key items in the consolidated statement of financial position as at 30 June 2015

	As at 30 June 2015 (S\$’000)
Total current assets	1,928,597
Total current liabilities	631,977
Total loans and borrowings	1,678,548
Total assets	6,202,326
Total liabilities	2,348,779
Net assets	3,853,547
Total equity attributable to owners of the company	2,801,107

The most significant factors contributing to the Group’s financial performance for 12M2015 are set out below:

- The Group’s revenue relating to its Real Estate Business for the period from 28 October 2014 to 30 June 2015 was S\$81.3 million, which comprised mainly rental revenue generated by CHIJMES and TripleOne Somerset in Singapore and Perennial Jihua Mall, Foshan and Perennial Qingyang Mall, Chengdu.
- The Group achieved earnings before interest and tax (“**EBIT**”) of S\$94.7 million, solely contributed by the Real Estate Business. The EBIT was derived mainly from the operating income of the Singapore malls and the Jihua and Qingyang malls in the PRC as well as fair value gains of S\$53.2 million and after deducting professional fees of approximately S\$11.4 million incurred in relation to the reverse take-over of St. James Holdings Limited and the voluntary conditional general offer of Perennial China Retail Trust.
- Overall, the Group achieved a profit after tax and minority interest S\$33.1 million, of which the leisure and entertainment business of St. James Holdings Limited was a loss of approximately S\$0.4 million for the period from 1 July 2014 to 27 October 2014 and the Real Estate Business registered a profit of S\$33.5 million for the period from 28 October 2014 to 30 June 2015.

Trends, Uncertainties, Demands, Commitments or Events Reasonably Likely to have a Material Effect

Singapore

- The Group’s portfolio in Singapore comprises operational prime and iconic properties predominantly located in the Downtown Civic District, Central Business District and Orchard Road precinct. These predominantly operating assets are expected to provide a recurrent stream of income to the Group.

PRC

- For the Group’s operating assets in Shenyang, Foshan and Chengdu, the focus will be on optimising performance through strategic tenant remixing, growing shopper traffic and improving tenant sales.
- The Group completed the acquisition of the Beijing Tongzhou Integrated Development project in April 2015. The PRC government has recently announced plans to move its municipal offices to Tongzhou and this has caused real estate prices to escalate on prospects of an accelerated development in the area.
- The Group has established a 40-60 joint venture to acquire, develop and manage hospital/medical services in the PRC. The collaboration provides a new growth pillar and direct access to the growing medical industry in the PRC.

Emerging and Other Markets

- The Group has established a 50-50 joint venture to acquire a waterfront site in Penang, Malaysia, to be developed into an integrated mixed-use development, comprising residential, commercial and hospitality components. The project is expected to be completed in phases, starting from 2018.
- The Group has also established a 55-45 joint venture to develop a site in Accra, Ghana, into an integrated mixed-use development, comprising residential, commercial and hospitality components. The project is expected to be completed by 2019.

Save as disclosed in the OIS, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the OIS to be not necessarily indicative of the future operating results or financial condition of the Group in respect of the current financial year.

For more information, refer to the 16th Schedule Section, Part V, paragraph 9 on pages 113 and 114 of the OIS.

Use of Proceeds

It is presently intended that the net proceeds will be used for general corporate purposes, including refinancing of existing borrowings and financing of working capital, investments (including mergers and acquisitions) and/or capital expenditure requirements of the Issuer or the Group. Below is an estimate of the allocation of the gross proceeds expected to be raised from the Offer.

For more information, refer to the 16th Schedule Section, Part IV, paragraphs 2 to 7 on pages 84 to 86 of the OIS.

For each dollar of the gross proceeds of S\$150 million to the Issuer from the Offer, the Issuer will allocate:

Details of utilisation	S\$ (million)	Allocation for each S\$1.00 of gross proceeds raised (%)
(1) Net proceeds	147.7 ⁶	98.47
(2) Costs and expenses associated with the Offer and issue of the Bonds	2.3	1.53
Total	150.0	100.00

In the event that the maximum issue size of S\$300 million of Bonds are issued, for each dollar of the gross proceeds of S\$300 million to the Issuer from the Offer, the Issuer will allocate:

Details of utilisation	S\$ (million)	Allocation for each S\$1.00 of gross proceeds raised (%)
(3) Net proceeds	296.3 ⁷	98.77
(4) Costs and expenses associated with the Offer and issue of the Bonds	3.7	1.23
Total	300.0	100.00

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Investing in the Bonds involves substantial risks. Set out below are some of the key risks of investing in the Bonds. This list is not exhaustive, and does not represent all the risks associated with, and considerations relevant to, the Bonds or your decision to purchase the Bonds. The value of the Bonds may rise or fall. These risk factors may cause you to lose some or all of your investment.

For more information, refer to the section entitled "Risk Factors" on pages 19 to 49 of the OIS.

Business-Related Risks

Risks Relating to the Group's General Business and Operations

• **Development Risks**

- o The Group's business may be adversely affected by delays in the construction and completion of its Real Estate Properties under development.
- o It may be difficult for the Group to assess the future performance of the Real Estate Properties which have a limited track record because they are still under development. There is no assurance that such properties will yield the expected returns.
- o The Group is reliant on contractors or sub-contractors to carry out its property development and failure by such contractors to perform their obligations may lead to delay of completion of the project and unexpected costs.

⁶ Assuming that S\$100 million in aggregate principal amount of Bonds are issued under the Public Offer and S\$50 million in aggregate principal amount of Bonds are issued under the Placement.

⁷ Assuming that S\$250 million in aggregate principal amount of Bonds are issued under the Public Offer and S\$50 million in aggregate principal amount of Bonds are issued under the Placement.

• **Real Estate Sector Risks**

- o The Group operates in a capital-intensive industry and expects to have significant funding needs for its existing business operations and new projects to grow its business. However, there is no assurance that the Group will be able to obtain financing on terms that are commercially acceptable.
- o The loss of anchor tenants, or a significant number of tenants, in any of the Real Estate Properties, completed developments or future acquisitions, could result in periods of vacancy, which could adversely affect the revenue and financial conditions of the Group.
- o A downturn in the businesses of anchor tenants, or a significant number of tenants, could similarly have an adverse impact on the business and financial condition, results of operations and capital growth of the Group.

• **Business Operations Risks**

- o The Group faces competition from other real estate developers, investment funds and other institutions in the countries in which it operates for the acquisition of suitable development sites and available investment properties.
- o Some of the Real Estate Properties are located in areas that have other competing properties and the income from, and market value of, these Real Estate Properties will be largely dependent on the ability of the Real Estate Properties to compete against other properties in these markets in attracting and retaining tenants.
- o As the Group has a limited operating history, the retention of Mr Pua Seck Guan (the Chief Executive Officer and Executive Director of the Group) is crucial to the Group.
- o The Group's business is focused primarily on real estate in the PRC and in Singapore and is therefore subject to a higher level of risk as compared to a portfolio which has a more diverse range of investments in other asset classes.
- o The Group manages various properties in various roles and capacities (such as asset manager, development/project manager, property manager and trustee-manager). The revenue from the Group's management business is therefore dependent on the performance of the properties it is managing.

• **Joint Venture Risks**

- o The Group invests in entities which it does not control and which involve other partners and/or investors. There is no assurance that the Group will be able to control or exercise any influence over the assets of such entities or that the Group will be able to pursue its stated strategies with these entities.

General Risks Relating to Countries in which the Group Operates

- The Group is subject to risks inherent in doing business in the jurisdictions in which it operates, which include the risk of nationalisation and expropriation of the Real Estate Properties, currency fluctuation and regulation risks, social unrest or political instability and adverse economic, political and other conditions.
- With respect to the Group's business activities in the PRC, it is also subject to risks such as property austerity measures implemented by the PRC government, measures taken by the PRC government to tighten the requirement for lending to property developers and the uncertainty involved in the interpretation of the PRC laws and regulations.
- With respect to the Group's business activities in emerging markets, it is subject to risks such as volatile and unpredictable political, legal, regulatory and economic environments and the possibility of the emerging markets being or becoming subject to sanctions administered or imposed by the United States, such as the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC) or similar sanctions imposed by any other country.

Risks Relating to Financials

- Full three years audited historical financial statements in relation to the Real Estate Business are not available.
- The unaudited interim financial information for 12M2015 contained in the OIS is not necessarily indicative of the future performance of the Group.
- The lack of an established operating track record and historical financial information in relation to the Real Estate Business will make it more difficult for investors to assess the Group's future performance and prospects. There is no assurance that the Group will be able to generate sufficient revenue from its operations to fulfil the payment obligations under the Bonds.

Legal, Regulatory and Enforcement Risks

• **The Bonds are unsecured obligations of the Issuer**

- o The Group employs, and may continue to employ, investment structures to hold its new investments in real estate projects where equity instruments and junior or subordinated bonds are excluded from the calculation of Consolidated Net Debt (as defined in the Terms and Conditions).
- o The Bonds would rank below existing secured borrowings of the Group (amounting to S\$1,216.1 million as at 30 June 2015).
- o As a result of the holding company structure of the Group, the Bonds are structurally subordinated to existing and future liabilities and obligations of the Group, which means that other creditors of the Group (other than the Issuer) will have priority over any claims of the Bondholders.

• **Legal investment considerations may restrict certain investments**

- o Each potential investor should seek independent legal advice to determine whether and to what extent (a) the Bonds are legal investments for the potential investor, (b) the Bonds can be used as collateral for various types of borrowing, and (c) other restrictions apply to the purchase or pledge of any Bonds.

Market and Credit Risks

• **The market value of the Bonds may fluctuate**

- o Trading prices of the Bonds may be influenced by numerous factors including the respective operating results and/or financial condition of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry of the Issuer and the aforementioned entities.

• **An investment in the Bonds is subject to interest rate risk**

- o The Bonds are fixed income securities and may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds.

Liquidity Risks

• **There is no prior market for and there is limited liquidity of the Bonds**

- o The Bonds comprise a new issue of securities for which there is currently no established secondary market. There can therefore be no assurance that a secondary market will develop or, if a secondary market does develop, as to the liquidity of that market for the Bonds or that it will continue for the entire tenor of the Bonds.
- o There can be no assurance as to the ability of investors to sell, or the prices at which investors would be able to sell, their Bonds.

Other Pertinent Risks

• **The Terms and Conditions and the provisions of the Trust Deed may be modified**

- o The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

DEFINITIONS

12M2015	:	The 12-month financial period ended 30 June 2015.
16th Schedule Section	:	The section entitled “ Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 ” of the OIS.
Bondholders	:	A person in whose name a Bond is registered (or, in the case of joint holders, the first named thereof, or, as the context may require, an individual investor in the Bonds).
Group	:	The Issuer and its subsidiaries.
Increase of Offer Size	:	If the Public Offer is oversubscribed, the Issuer shall have the right, in consultation with the Sole Lead Manager and Bookrunner, to issue up to an additional S\$150 million in aggregate principal amount of Bonds at the issue price of 100 per cent. to satisfy the excess demand, provided that the aggregate principal amount of Bonds to be issued shall not exceed S\$300 million.

Issue Date	:	The date of issue of the Bonds, expected to be 23 October 2015.
LPD	:	5 October 2015, being the latest practicable date prior to the lodgement of the OIS.
Maturity Date	:	The maturity date of the Bonds, expected to be 23 October 2018.
Offer	:	The offer of up to S\$150 million in aggregate principal amount of Bonds at the issue price of 100 per cent., subject to the Increase of Offer Size, the Re-allocation and the Right to Cancel.
Placement	:	The offer of up to S\$100 million in aggregate principal amount of Bonds at the issue price of 100 per cent. to institutional and other investors in offshore transactions (as defined in Regulation S (as defined in the OIS)), outside the United States and to non-U.S. persons in reliance on Regulation S, re-allocated from the Public Offer.
PRC	:	The People's Republic of China.
Public Offer	:	The offer of up to S\$150 million in aggregate principal amount of Bonds at the issue price of 100 per cent. to the public in Singapore through Electronic Applications (as defined in the OIS), subject to the Increase of Offer Size, the Re-allocation and the Right to Cancel.
Real Estate Business	:	The real estate ownership and development and property management business of the Group.
Real Estate Properties	:	The real estate properties which the Group owns or, as the case may be, has interests in, as at the date of OIS.
Re-allocation	:	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 million in aggregate principal amount of Bonds under the Placement. The actual amount of Bonds allocated between the Public Offer and the Placement, if any, will be finalised on or prior to the Issue Date.
Right to Cancel	:	The Issuer reserves the right to cancel the Offer in the event that less than S\$25 million in aggregate principal amount in applications are received under the Offer.
SGX-ST	:	Singapore Exchange Securities Trading Limited.
Sole Lead Manager and Bookrunner	:	DBS Bank Ltd.
Terms and Conditions	:	The terms and conditions of the Bonds to be set out in the trust deed constituting the Bonds, the text of which (subject to completion and amendment) is set out in the section entitled " Terms and Conditions of the Bonds " of the OIS.

CONTACT INFORMATION

If you have questions, please contact DBS Bank at 1800 111 1111 (DBS Bank) or 1800 339 6666 (POSB), from the date of this Product Highlights Sheet until 9.00 a.m. on 21 October 2015.