

PRIME ASSET HOLDINGS LIMITED

(Company Registration No.: 199802586E)
(Incorporated in the Republic of Singapore)

S\$170,000,000 2.90 Per Cent. Senior Secured Notes Due 2024 (the “Notes”) issued under a S\$500,000,000 Secured Multicurrency Medium Term Note Programme -

Announcement of Rationalisation of Shareholding Structure

Prime Asset Holdings Limited (the “**Issuer**”), the issuer of the above Notes, refers to the Notes.

The Issuer wishes to notify the holders of the Notes that the investment fund and offshore holding entities of the Issuer will be restructured such that they will be replaced by a fund and holding entities that are domiciled in Singapore (the “**Restructuring**”).

THIS ANNOUNCEMENT IS MADE FOR THE INFORMATION OF NOTEHOLDERS ONLY AND NO ACTION IS REQUIRED ON THE PART OF NOTEHOLDERS.

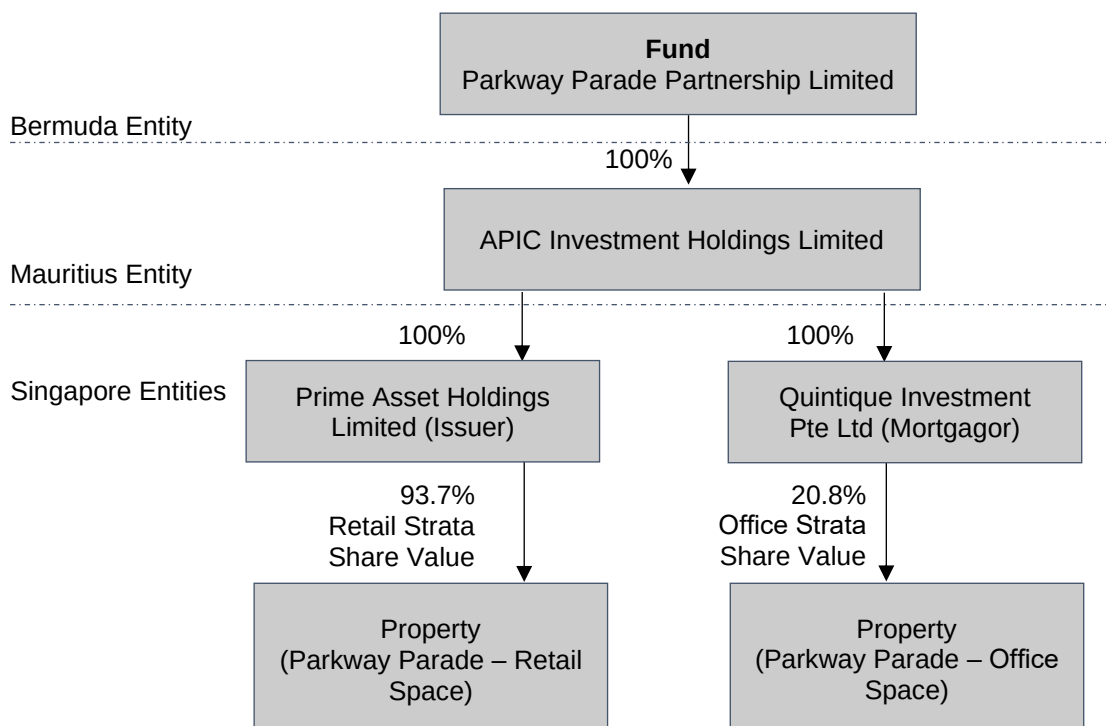
Background

A. Current Structure

The Notes are secured by the majority of the retail strata units and some of the office strata units in the property known as “Parkway Parade” (those units are referred to in this announcement as the “**Property**”). The Property is part of an integrated office and retail development located at 80 Marine Parade Road, Singapore 449269.

As at the date of the issue of the Notes and up to the date of this announcement, the ownership structure of the Property consists of a series of companies incorporated in Mauritius and Singapore to separately hold the retail and office strata units in the Property. The ultimate holding company of the Property is Parkway Parade Partnership Limited (“**PPP**”) which is domiciled in Bermuda.

We set out below a pictorial representation of the current holding structure of PPP.



Up to the date of this announcement, there has been no change in the holding structure since the date of issue of Notes.

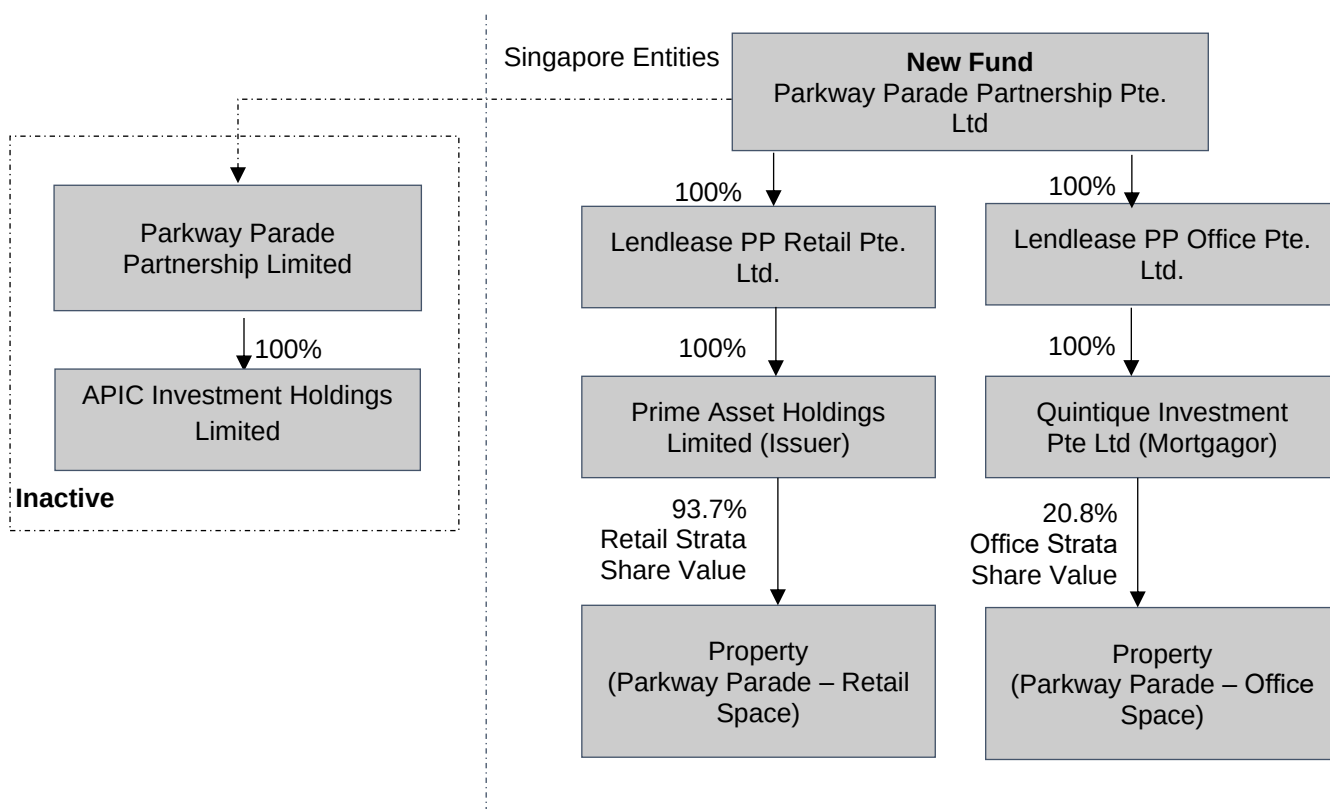
PPP is managed by Lendlease Investment Management Pte. Ltd (“**LLIM**”), a wholly-owned subsidiary of Lendlease Corporation Limited. PPP owns its interest in the Property via intermediate holding companies in Mauritius and Singapore. The Issuer is the Singapore special purpose vehicle holding interests in the retail component of the Property.

B. Restructuring and New Structure

It is proposed that the offshore holding entities of the Property be restructured such that going forward, the investment fund which is currently domiciled in Bermuda and the intermediary vehicle which is currently domiciled in Mauritius will all be domiciled in Singapore.

The purpose of the Restructuring is to minimise the running costs of having multiple jurisdictions.

We set out below a pictorial representation of the new holding structure following the proposed Restructuring:



The Restructuring is expected to be completed on or around the date of this announcement.

The Issuer wishes to point out the following to Noteholders, that post-Restructuring:

- (a) the Issuer remains as the issuer of the Notes, and the interest payable under the Notes, the Issuer's obligations under and Noteholders' rights to receive payment on and redeem the Notes are all not affected in any way;
- (b) there is no change to the Issuer's holdings in the retail component of the Property;

- (c) there is no change to the holdings of Quintique Investment Pte Ltd (the “**Mortgagor**”) in the office component of the Property;
- (d) there is no change to the value of the Property, nor the amount of the debt owing by the Issuer or the Mortgagor, and hence no change to the ratio of the debt secured on the Property to the value of the Property;
- (e) the ultimate parent entity that is the beneficial owner of the Issuer and the Mortgagor is an investment fund which would be incorporated in Singapore as the successor of PPP;
- (f) the investment fund continues to be solely-managed by LLIM which is a wholly-owned subsidiary of Lendlease Corporation Limited and the Restructuring does not change the businesses of the Issuer nor the Mortgagor;
- (g) the Property continues to be managed by Lendlease Retail Pte Ltd, a wholly-owned subsidiary of Lendlease Corporation Limited; and
- (h) the Notes remain fully secured by the Property and related security as held by the Issuer and the Mortgagor.

Points to Note by Noteholders with respect to the Notes financing structure

The Issuer wishes to draw the attention of Noteholders to the following points raised below.

A. No Change of Shareholding Event

The terms and conditions of the Notes provide flexibility for changes in the holding entities of the Issuer and the Mortgagor.

Should there be changes to the shareholding of the Issuer and the Mortgagor that is **outside** those expressly contemplated in the definition of “Shareholder” in Condition 5(f)(ii) of the Notes, it may be deemed as a “Change of Shareholding Event” for which Noteholders will be able to put their holdings in the Notes to the Issuer.

“Shareholder” is defined in Condition 5(f)(ii) of the Notes as:

- (I) Parkway Parade Partnership Limited (“**PPP**”);
- (II) Lendlease Corporation Limited (“**LLC**”);
- (III) a wholly owned Subsidiary of PPP or LLC;
- (IV) any fund solely managed by LLC or any of its wholly owned subsidiaries; and/or
- (V) any other person approved by the Noteholders by way of an extraordinary resolution at a duly convened meeting of Noteholders.

As the Issuer and the Mortgagor continue to be held by subsidiaries of an investment fund that is managed by LLIM, there is no Change of Shareholder Event for purposes of Condition 5(f)(ii) of the Notes.

B. Removal of APIC Investment Holdings Limited (“APIC**”) and replacement by Lendlease PP Retail Pte. Ltd. (“**LLPPR**”) and Lendlease PP Office Pte. Ltd. (“**LLPPO**”)**

As part of the Restructuring, APIC (incorporated in Mauritius) will be removed from the holding structure of the Property and replaced with LLPPR and LLPPO.

At the time of issue of the Notes, the Issuer and the Mortgagor have outstanding shareholder loans which are owing to APIC. As at the date of this announcement, such shareholder loans remain outstanding.

Along with LLPPR and LLPPO taking over from APIC the shares in the Issuer and the Mortgagor, the outstanding shareholders loans will be transferred (referred to as a “novation” in law) by APIC to LLPPR and LLPPO respectively, with no change to the shareholder loan terms.

Noteholders may recall that such shareholder loans are (as part of a credit enhancement feature for the Notes) subordinated to amounts owing by the Issuer to the Noteholders under the Notes, and also subordinated to the bank loans borrowed in 2016 by the Issuer and related hedging debts. Subsequent to the Restructuring and the novation, such shareholders loans will continue to be subordinated on the same terms to, amounts owing by the Issuer to Noteholders under the Notes and those bank loans and related hedging debts.

C. Bank Lenders

Apart from the issue of Notes, the Issuer had also obtained loan financing from various banks (the “**Bank Lenders**”). Both the Notes and such loans obtained by the Issuer are secured on a *pari passu* basis over the Property and related security as held by the Issuer and the Mortgagor.

The Issuer wishes to inform Noteholders that the Bank Lenders have similarly been informed of the proposed Restructuring.

D. Consequential Amendments to the Notes Trust Deed and other documents

In view of the Restructuring and replacement of APIC with LLPPR and LLPPO, technical amendments will be made to the Notes documentation to reflect the above changes.

The Issuer is of the view that such technical amendments to the Notes documentation (including the intercreditor agreement) are not materially prejudicial to the holders of the Notes.

If any Noteholder requires any clarification, please direct your queries to the following:

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By Order of the Board of the Issuer

Peter Madhavan
Company Secretary
9 April 2020