

Lendlease Global Commercial REIT strengthens presence in strategic and well-established location in Singapore via acquisition of a stake in Parkway Parade

Key benefits of the acquisition

- ✓ Provides LREIT with **pre-emptive rights and the flexibility to potentially increase its strategic stake** in Parkway Parade Partnership Pte Ltd (“PPP”) (which holds an indirect interest in Parkway Parade).
- ✓ **Distribution Per Unit (“DPU”) accretive** on a pro forma basis.
- ✓ Increased exposure to **Singapore’s resilient suburban retail segment**.
- ✓ **Direct connection to the upcoming Marine Parade MRT station** will channel **more footfall to Parkway Parade** and strengthen its position as a dominant suburban retail mall in the eastern part of Singapore.
- ✓ Upon the **completion of the planned asset enhancement initiatives** (“AEI”), Parkway Parade will be reinvigorated with new retail and F&B tenants. The mall will continue to enjoy seamless connectivity from Marine Parade Central and prominent street frontage along Marine Parade Road.

Singapore, 5 June 2023 – Lendlease Global Commercial Trust Management Pte. Ltd. (the “**Manager**”), the manager of Lendlease Global Commercial REIT (“LREIT”), is pleased to announce that LREIT has acquired a 10.0% interest in PPP, which indirectly holds 77.09% of the share value in Parkway Parade, from Lendlease Asia Investments Pty Limited at a purchase consideration of approximately S\$88.9 million¹.

Parkway Parade is an integrated office and retail asset that is easily accessible via major expressways and will enjoy even greater connectivity to public transportation once the Marine Parade MRT station is completed.

Based on the assumption that the acquisition was completed on 1 July 2021 and 1 July 2022 for FY2022 and 1H FY2023, respectively, DPU is expected to improve to 4.89 cents (from 4.85 cents in FY2022) and 2.47 cents (from 2.45 cents in 1H FY2023). LREIT’s gearing based on pro forma effects of the acquisition as at 31 December 2022 would be 40.4%.

The Manager financed the acquisition through internal resources and debt facilities.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, “Parkway Parade is a strategic fit with our existing portfolio as we continue to drive sustainable returns for LREIT’s unitholders. With the seamless connection from the upcoming Marine Parade MRT station and Marine Parade

¹ Subject to post-completion adjustments.

Central, the integrated asset is expected to improve LREIT's earnings and distributions moving forward.”

Details of the Acquisition

The purchase consideration for the acquisition is based on 10.0% of the net asset value of PPP, taking into account the agreed market value of Parkway Parade at S\$1,380.0 million (the “Agreed Market Value”).

The Agreed Market Value was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by Savills Valuation and Professional Services (S) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd (“JLL”). It is equivalent to the independent valuation of JLL, being the higher of the two independent valuations as at 30 April 2023.

The estimated total cost of the acquisition is approximately S\$90.5 million, comprising (i) the purchase consideration of approximately S\$88.9 million, which is subject to post-completion adjustments, (ii) the acquisition fee of approximately S\$0.9 million (being 1.0% of the purchase consideration and payable in LREIT units), (iii) the estimated professional and other fees and expenses of approximately S\$0.7 million (inclusive of approximately S\$0.2 million of stamp duty).

This press release is to be read in conjunction with the announcement dated 5 June 2023 “Acquisition of 10.0% of the Shares in Parkway Parade Partnership Pte. Ltd.”.

About Parkway Parade

Parkway Parade is conveniently located approximately eight kilometres to the east of Singapore’s Central Business District in Marine Parade. Parkway Parade is one of Singapore’s first major and biggest suburban malls, offering the largest range of stores on the East Coast of Singapore with over 250 stores located across seven levels.

The integrated asset is well-connected to public transportation and easily accessible via major expressways. With the upcoming Marine Parade MRT station directly connected to Parkway Parade, accessibility to the mall will be greatly improved. This would strengthen its position as a dominant suburban retail mall in the eastern part of Singapore.

To capitalise on this potential, AEI have been planned to coincide with the completion of the new MRT station. The proposed MRT linkway through the basement will help to channel the crowd to the mall given direct connectivity. Upon completion of the planned AEI, Parkway Parade will be reinvigorated with new retail and F&B tenants. The mall will continue to enjoy seamless connectivity from Marine Parade Central and prominent street frontage along Marine Parade Road. Parkway Parade will also continue to receive healthy daily shopper traffic, and offer a vibrant mix of retail and F&B offerings from popular tenants such as Food Republic, FairPrice Xtra, Harvey Norman, Marks & Spencer and Uniqlo, alongside lifestyle amenities and services.

About Lendlease Global Commercial REIT

Listed on 2 October 2019, Lendlease Global Commercial REIT (“**LREIT**”) is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes.

Its portfolio comprises leasehold properties in Singapore namely Jem (an office and retail property) and 313@somerset (a prime retail property) as well as freehold interest in Sky Complex (three grade-A office buildings) in Milan. These five properties have a total net lettable area of approximately 2.2 million square feet, with an appraised value of S\$3.6 billion as at 30 June 2022. Other investment includes development of a multifunctional event space on a site adjacent to 313@somerset.

LREIT is managed by Lendlease Global Commercial Trust Management Pte. Ltd., an indirect wholly-owned subsidiary of Lendlease Corporation Limited. Its key objectives are to provide unitholders with regular and stable distributions, achieve long-term growth in distribution per unit and net asset value per unit, and maintain an appropriate capital structure.

About the Sponsor - Lendlease Corporation Limited

The Sponsor, Lendlease Corporation Limited, is part of the Lendlease Group², an international real estate group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney and established in 1958, the Lendlease Group’s vision is creating places where communities thrive. The Lendlease Group’s approach is to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles. This approach means that through cycles the composition of earning from each segment or region may vary.

The Lendlease Group has a development pipeline value of approximately A\$121 billion³, core construction backlog of A\$9.6 billion³ and funds under management of A\$48 billion³.

The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and investments.

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² Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries

³ As at 31 December 2022.

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The value of units in LREIT (the “**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by Lendlease Global Commercial Trust Management Pte. Ltd. (the “**Manager**”), DBS Trustee Limited (as trustee of LREIT) or any of their affiliates.

This press release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (“**Unitholder**”) have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

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The past performance of LREIT is not necessarily indicative of its future performance.