

## **Lendlease Global Commercial REIT completes the largest<sup>1</sup> capital fundraising by S-REIT in 2022; Preferential Offering 1.4 times subscribed**

- The fundraising activities have garnered immense support from both new and existing institutional and retail investors
- Transformational acquisition of Jem will strengthen LREIT's portfolio with high-quality tenants, providing strong and stable cashflow for unitholders
- 100% ownership through an efficient holding structure will attain tax transparency to achieve recurring savings<sup>2</sup>
- The enlarged total deposited property of S\$3.6 billion will increase investor relevance and trading liquidity

**Singapore, 14 April 2022** – Lendlease Global Commercial Trust Management Pte. Ltd., the manager (“Manager”) of Lendlease Global Commercial REIT (“LREIT”) is pleased to announce the successful conclusion of its non-renounceable preferential offering of new units to existing Unitholders (“Preferential Offering”) launched on 4 April 2022.

The Preferential Offering was approximately 1.4 times subscribed. The allotment of 345,577,449 new units at an issue price of S\$0.72 per new unit was fully subscribed and raised approximately S\$249 million.

Together with the successful private placement, the issuance of the market's first<sup>1</sup> S-REIT perpetual securities and the largest<sup>1</sup> sustainability-linked loan (“SLL”) for an S-REIT, LREIT raised a total of more than S\$1.7 billion to fund the acquisition of Jem. The SLL incorporates interest rate reductions linked to predetermined sustainability performance targets, allowing LREIT to enjoy savings in borrowing costs as it achieves these targets through its portfolio in Singapore.

The fundraising activities have garnered immense support from both new and existing institutional investors, as well as retail investors, which solidifies LREIT's position as a leading S-REIT with strong, stable cash flows underpinned by a resilient and sustainable property portfolio.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, “We are humbled by the tremendous support received in the Preferential Offering and the trust that our unitholders have in us and our portfolio. We are deeply grateful for their vote of confidence and would like to thank all new and existing investors on this journey with us as we continue on our growth path and making good on our promises to all stakeholders.”

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<sup>1</sup> As at 14 April 2022.

<sup>2</sup> Aggregate corporate income taxes under the fund structure was approximately S\$5.6 million in FY2021.

LREIT's private placement was 3.3 times subscribed and drew strong demand from long-only institutional investors and real estate specialist funds, which accounted for more than 80% of the gross proceeds. The tranche was also upsized to S\$400 million from the initial size of S\$325 million.

Following which, the issuance of perpetual securities also received strong demand from investors where the issuance was upsized to S\$200 million from the initial S\$150 million target, after attracting more than 5.3 times of orders. This marked the market's first perpetual securities issuance by an S-REIT in 2022.

Lendlease Corporation Limited (the "Sponsor") had irrevocably committed to the subscription for its *pro rata* allotment and application for excess units in the Preferential Offering of up to S\$117.8 million. Given that the Preferential Offering was oversubscribed, the Sponsor did not make applications for any excess Preferential Offering new units.

### **Jem – A Dominant Suburban Mixed-used Property with High Quality Tenants**

Jem has a committed occupancy of 100% as at 31 December 2021 and boasts quality tenants with a well-balanced tenant mix. Some of its top retail tenants include IKEA, FairPrice Xtra, Cathay Cineplexes and Don Don Donki, amongst others. Furthermore, its office component is fully leased to the Ministry of National Development of Singapore with a 30-year master lease till 2045<sup>3</sup>.

Post-acquisition, apart from an increase in total deposited property to approximately S\$3.6 billion, LREIT's portfolio WALE will also increase to 8.9 years. With a 100% ownership over Jem, the property will enjoy tax transparency with recurring savings<sup>2</sup>. This well-balanced portfolio is expected to provide strong and stable cashflow for LREIT's unitholders.

This press release is to be read in conjunction with the announcement dated 14 April 2022 "Results of the Preferential Offering".

**End**

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<sup>3</sup> As of 31 December 2021, the weighted average lease term remaining for the office component is 22.9 years.

## **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 a leasehold interest in 313@somerset, a prime retail property located in Singapore and a freehold interest in Sky Complex, which comprises three grade-A office buildings located in Milan. These four properties have a total net lettable area of approximately 1.3 million square feet, with an appraised value of S\$1.4 billion. Other investments include a 31.8% indirect interest in Jem, an integrated office and retail development in Singapore and a tender project to develop 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. 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 Group<sup>4</sup>, 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 Together we create value through 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\$112 billion<sup>5</sup>, core construction backlog of A\$11 billion<sup>5</sup> and funds under management of A\$42 billion<sup>5</sup>. The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and investments.

## **For more information, please contact Investor Relations:**

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<sup>4</sup> Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

<sup>5</sup> As at 31 December 2021.

## Important Notice

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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**”), RBC Investor Services Trust Singapore 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.