

## Lendlease Global Commercial REIT to Increase Stake in Jem to Boost Income Diversification and Resiliency

- ✓ The proposed acquisition is DPU accretive to unitholders
- ✓ Increases LREIT's exposure to the resilient suburban retail and decentralised office segments in Singapore
- ✓ Jem's office component is 100% leased to a Singapore government ministry with a long WALE of 24 years, which provides strong stable cash flow
- ✓ Exposure in the suburban retail segment will be increased significantly by 13.9%<sup>1</sup>
- ✓ NAV per unit remains at \$0.85<sup>2</sup> with gearing improved to 33.8%<sup>2</sup>
- ✓ Provides LREIT with increased strategic pre-emptive rights

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the Offering (the "**Sole Financial Adviser and Issue Manager**"). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. were the joint global coordinators, bookrunners and underwriters for the Offering (collectively, the "**Joint Global Coordinators, Bookrunners and Underwriters**").

**Singapore, 7 June 2021** – Lendlease Global Commercial Trust Management Pte. Ltd., the manager ("Manager") of Lendlease Global Commercial REIT ("LREIT"), is pleased to announce today that RBC Investor Services Trust Singapore Limited, in its capacity as trustee of LREIT ("Trustee") has entered into sale and purchase agreements to increase its stake in Jem.

1. To acquire a 53.0% interest in Lendlease Jem Partners Fund Limited ("LLJP") from third party vendors for S\$159.1 million.
2. To acquire a 5.0% interest in Lendlease Asian Retail Investment Fund 3 Limited ("ARIF3") from Lendlease International Pty Limited<sup>3</sup> ("LLI") for S\$45.0 million. The Trustee may also acquire up to 19.8% interest in ARIF3 from other third-party investors for S\$178.2 million<sup>4</sup>.

Upon completion of the proposed acquisition, LREIT will hold an effective indirect interest of up to 31.8% in Jem.

### Acquisition details based on 53.0% interest in LLJP and 19.8% interest in ARIF3

The acquisition is based on an agreed market value of Jem at S\$2,077.0 million and at a discount of approximately 0.4% to the appraised value<sup>5</sup>. The estimated total cost of the proposed acquisition will be up to S\$347.1 million, comprising:

---

<sup>1</sup> Based on acquisition of 53.0% interest in LLJP and 19.8% interest in ARIF3.

<sup>2</sup> Based on the pro forma effects of the proposed acquisition for FY2020.

<sup>3</sup> A wholly-owned subsidiary of Lendlease Corporation Limited.

<sup>4</sup> Based on the assumption that the purchase consideration payable to the third-party investors in ARIF3 will not be more than the net asset value of ARIF3 per ARIF3 share.

<sup>5</sup> The higher of the two independent valuations of Jem as at 30 April 2021.

- (i) purchase consideration of up to S\$337.3 million<sup>6</sup>;
- (ii) acquisition fee<sup>7</sup> payable to the Manager of up to S\$3.4 million<sup>8</sup>; and
- (iii) other fees and expenses of up to S\$6.4 million.

LREIT will leverage its strong balance sheet to fund this acquisition through debt or a combination of debt and proceeds from the issuance of perpetual securities. The acquisition, which is conditional upon LREIT unitholders' approval, is expected to complete by 30 September 2021.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, "The proposed acquisition is in line with our strategy of continually optimising LREIT's portfolio and demonstrates our commitment to achieve sustainable returns and growth. The acquisition price is attractive for a high-quality asset like Jem."

"Following the acquisition, the enlarged portfolio size of \$1.8 billion will have a diversified asset base and an increased exposure to more resilient suburban retail and decentralised office segments. The single largest asset by aggregate value of the enlarged portfolio would also have decreased from 67.6% to 55.1%. The proposed acquisition will therefore enhance LREIT's income diversification."

This press release is to be read in conjunction with LREIT's proposed acquisition announcement dated 7 June 2021 ("Announcement"). Details of the key investment merits and assumptions are set out in the Announcement.

#### Valuation and conditions for the proposed acquisition

As Lendlease Corporation Limited is a controlling unitholder of LREIT, the acquisition is an interested person/party transaction under the Listing Manual of Singapore Exchange Securities Trading Limited and the Property Funds Appendix of the Code on Collective Investment Schemes. As the value of the acquisition exceeds 5% of LREIT Group's latest audited net tangible assets, the acquisition is subject to the approval of LREIT's unitholders at an extraordinary general meeting which will be held at an appropriate time.

Two independent valuers have been appointed by the Manager and Trustee. CBRE Pte. Ltd., appointed by the Manager, has valued Jem at S\$2,061.0 million and Jones Lang LaSalle Property Consultants Pte Ltd, appointed by the Trustee, has valued Jem at S\$2,085.0 million.


---

<sup>6</sup> Subject to post-completion adjustments.

<sup>7</sup> Acquisition fee will be in the form of units, which shall not be sold within one year of the date of issuance.

<sup>8</sup> The acquisition fee in respect of the proposed acquisition is 1.0% of the purchase consideration.

## About Jem

|   |   |
|---|---|
|  | <ul style="list-style-type: none"> <li>✓ An integrated office and retail asset located in Jurong Gateway, the commercial hub of the Jurong Lake District.</li> <li>✓ Enjoys direct connectivity to both the Jurong East MRT interchange station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library.</li> <li>✓ One of the largest suburban malls in Singapore with retail space spread across six levels.</li> <li>✓ Comprises 12 levels of office space fully leased to the Ministry of National Development (MND) of Singapore.</li> </ul> |
| Title   | Leasehold of 99 years from 27 September 2010  |
| Gross floor area <sup>9</sup>   | 1,164,336 square feet   |
| Net lettable area (NLA) <sup>9</sup>  | 892,148 square feet   |
| Committed occupancy <sup>9</sup>  | 99.7%   |
| Weighted average lease expiry (by gross rental income) <sup>9</sup>               | 6.5 years   |
| Major tenants by NLA  | Ministry of National Development (MND), IKEA (first small concept store in Southeast Asia), FairPrice Xtra (a hypermarket), Cathay Cineplexes (one of the largest cinema multiplex in western Singapore), Don Don Donki, H&M, Koufu, Uniqlo, Courts.  |
| Awards  | <ul style="list-style-type: none"> <li>✓ First mixed-use asset in Singapore to be awarded the Green Mark Platinum version 4</li> <li>✓ Building and Construction Authority's Universal Design Mark Gold Plus Design Award</li> <li>✓ Regional Sector Leader and 1<sup>st</sup> in the 2020 Global Real Estate Sustainability Benchmark (GRESB) rankings under the Asia Retail (Non-Listed) category<sup>10</sup></li> </ul>   |

ENDS

<sup>9</sup> As at 31 March 2021.

<sup>10</sup> 1<sup>st</sup> and 2<sup>nd</sup> place rankings obtained while held under LLJP and ARIF3 respectively.

## **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 two assets have a total NLA of approximately 1.3 million square feet, with an appraised value of S\$1.4 billion. On 1 October 2020, LREIT acquired a stake in Jem, an integrated office and retail development in Singapore, through a 5 per cent interest in Lendlease Asian Retail Investment Fund 3.

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>11</sup>, an international property and infrastructure 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\$110 billion<sup>12</sup>, core construction backlog of A\$14 billion<sup>12</sup> and funds under management of A\$38 billion<sup>12</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:**

Lendlease Global Commercial Trust Management Pte. Ltd.  
Ling Bee Lin  
enquiry@lendleaseglobalcommercialreit.com  
Tel: +65 6671 7374

---

<sup>11</sup> Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

<sup>12</sup> As at 31 December 2020.

## **Important Notice**

This press release is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Lendlease Global Commercial REIT (“LREIT”) in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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.

This press release is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

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