

# SGX ANNOUNCEMENT

18 February 2021



(a real estate investment trust constituted on 28 January 2019  
under the laws of the Republic of Singapore)

(Managed by Lendlease Global Commercial Trust Management Pte. Ltd.)

## PROPOSED APPOINTMENT IN CONNECTION WITH THE REDEVELOPMENT OF THE GRANGE ROAD CAR PARK

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the initial public offering of Lendlease Global Commercial REIT (the “Offering”). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. were the joint global coordinators, bookrunners and underwriters for the Offering.

### 1. INTRODUCTION

Lendlease Global Commercial Trust Management Pte. Ltd., as manager of Lendlease Global Commercial REIT (“LREIT”, and the manager, the “Manager”), refers to its press release on 13 June 2020 in relation to the award of the tender to LREIT to redevelop the car park at Grange Road (the “Site”) into a new multi-functional event space (the “Redevelopment”, and the redeveloped Site, the “Property”).

The Manager wishes to announce that in connection with the Redevelopment, a project and construction management services agreement (the “PCMA”) between RBC Investor Services Trust Singapore Limited, in its capacity as trustee of LREIT (the “Trustee”) and Lendlease Singapore Pte. Ltd. (“LLS”) has been entered into on 18 February 2021, pursuant to which LLS has been appointed as the project manager for the Site to provide project and construction management services for the construction of the events and commercial venue at the Site.

### 2. DETAILS OF THE INTERESTED PERSON

LLS is an indirect wholly-owned subsidiary of Lendlease Corporation Limited, the sponsor for LREIT (“Sponsor”).

The Sponsor is a “controlling unitholder” of LREIT and a “controlling shareholder” of the Manager. As LLS is an indirect wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the listing manual of Singapore Exchange Securities Trading Limited (the “SGX-ST”, and the listing manual of the SGX-ST, the “Listing Manual”) and Paragraph 5 of Appendix

6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”), LLS (being a subsidiary of a “controlling unitholder” of LREIT and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of LREIT and (for the purposes of the Property Funds Appendix) an “interested party” of LREIT.

### 3. DETAILS OF THE TRANSACTION

Under the terms of the PCMA, the services to be provided by LLS in relation to the Redevelopment include, among others, project and design management services, contracts management, construction management, environmental, health and safety management, cost management and reporting.

Under the PCMA, LLS shall be paid a fee, comprising resource costs, preliminary costs and a project and construction management fee at 3% of the Design and Construction Costs<sup>1</sup> incurred for the project. The works for the Redevelopment are expected to be completed by the first half of 2022.

The Manager understands that the terms of the PCMA (including the fees) are comparable with the terms and fees which LLS would impose for other similar projects as the construction of the events and commercial venue at the Site.

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<sup>1</sup> Design and Construction costs means:

- (a) all costs incurred in relation to the provision of all design services by consultants managed by LLS as part of the services; and
- (b) all costs incurred in relation to the performance of any aspect of the work by contractors managed by LLS as part of the services, provided that there shall be no double counting of any item of cost or expenditure, and excludes:
  - (i) the development manager’s fee or costs falling under the Other Development Costs budget; including the costs of independent quantity surveyor appointed by Lendlease Retail Pte. Ltd. which is the development manager (the “**Development Manager**”) or the Trustee;
  - (ii) all tenant incentives, including a rent-free period, income support or similar arrangement;
  - (iii) all costs incurred in respect of leasing and sales agents;
  - (iv) all costs incurred in relation to marketing;
  - (v) debt fees and debt interest costs;
  - (vi) taxes;
  - (vii) the purchase price of the Site on which the project is being undertaken and any related stamp duty;
  - (viii) land development charges and contributions payable to government authorities;
  - (ix) costs incurred in relation to the provision of quantity surveying services;
  - (x) costs and fees paid or payable by the Trustee to the Development Manager in respect of services performed by the Development Manager; and
  - (xi) reimbursements received by the Trustee from the Singapore Tourism Board in relation to the basic works, and Live Nation in relation to the Live Nation related works.

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## 4. RATIONALE AND KEY BENEFITS

The rationale for the appointment of LLS as the project manager is as follows:

- (a) Familiarity with Lendlease-managed properties and Proven Track Record. LLS has been involved in numerous developments and asset enhancement initiatives at properties held and/or managed by Lendlease, including 313@somerset and the Discovery Walk adjacent to the Site. As such, they are familiar with the various technical and authority issues relating to new or existing properties. LLS is also familiar with the tender specifications pertaining to the Property and this appointment would offer LREIT the advantage of efficiency in execution and ability to expedite the project.
- (b) Market Competitive Fee. The project and construction management fee of 3.0% of Total Project Costs is competitive and comparable to what they would typically charge for similar projects. These fees and related party costs are also subject to assessment by an independent cost assessor.
- (c) Safety and Expertise. Lendlease has a strong project and construction management team that has been involved in major projects in both Singapore and overseas. Their focus on safety and use of Global Minimum Requirements is aligned with LREIT's aim to make safety a priority in such projects. In addition, with Lendlease's experience in building global event venues such as the Etihad Stadium in Australia, Hydro Arena in Scotland and Sapporo Dome in Japan, this expertise can be deployed to benefit the project.

## 5. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has reviewed the PCMA and is of the view that it is on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders.

## 6. AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS ("IPTs")

Prior to the execution of the PCMA, the aggregate value of the IPTs (excluding transactions which are less than S\$100,000) entered into between LREIT and its subsidiaries (the "Group") and the Sponsor and/or its subsidiaries for the current financial year commencing 1 July 2020 ("FY2021") was approximately S\$46 million, representing approximately 4.6% of the Group's latest audited net tangible assets as at 30 June 2020 ("**Audited NTA**"). Following execution of the PCMA, the aggregate value of the IPTs (excluding transactions which are less than S\$100,000) entered into between the Group and the Sponsor and/or its subsidiaries for FY2021 (including the PCMA) is approximately S\$48 million, representing approximately 4.8% of the Group's latest Audited NTA. The Manager is therefore making this announcement in

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compliance with the requirements under Rule 905 of the Listing Manual. The Group has not entered into any other transaction with other interested persons during FY2021 up to the date of this Announcement.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, the interests of the Directors in the transaction are as follows:

- (i) Mr Anthony Peter Lombardo, the Chairman and a Non-Executive Director of the Manager, is also Chief Executive Officer and a director of Lendlease Asia Holdings Pte. Ltd.; and
- (ii) Ms Ng Hsueh Ling, a Non-Executive Director of the Manager, is also Managing Director, Singapore and Chief Investment Officer, Asia and a director of Lendlease Investment Management Pte. Ltd., LLS and Lendlease Retail Pte. Ltd..

Save as disclosed above and save for the directors' and substantial Unitholders' respective holdings in LREIT, the directors and substantial Unitholders have no other interests in the transaction.

By Order of the Board  
Kelvin Chow  
Chief Executive Officer

### **Lendlease Global Commercial Trust Management Pte. Ltd.**

(Registration Number: 201902535N)

(as manager of Lendlease Global Commercial REIT)

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## IMPORTANT NOTICE

This Announcement 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.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of the Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or RBC Investor Services Trust Singapore Limited, as trustee of LREIT. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

This Announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for the Units in the United States. This Announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that the Unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of LREIT and the Manager is not necessarily indicative of the future performance of LREIT and the Manager.