

Lendlease Global Commercial REIT acquires a stake in Jem via a 5 per cent interest in Lendlease Asian Retail Investment Fund 3

This marks LREIT's first acquisition, investing in a high-quality integrated office and retail development

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Singapore, 1 October 2020 – 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 5.0% equity stake in Lendlease Asian Retail Investment Fund 3 Limited (the "**Fund**"), which indirectly holds a 75.0% interest in Jem, from Lendlease International Pty Limited (the "**Vendor**") at a purchase consideration of approximately S\$45.0

million. Jem is an integrated office and retail development located in Jurong Gateway, the commercial hub of the Jurong Lake District – Singapore’s second central business district.

A key benefit of the investment is to provide LREIT with pre-emptive rights, which all existing investors have in the Fund. This may provide opportunities for LREIT to potentially increase its strategic stake in the Fund (and indirect interest in Jem) over time if other investors divest their interests in the Fund. The Manager has financed the acquisition through internal resources and debt facilities. The pro forma gearing of LREIT post the acquisition is 36.9% as at 30 June 2020.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, “Jem is strategically located in Singapore’s second central business district and has direct access to the MRT interchange and other transport amenities. The acquisition of the 5.0% equity stake in the Fund aims to benefit LREIT and its Unitholders through further income diversification based on the office and suburban retail components of Jem.”

The acquisition is accretive to LREIT’s distribution per unit based on the assumption that the acquisition had been effected on 2 October 2019, and LREIT held and operated Jem through 30 June 2020, and other assumptions as set out in LREIT’s announcement dated 1 October 2020 titled “Acquisition of Stake in Jem via 5.0% of the Shares in Lendlease Asian Retail Investment Fund 3 Limited” (“**Announcement**”).

This press release is to be read in conjunction with the Announcement.

Details of the Acquisition

The Fund is a private fund managed by Lendlease Investment Management Pte. Ltd., an indirect wholly-owned subsidiary of the sponsor of LREIT, Lendlease Corporation Limited (the “**Sponsor**”). The remaining 25.0% interest in Jem is held by another private fund managed by Lendlease Investment Management Pte. Ltd. Post-acquisition, the Vendor holds approximately 15.1% interest in the Fund, with the remaining interest held by unrelated third-party investors.

The total estimated cost of the acquisition is approximately S\$46.3 million, comprising the purchase consideration of approximately S\$45.0 million, the acquisition fee payable in units in LREIT to the Manager of approximately S\$0.4 million, and the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the acquisition of approximately S\$0.9 million.

About Jem



Jem, with an NLA of about 892,000 square feet, is one of the largest suburban malls in Singapore and its office space is fully leased to the Ministry of National Development (MND) of Singapore.

Jem enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library. It is one of the largest suburban malls in Singapore with retail space spread across six levels. It also comprises 12 levels of office space fully leased to the Ministry of National Development (MND) of Singapore.

Jem is the first mixed-use development in Singapore to be awarded the Green Mark Platinum version 4 and received the Building and Construction Authority's Universal Design Mark Gold Plus Design Award. The mall was ranked third in the Asia Retail category of 2019 Global Real Estate Sustainability Benchmark ("**GRESB**") rankings for strong leadership in sustainability.

As at 30 June 2020, Jem has a net lettable area ("**NLA**") of about 892,000 square feet. Its retail and office space (by NLA) account for 65% and 35%, respectively. Anchor tenants within the retail space include FairPrice Xtra (a hypermarket), Cathay Cineplexes (one of the largest cinema multiplex in western Singapore) and Don Don Donki. Other major retail tenants include Koufu, Uniqlo, H&M and Courts, with IKEA slated to open in 2021.

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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 initial portfolio comprised a leasehold interest in 313@somerset, a retail property located in Singapore and a freehold interest in Sky Complex, which comprises three office buildings located in Milan. The portfolio has a total net lettable area of approximately 1.3 million square feet, with an appraised value of approximately S\$1.4 billion.

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 Group¹, an international property and infrastructure group with operations in Australia, Asia, Europe and the Americas.

Its purpose is Together we create value through places where communities thrive.

Headquartered in Sydney, Australia, and listed on the Australian Securities Exchange, Lendlease has approximately 10,900 employees internationally.

Its core capabilities are reflected in the operating segments of Development, Investments and Construction. The combination of these three segments provides a sustainable competitive advantage and allows Lendlease to provide innovative integrated solutions for its customers.

The Lendlease Group has a development pipeline value of approximately A\$113 billion² and funds under management of A\$36 billion². The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and infrastructure investments.

For more information, please contact Investor Relations:

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¹ Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

² As at 30 June 2020.

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.