

# SGX ANNOUNCEMENT

14 February 2022



(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.)

## ACQUISITION OF REMAINING INTERESTS IN JEM, RELATED PROPOSED TRANSACTIONS AND RECEIPT OF APPROVAL IN-PRINCIPLE FOR THE LISTING OF THE CONSIDERATION UNITS AND NEW UNITS (AS DEFINED HEREIN)

### 1. Executive Summary

Lendlease Global Commercial Trust Management Pte. Ltd., as manager of Lendlease Global Commercial REIT (“**LREIT**”, and the manager of LREIT, the “**Manager**”), is pleased to announce the following:

1.1 LREIT proposes to acquire the remaining interests in the property known as Jem, located at 50 and 52 Jurong Gateway Road, Singapore (the “**Property**”) via:

- (a) an acquisition of the Property (the “**Property Acquisition**”); and
- (b) an acquisition of 13.05% of the total issued share capital in Lendlease Asian Retail Investment Fund 3 Limited (“**ARIF3**”, and 13.05% of the total issued share capital in ARIF3, the “**ARIF3 Sale Shares**”) (the “**ARIF3 Share Acquisition**”),

at a purchase consideration of S\$2,079 million for the Property (the “**Property Purchase Consideration**”)¹ and approximately S\$116 million for the ARIF3 Sale Shares (the “**ARIF3 Purchase Consideration**”).² ARIF3 holds a 75.0% indirect interest in the Property;

¹ Subject to relevant post-completion adjustments.

² Estimated based on the net asset value of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration will be fixed based on the net asset value of ARIF3 as at the completion date in accordance with the agreed procedures set out in the ARIF3 SPA and there will be no post-completion adjustments.

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- 1.2 LREIT proposes to issue new Units (“**Consideration Units**”) as payment of the ARIF3 Purchase Consideration payable for the ARIF3 Share Acquisition on Completion;
- 1.3 LREIT proposes to issue up to 1,265,346,000 new Units (the “**New Units**”) under an equity fund raising (the “**Equity Fund Raising**”); and
- 1.4 Key benefits to unitholders of LREIT (“**Unitholders**”) include:
  - (a) Increased exposure to the resilient suburban segment;
  - (b) Strategic location that brings long-term growth potential;
  - (c) Enhanced portfolio’s scale and diversification;
  - (d) Top-tier dominant suburban asset;
  - (e) Transformational acquisition – Full control of Jem via an efficient holding structure; and
  - (f) Attractive value proposition.

## 2. Introduction

### 2.1 Acquisition

The Manager is pleased to announce the following acquisitions:

(a) The Property Acquisition

RBC Investor Services Trust Singapore Limited, in its capacity as trustee of LREIT (the “**Trustee**”), has on 14 February 2022 entered into a put and call option agreement (the “**Asset PCOA**”) with Lendlease Commercial Investments Pte. Ltd. (“**LLCI**”) and Lendlease Retail Investments 3 Pte. Ltd. (“**LLRI3**”, and together with LLCI, the “**Property Vendors**”), in respect of the sale and purchase of the leasehold interest in the Property for the Property Purchase Consideration of S\$2,079 million. Pursuant to the Asset PCOA, the Trustee has a right to accept the Property Vendors’ offer to sell the leasehold interest in the Property and the Property Vendors have a right to accept the Trustee’s offer to purchase the leasehold interest in the Property (“**Options**”), upon certain conditions precedent being fulfilled by a specified date.

Please refer to paragraph 3.2 of this announcement for further details on the Property Acquisition.

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(b) The ARIF3 Share Acquisition

Lendlease Global Commercial (SGP) Pte. Ltd. (“**SingCo**”), the Trustee and Lendlease International Pty Limited (“**LLI**”), a direct wholly-owned subsidiary of Lendlease Corporation Limited (the “**Sponsor**”) has on 14 February 2022 entered into a conditional share purchase agreement (the “**ARIF3 SPA**”) pursuant to which SingCo will acquire 13.05% of the ARIF3 share capital from LLI for the ARIF3 Purchase Consideration of approximately S\$116 million<sup>3</sup>, to be satisfied in Consideration Units only.

The proposed Property Acquisition and the ARIF3 Share Acquisition shall collectively be referred to as the “**Acquisition**”.

Please refer to paragraph 3.2 of this announcement for further details on the structure of the proposed Acquisition, including the rationale for the two-step acquisition.

## 2.2 Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager’s absolute discretion, comprise:

- (a) a private placement of New Units to institutional and other investors (the “**Private Placement**”); and/or
- (b) a non-renounceable preferential offering of New Units to the existing Unitholders on a *pro rata* basis (the “**Preferential Offering**”),

which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions.

## 2.3 Requirement for Unitholders’ Approval

(a) Very Substantial Acquisition or Reverse Takeover

The Acquisition will constitute a “very substantial acquisition” or a “reverse takeover” by LREIT under Chapter 10 of the listing manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”, and the listing manual of the SGX-ST, the “**Listing Manual**”). Rule 1015 of the Listing Manual requires a “very substantial acquisition” by

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<sup>3</sup> Estimated based on the net asset value of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration will be fixed based on the net asset value of ARIF3 as at the completion date in accordance with the agreed procedures set out in the ARIF3 SPA and there will be no post-completion adjustments.

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LREIT to be conditional upon the approval of Unitholders. In compliance with the requirements of the Listing Manual, the Manager is seeking Unitholders' approval for the Acquisition.

However, the proposed Acquisition will not constitute a "reverse takeover" by LREIT under Chapter 10 of the Listing Manual as the proposed Acquisition does not involve a change of control of LREIT / the Enlarged Group<sup>4</sup> following the completion of the proposed Acquisition.

(b) Related Party Transactions

Under Chapter 9 of the Listing Manual, where LREIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the LREIT Group's<sup>5</sup> latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Paragraph 5.2(b) of Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") issued by the Monetary Authority of Singapore also imposes a requirement for Unitholders' approval for an interested party transaction by LREIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) is equal to or exceeds 5.0% of the LREIT Group's latest audited net asset value ("**NAV**").

Based on the FY2021 Audited Financial Statements (as defined herein), the audited NTA and NAV of the LREIT Group attributable to Unitholders was S\$1,157 million as at 30 June 2021. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by LREIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$57.8 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

As at 31 January 2022 (the "**Latest Practicable Date**"), save for the relevant proposed Acquisition, the value of all "interested person transactions" entered into

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<sup>4</sup> "**Enlarged Group**" means LREIT and its subsidiaries, as adjusted for the pro forma effects of the proposed Acquisition, the issue of Consideration Units and the proposed issue of new Units in LREIT under the Equity Fund Raising.

<sup>5</sup> "**LREIT Group**" means LREIT and its subsidiaries.

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between LREIT and the Sponsor Group<sup>6</sup> and its associates during the course of the current financial year ending 30 June 2022 up to the Latest Practicable Date that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S\$1.2 million (which is approximately 0.11% of the latest audited NTA and NAV of the LREIT Group as at 30 June 2021).

(c) The Sponsor

As at the Latest Practicable Date, the Sponsor holds an aggregate indirect interest in 316,174,602 Units, which is equivalent to approximately 26.53% of the total number of Units in issue as at the Latest Practicable Date, and is therefore regarded as a “controlling unitholder” of LREIT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirectly wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an “interested person” of LREIT and (under the Property Funds Appendix) an “interested party” of LREIT.

(d) The Proposed Acquisition

In relation to the proposed ARIF3 Share Acquisition, as LLI is a direct wholly-owned subsidiary of the Sponsor, the proposed ARIF3 Share Acquisition is an “interested person transaction” under Chapter 9 of the Listing Manual, as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the specific approval of the Unitholders is required.

Given that the value of the ARIF3 Purchase Consideration of approximately S\$116 million<sup>7</sup> (which is 10.0% of the audited NTA of the LREIT Group and of the audited NAV as at 30 June 2021) exceeds 5.0% of the LREIT Group’s latest audited NTA, the proposed Acquisition is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

In relation to the proposed Property Acquisition, as ARIF3 is managed by LLIM, which is an indirect wholly-owned subsidiary of the Sponsor and the Property Vendors are indirect subsidiaries of ARIF3, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager is regarding the

<sup>6</sup> “Sponsor Group” means the Sponsor and its subsidiaries.

<sup>7</sup> Estimated based on the net asset value of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration will be fixed based on the net asset value of ARIF3 as at the completion date in accordance with the agreed procedures set out in the ARIF3 SPA and there will be no post-completion adjustments.

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proposed Property Acquisition as an “interested person transaction” under Chapter 9 of the Listing Manual, as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

Given that the value of the Property Purchase Consideration of S\$2,079 million<sup>8</sup> (which is 179.7% of the audited NTA of the LREIT Group and of the audited NAV as at 30 June 2021) exceeds 5.0% of the LREIT Group’s latest audited NTA, the proposed Acquisition is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

(e) Consideration Units

As mentioned above, the Sponsor is regarded as a “controlling unitholder” of LREIT for the purposes of Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirect wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of the Listing Manual. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an “interested person” of LREIT.

As LLI is a direct wholly-owned subsidiary of the Sponsor, the proposed issuance of Consideration Units to LLI (and/or its nominee) will constitute a placement to a related company of a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue (a “**Substantial Unitholder**”). Under Rules 812(1) and 812(2) of the Listing Manual, any issue of Units must not be placed to a person which is a Substantial Unitholder, its related company or its associated company unless specific Unitholders’ approval is obtained. The placee and its associates must abstain from voting on the resolution approving the placement.

Further, as LLI is an “associate” of the Sponsor, which is regarded as a “controlling unitholder” of LREIT, and a “controlling shareholder” of the Manager for the purposes of Chapter 9 of the Listing Manual, LLI is (for the purposes of the Listing Manual) an interested person.

The proposed issuance of Consideration Units to LLI (and/or its nominee) is part of the proposed Acquisition which constitutes an “interested person transaction” under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required. Based on the ARIF3 Purchase Consideration of approximately S\$116 million divided by the illustrative issue price of S\$0.82 per New Unit (the “**Illustrative Issue Price**”), the number of Consideration Units to be issued is approximately 142

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<sup>8</sup> Subject to relevant post-completion adjustments.

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million, which represents approximately 11.9% of the total number of Units in issue as at the Latest Practicable Date.

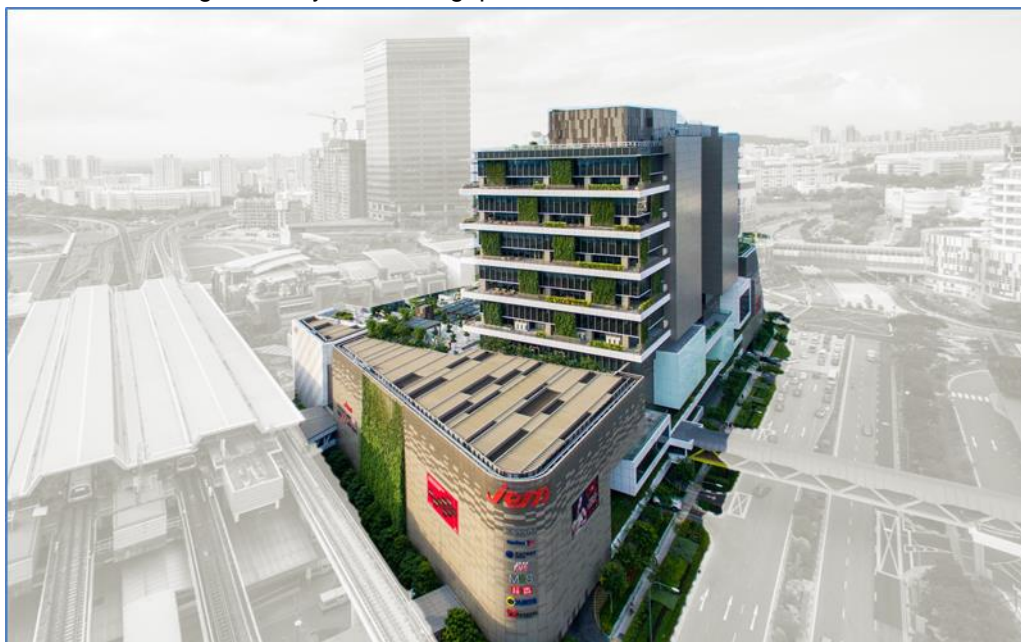
A circular (the “**Circular**”) has been issued to the Unitholders today, together with a notice of extraordinary general meeting (“**EGM**”), for the purpose of seeking the approval of Unitholders for, among others, the proposed Acquisition, the proposed issuance of Consideration Units to LLI (and/or its nominee) and the Equity Fund Raising.

## 3. The Acquisition

### 3.1 Information on the Property

#### Jem

50 and 52 Jurong Gateway Road, Singapore



#### Description

The Property is an integrated office and retail asset located in Jurong Gateway, the commercial hub of the Jurong Lake District. It is situated next to the Jurong East Mass Rapid Transit (“**MRT**”) station and bus interchange. It is one of the largest suburban malls in Singapore with retail space across six levels. It also comprises 12 levels of office space which has been fully leased to the Ministry of National Development of Singapore (“**MND**”).

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The Property 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.

The Property is the first mixed-use asset 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 Property was ranked second in the Asia Retail (Unlisted) category under the 2021 GRESB real estate assessment, an investor-led ESG benchmark for the real estate sector.<sup>9</sup>

As at 31 December 2021, the Property has a NLA of about 892,502 square feet. Its retail and office space (by NLA) account for 65.1% and 34.9%, respectively. Anchor tenants within the retail space include IKEA (its first small-store concept in Southeast Asia), FairPrice Xtra (a hypermarket), Cathay Cineplexes (one of the largest cinema multiplexes in western Singapore) and Don Don Donki (a popular Japanese discount store chain). Other major retail tenants include H&M, Koufu, Uniqlo and Courts.

The table below sets out a summary of selected information on the Property as at 31 December 2021, unless otherwise stated.

<b>Title</b>	Leasehold of 99 years commencing from 27 September 2010
<b>GFA<sup>(1)</sup> (sq ft<sup>(2)</sup>)</b>	1,164,166
<b>NLA<sup>(3)</sup> (sq ft)</b>	892,502
<b>Number of Storeys</b>	Retail: 6 Office: 12
<b>Committed Occupancy</b>	100.0%
<b>Weighted Average Lease Expiry by GRI (years)</b>	5.9
<b>Independent Valuation by Jones Lang LaSalle Property Consultants Pte Ltd ("JLL") (as at 31 December 2021)<sup>(4)</sup></b>	S\$2,086 million (S\$2,337 psf of NLA)
<b>Independent Valuation by CBRE Pte. Ltd. ("CBRE") (as at 31 December 2021)<sup>(5)</sup></b>	S\$2,063 million (S\$2,311 psf of NLA)
<b>Agreed Property Value</b>	S\$2,079 million (S\$2,329 psf of NLA)
<b>Capitalisation Rate adopted in the Independent Valuations</b>	Retail: 4.50% Office: 3.50%

<sup>9</sup> 2nd place ranking obtained while held under ARIF3 and LLJP.



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<b>NPI<sup>(6)</sup> (FY2021<sup>(7)</sup>)</b> (without the effects of COVID-19 related one-off rental abatements and expected credit loss)	S\$90.8 million
<b>NPI<sup>(6)</sup> Yield Based on Agreed Property Value (FY2021<sup>(7)</sup>)</b> (without the effects of COVID-19 related one-off rental abatements and expected credit loss)	4.4%
<b>NPI<sup>(6)</sup> (FY2021<sup>(7)</sup>)</b> (with the effects of COVID-19 related one-off rental abatements and expected credit loss)	S\$82.8 million
<b>NPI<sup>(6)</sup> Yield Based on Agreed Property Value (FY2021<sup>(7)</sup>)</b> (with the effects of COVID-19 related one-off rental abatements and expected credit loss)	4.0%

**Notes:**

- (1) "GFA" refers to gross floor area.
- (2) "sq ft" refers to square feet.
- (3) "NLA" refers to net lettable area.
- (4) JLL relied on the capitalisation approach and discounted cash flow methods of valuation.
- (5) CBRE relied on the capitalisation approach and discounted cash flow methods of valuation.
- (6) "NPI" refers to net property income forecasted for the relevant period.
- (7) "FY2021" refers to the financial year ended 30 June 2021.

### 3.2 Structure of the Proposed Acquisition

LREIT currently holds an indirect interest in the Property of 31.8% through its 24.8% interest in ARIF3 and 53.0% interest in Lendlease Jem Partners Fund Limited ("LLJP"), and is proposing to acquire the remaining 68.2% effective interest in the Property through the Acquisition.

The Acquisition is proposed to be undertaken in two steps because SingCo had offered to acquire all the shares in ARIF3 and LLJP held by the other shareholders of ARIF3 and LLJP and the consideration for the acquisition will be in Consideration Units only. This share acquisition is proposed should any of the shareholders prefer a share sale, and offering only Consideration Units and not cash would reduce LREIT's overall need for additional funding to acquire the remaining interests in the Property. As only LLI agreed to sell its shares in ARIF3

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for Consideration Units to demonstrate alignment of interests by the Lendlease Group<sup>10</sup> with LREIT, the share acquisition will only comprise the ARIF3 Share Acquisition. Based on the ARIF3 Purchase Consideration of approximately S\$116 million divided by the Illustrative Issue Price of S\$0.82 per New Unit, the number of Consideration Units to be issued is approximately 142 million, which represents approximately 11.9% of the total number of Units in issue as at the Latest Practicable Date.

The second step, being the Property Acquisition which involves the Trustee acquiring the Property directly from the Property Vendors shortly after completion of the ARIF3 Share Acquisition, is to achieve the outcome of the Trustee holding the Property directly to achieve tax transparency in LREIT's ownership of the Property.

Upon completion of the proposed ARIF3 Share Acquisition, LREIT will hold:

- (i) a 37.8% interest in ARIF3 (after taking into account LREIT's existing 24.8% interest in ARIF3); and
- (ii) an effective 41.6% indirect interest in the Property<sup>11</sup>.

Upon completion of the Property Acquisition, LREIT will hold a 100% direct interest in the Property.

Following the completion of the Property Acquisition, it is expected that ARIF3 and LLJP as well as their respective intermediate holding companies will be wound up as the Property is the main asset of these funds and holding companies. Similarly, the Manager intends to wind up SingCo if LREIT does not have a purpose for SingCo in the future.

The Property Purchase Consideration is intended to be partially funded by way of the Equity Fund Raising.

(a) ARIF3 Share Acquisition

SingCo, the Trustee and LLI had on 14 February 2022 entered into the ARIF3 SPA pursuant to which SingCo will acquire 13.05% of the ARIF3 share capital from LLI for

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<sup>10</sup> The Sponsor, Lendlease Trust (through its responsible entity Lendlease Responsible Entity Limited) and their subsidiaries.

<sup>11</sup> Effective indirect interest is computed based on the summation of LREIT's shareholdings in LLJP and ARIF3 in percentage terms, multiplied by 25% and 75% respectively.

the ARIF3 Purchase Consideration of approximately S\$116 million<sup>12</sup>, to be satisfied in Consideration Units.

(b) Property Acquisition

The Trustee and the Property Vendors had on 14 February 2022 entered into the Asset PCOA, pursuant to which the Trustee will acquire the Property from the Property Vendors for the Property Purchase Consideration of S\$2,079 million.

Given that LREIT currently has a 31.8% effective interest in the Property, the Manager is proposing to pay part of the Property Purchase Consideration in interest-free promissory notes and with the balance to be paid in cash. The amount of the Property Purchase Consideration to be paid in promissory notes is approximately S\$263 million, comprising approximately 12.6% of the Property Purchase Consideration and this non-cash component was agreed between the Trustee and the Property Vendors after taking into account the amount of returns that LREIT (through SingCo) would receive for the sale of its effective interest in the Property by way of return of capital on its shares in each of ARIF3 and LLJP, and with the balance of LREIT's proceeds from the sale of the Property by way of income distributions. As only the return of capital component due to LREIT (through SingCo) can be returned to SingCo for various considerations like the costs of flowing a non-cash income distribution through the capital structure of the ARIF3 and LLJP fund entities, and S\$263 million represents the maximum amount of capital returns due to LREIT, the amount of the Property Purchase Consideration to be paid in promissory notes is therefore the maximum amount that the Manager could negotiate to be paid by way of promissory notes. This promissory note mechanism is beneficial to LREIT as it reduces the amount of cash to be raised and funded by LREIT for the Property Acquisition. Based on LREIT's current 31.8% effective interest in the Property at the time of the Manager's negotiation, the balance of S\$399 million of the Property Purchase Consideration (which comprises 31.8% of the Property Purchase Consideration of S\$2,079 million less the S\$263 million of promissory notes) will be applied towards deduction of LREIT's share of costs and expenses like taxes and repayment of the existing borrowings in order to arrive at the amount of income distributions due to LREIT.

It is contemplated that on completion of the Property Acquisition, the Trustee will issue two promissory notes to one of the two Property Vendors, LLRI3 in part satisfaction

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<sup>12</sup> Estimated based on the net asset value of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration will be fixed based on the net asset value of ARIF3 as at the completion date in accordance with the agreed procedures set out in the ARIF3 SPA and there will be no post-completion adjustments.

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of the amount of the Property Purchase Consideration due to LLRI3, which will comprise:

- (i) one promissory note (the “**ARIF3 PN**”), the principal amount of which would be determined by reference to the returns that SingCo (as shareholder of ARIF3) will receive from ARIF3 by way of distributions following the sale of the Property; and
- (ii) one promissory note (the “**LLJP PN**”, and together with the ARIF3 PN, the “**LREIT PNs**”), the principal amount of which would be determined by reference to the returns that SingCo (as shareholder of LLJP) will receive from LLJP by way of distributions following the sale of the Property.

LLRI3 will flow the LREIT PNs up the capital structure through dividends by LLRI3 up to the intermediate holding company, Triple Eight Investment Holdings Limited, followed by return of share capital to Triple Eight JV Limited up to ARIF3 and LLJP, such that SingCo will eventually receive the ARIF3 PN from ARIF3 as its returns from the sale of the Property and SingCo will eventually receive the LLJP PN from LLJP as its returns from the sale of the Property. All the other shareholders of ARIF3 and LLJP will receive their returns from the sale of the Property in the form of cash and only SingCo will receive the LREIT PNs.

SingCo will endorse the LREIT PNs in favour of the Trustee as redemption proceeds for the redemption of the redeemable preference shares that the Trustee holds in SingCo and as a final step, the Trustee will cancel the LREIT PNs once it receives them.

LLRI3 will receive the remaining amount of the Property Purchase Consideration due to it in cash (being approximately S\$1,342 million), and the other Property Vendor, LLCI, will receive the amount of the Property Purchase Consideration due to it in cash (being approximately S\$474 million), the sum being an aggregate of 87.4% of the Property Purchase Consideration. Following the completion of the Acquisition, it is expected that LLRI3 and LLCI will pay the cash proceeds of the Property Purchase Consideration upstream to their holding companies to be eventually paid to the investors of ARIF3 and LLJP, including SingCo (after settlement of relevant costs and expenses like taxes and repayment of existing borrowings), and the Manager expects SingCo to receive approximately S\$225 million out of such cash proceeds<sup>13</sup>. After the proceeds of the Property Purchase Consideration are applied towards settlement of relevant costs and expenses like taxes and repayment of the existing borrowings, the bulk of the distribution due to SingCo is expected to be approximately S\$488 million

<sup>13</sup> The Manager will apply the cash proceeds of approximately S\$225 million towards repayment of the bridging loan of S\$225 million that will be drawn down for the purposes of funding the Acquisition.

which comprises the S\$263 million from the LREIT PNs and S\$225 million in cash, and with a balance sum to be withheld by ARIF3 and LLJP and their downstream companies to cater for customary expenses like winding up expenses.

## 4. Principal Terms of the Acquisition

### 4.1 Valuation

The Trustee has commissioned an independent valuer, JLL, and the Manager has commissioned an independent valuer, CBRE, respectively to value the Property.

The agreed property value for the Property, which was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by JLL and CBRE (collectively, the “**Independent Valuers**”), is S\$2,079 million (the “**Agreed Property Value**”), which is at a discount of S\$7 million or approximately 0.3% to the higher of the two independent valuations of the Property as at 31 December 2021 (the “**Appraised Value**”). The Agreed Property Value is determined on the basis of a 100% interest in the Property.

The valuations of the Property are set out in paragraph 3.1 above. The valuation methods used by the Independent Valuers were the capitalisation approach and discounted cash flow methods.

### 4.2 Purchase Consideration

The ARIF3 Purchase Consideration payable by the Purchaser of approximately S\$116 million<sup>14</sup> under the ARIF3 SPA reflects 13.05% of the NAV of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration payable on the completion date will be fixed based on the NAV of ARIF3 as at the completion date and there will be no post-completion adjustments.

The Property Purchase Consideration payable by the Trustee of approximately S\$2,079 million (which is equivalent to the Agreed Property Value) is therefore at a discount of S\$7 million or approximately 0.3% to the Appraised Value. The Agreed Property Value is determined on the basis of a 100% interest in the Property.

### 4.3 Estimated Total Transaction Cost

The estimated total cost of the proposed Acquisition (the “**Total Acquisition Cost**”) is approximately S\$2,015 million, comprising:

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<sup>14</sup> Estimated based on the net asset value of ARIF3 as at 31 December 2021. The ARIF3 Purchase Consideration will be fixed based on the net asset value of ARIF3 as at the completion date in accordance with the agreed procedures set out in the ARIF3 SPA and there will be no post-completion adjustments.

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- (i) the ARIF3 Purchase Consideration of approximately S\$116 million, payable in Consideration Units;
- (ii) the Property Purchase Consideration of S\$2,079 million, less the value of the LREIT PNs of approximately S\$263 million;
- (iii) the stamp duty of approximately S\$62 million;
- (iv) the acquisition fee<sup>15</sup> payable to the Manager for the proposed Acquisition (the “**Acquisition Fee**”) pursuant to the trust deed dated 28 January 2019 constituting LREIT (as amended, restated and supplemented) (the “**Trust Deed**”) of approximately S\$17 million<sup>16</sup>; and
- (v) the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Acquisition of approximately S\$4 million.

The total amount of cash to be raised by LREIT to finance the Total Acquisition Cost (after taking into account the non-cash components of the Consideration Units, the LREIT PNs and the Acquisition Fee Units) is S\$1,882 million.

#### 4.4 Principal Terms of the ARIF3 SPA

In connection with the proposed ARIF3 Share Acquisition, the SingCo has entered into the ARIF3 SPA with LLI to acquire 13.05% of the ARIF3 share capital.

The principal terms of the ARIF3 SPA include, among others, the following conditions precedent:

- (a) the receipt of approval-in-principle from the SGX-ST for the listing and quotation of Consideration Units, and there not having occurred any revocation or withdrawal of such approval;
- (b) the passing of a resolution at an extraordinary general meeting of the Unitholders to approve the proposed acquisition of 13.05% of the ARIF3 share capital and the issuance of the Consideration Units; and

<sup>15</sup> As the proposed Acquisition is an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee will be in the form of Units (“**Acquisition Fee Units**”) which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

<sup>16</sup> The Acquisition Fee in respect of the proposed Acquisition is 1.0% of the Property Purchase Consideration, less any amounts paid as acquisition fees for LREIT’s previous acquisitions of indirect interests in the Property through acquisitions of shares in ARIF3 and LLJP.

- (c) each of the conditions for completion of the Asset PCOA are satisfied (other than any such conditions requiring completion of the ARIF3 SPA).

Further details regarding the ARIF3 SPA will be disclosed in the Circular.

#### 4.5 Principal Terms of the Asset PCOA

In connection with the proposed Acquisition, the Trustee has entered into the Asset PCOA with the Property Vendors in respect of the sale and purchase of the leasehold interest in the Property.

The principal terms of the Asset PCOA include, among others, certain conditions precedent to be fulfilled before the Options can be exercised, including:

- (a) the approval of Unitholders for the purchase of the Property together with all plant, machinery, equipment and all component parts in the Property which belong to the Property Vendors; and
- (b) the completion of the ARIF3 Share Acquisition.

Further details regarding the Asset PCOA will be disclosed in the Circular.

#### 4.6 Property Manager of Jem

In connection with the initial public offering of LREIT, Lendlease Retail Pte. Ltd. (“**LLR**”) was appointed on 13 September 2019 as the property manager in respect of properties of LREIT located in Singapore pursuant to a master property management agreement (the “**Master Property Management Agreement**”) entered into between the Trustee, the Manager and LLR. In connection with the proposed Acquisition and pursuant to the terms of the Master Property Management Agreement, LREIT will enter into an individual property management agreement to appoint LLR to provide property management, lease management, project management and marketing services in respect of the Property.

#### 4.7 Payment of Acquisition Fee in Units

The Manager shall be paid the Acquisition Fee of approximately S\$17 million for the proposed Acquisition pursuant to the Trust Deed. As the proposed Acquisition will constitute an “interested party transaction” under Paragraph 5 of the Property Funds Appendix, the Acquisition Fee<sup>17</sup> payable to the Manager in respect of the Acquisition will be in the form of

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<sup>17</sup> Based on the Trust Deed, when the Acquisition Fee is paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a Unit being the volume weighted average price (“**VWAP**”) for a Unit for all trades

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the Acquisition Fee Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The Manager will not be receiving an acquisition fee for the ARIF3 Share Acquisition. In respect of the Property Acquisition, the Manager will only receive the Acquisition Fee of approximately S\$17 million, which is 1.0% of the Property Purchase Consideration of S\$2,079 million, less any amounts paid as acquisition fees for LREIT's previous acquisitions of indirect interests in the Property through acquisitions of shares in ARIF3 and LLJP.

Based on an illustrative issue price of S\$0.88 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 19 million Units. For the avoidance of doubt, the illustrative issue price of the Acquisition Fee Units is not the same as the Illustrative Issue Price of S\$0.82 per New Unit for the New Units to be issued under the Equity Fund Raising. The illustrative issue price of the Acquisition Fee is based on the VWAP for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the relevant business day on which the Acquisition Fee is paid as opposed to the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable.

## 4.8 Completion of the Acquisition

Completion of the Acquisition is expected to take place by 15 May 2022. The completion of the proposed Property Acquisition is proposed to be after the completion of the proposed ARIF3 Share Acquisition but on the same day as the completion of the ARIF3 Share Acquisition.

Following the completion of the Acquisition, LREIT will have a 100% direct interest in the Property through the Trustee.

Following the completion of the Property Acquisition, it is expected that ARIF3 and LLJP will be wound up as the Property is the main asset of these funds.

## 5. Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion, comprise:

- (a) the Private Placement; and/or

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on the SGX-ST for the period of 10 business days immediately preceding the relevant business day on which the Acquisition Fee is paid.



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(b) the Preferential Offering,

which the Manager deems appropriate in the circumstances and after having considered the then prevailing market conditions.

The Manager has appointed Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited as the joint global co-ordinators and bookrunners in relation to the Equity Fund Raising (the “**Joint Global Co-ordinators and Bookrunners**”).

## 5.2 Use of Proceeds

The Manager intends to utilise the net proceeds of up to S\$1,015 million<sup>18</sup> from the proposed Equity Fund Raising to part-finance the Total Acquisition Cost of S\$2,015 million, with the balance of the proceeds of the proposed Equity Fund Raising, if any, to be used for general corporate and/or working capital purposes and/or to pare down existing debt.

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness, for funding capital expenditures and other general working capital purposes.

The Manager will make periodic announcements on the utilisation of the gross proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated.

Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in LREIT's announcements and in LREIT's annual report, and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the gross proceeds of the Equity Fund Raising, the gross proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial

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<sup>18</sup> Based on the estimated gross proceeds amount of up to S\$1,038 million and net of the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by LREIT for the Equity Fund Raising. For the avoidance of doubt, S\$1,038 million is the maximum amount of gross proceeds that may be raised through the Equity Fund Raising (based on the Illustrative Issue Price) pursuant to the maximum number of New Units granted approval in-principle from SGX. Please refer to paragraph 8 of this announcement for further information on the estimated amount of gross proceeds to be raised under the Equity Fund Raising of S\$837 million as illustrated in the pro forma statements.

institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit. The Manager believes that upon the closing of the Equity Fund Raising and the completion of the proposed Acquisition, the working capital will be sufficient to enable LREIT to meet its obligations and continue to operate as a going concern.

### 5.3 Undertaking by the Sponsor

To demonstrate its support for LREIT and the Equity Fund Raising, the Sponsor, which holds an aggregate indirect interest in 316,174,602 Units (the “**Initial Sponsor Units**”), which is equivalent to approximately 26.53% of the Units in issue as at the Latest Practicable Date, has irrevocably undertaken (the “**Sponsor Undertaking**”) to the Manager and the Joint Global Co-ordinators and Bookrunners on 14 February 2022, among other things, that in the event that the Equity Fund Raising includes a Preferential Offering:

- (i) in accordance with the terms and conditions of the Preferential Offering and in any case not later than the last day and time for acceptance and payment of the Preferential Offering Units, it will procure that the Lendlease Group, through Lendlease SREIT Sub Trust (“**LLT Sub-Trust**”, through Lendlease SREIT Pty Limited, as trustee of LLT Sub-Trust), an indirect wholly-owned sub-trust of LLT, and indirect wholly-owned subsidiaries of the Sponsor, Lendlease GCR Investment Holding Pte. Ltd. (“**LLGCR**”) and the Manager (in its own capacity, and together with the Sponsor, LLT Sub-Trust and LLGCR, the “**Relevant Entities**”) accept, subscribe, and pay in full for the Relevant Entities’ total provisional allotment of the Preferential Offering Units in relation to the Initial Sponsor Units (the “**Allotted Preferential Offering Units**”); and
- (ii) it will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Preferential Offering and in any case by no later than the last day and time for acceptance and payment of the Preferential Offering Units, procure that the Relevant Entities make applications for such number of additional Preferential Offering Units (“**Excess Units**”) above the Allotted Preferential Offering Units which are not taken up by other Unitholders, and subscribe and pay in full for such Excess Units allotted to the Relevant Entities, such that the total number of Allotted Preferential Offering Units and Excess Units subscribed for by the Relevant Entities would amount to up to S\$117.8 million.

For the avoidance of doubt, the Relevant Entities, among others, will rank last in the allocation of Excess Units applications.

## 6. Rationale for the Proposed Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

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- 6.1** Increased exposure to the resilient suburban segment
  - (a) Suburban retail malls have proven to better weather economic volatility
- 6.2** Strategic location that brings long-term growth potential
  - (a) Strategically located in the heart of Jurong East
    - (i) Natural traffic from close proximity to key transport nodes and public amenities
    - (ii) Strong catchment with higher than national average household income
  - (b) Well-positioned to capitalise on future trends
    - (i) Long-term growth from future development plans
- 6.3** Enhance portfolio's scale and diversification
  - (a) Enlarged portfolio that is well-poised to deliver stable organic growth
  - (b) Better visibility and relevance amongst global investors
  - (c) Further diversification of tenant mix and income stream
- 6.4** Top-tier dominant suburban asset
  - (a) Quality tenant base
    - (i) Well-balanced tenant mix with a high proportion of non-discretionary trades<sup>19</sup>
    - (ii) High level of committed occupancy with strong anchor tenants
    - (iii) Active management and support to tenant base
    - (iv) Stable office component that is fully leased to the Ministry of National Development till 2045
  - (b) Strong sustainability credentials

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<sup>19</sup> Non-discretionary trades (otherwise known as essential services) defined to include Beauty & Health, Education, Food & Beverages, Sundry & Services and Supermarket trade categories.

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## 6.5 Transformational acquisition – Full control of Jem via an efficient holding structure

- (a) Tax transparency with direct ownership by LREIT
- (b) Full control to better harness economies of scale

## 6.6 Attractive value proposition

- (a) Discount to independent valuation
- (b) DPU accretive transaction

## 7. Method of Financing

The Manager intends to finance the proposed Acquisition, less the Acquisition Fee (which will be paid through the issue of Acquisition Fee Units) via the issuance of the Consideration Units for an aggregate issue price of approximately S\$116 million, the LREIT PNs for a principal amount of approximately S\$263 million, debt financing, the proceeds from the Equity Fund Raising, as well as its own cash reserves, internal resources and/or an issuance of perpetual securities.

## 8. Pro Forma Financial Effects

**FOR ILLUSTRATIVE PURPOSES ONLY:** The *pro forma* financial effects of the proposed Acquisition on the DPU, the NAV per Unit and capitalisation presented below are strictly for illustrative purposes and do not reflect the actual financial results or the future financial performance and condition of the LREIT Group after the Acquisition. They are prepared based on LREIT Group's latest audited financial statements for FY2021 (the "**FY2021 Audited Financial Statements**") and the unaudited financial statements for 1H FY2022, taking into account the Agreed Property Value, and assuming that:

- (i) the effect of the Acquisition on LREIT Group's DPU for FY2021 is based on the assumption that the Acquisition had been effected at the beginning of the reporting period from 1 July 2020 to 30 June 2021, and for 1H FY2022, is based on the assumption that the Acquisition had been effected at the beginning of the reporting period on 1 July 2021;
- (ii) the effect of the Acquisition on LREIT Group's NAV per Unit for FY2021 is based on the assumption that the Acquisition had been effected at the end of FY2021, and for 1H FY2022 is based on the assumption that the Acquisition had been effected at the end of 1H FY2022;
- (iii) approximately 19 million Acquisition Fee Units are issued;

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- (iv) approximately 142 million Consideration Units are issued;
- (v) gross proceeds of up to approximately S\$837 million are raised from the issue of approximately 1,025 million Units at the Illustrative Issue Price pursuant to the proposed Equity Fund Raising<sup>20</sup>; and
- (vi) existing cash balance, debt facilities and proceeds from issuance of the existing perpetual securities<sup>21</sup> are used to finance the Acquisition, including paying the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Acquisition.

## 8.1 Pro Forma DPU

### FOR ILLUSTRATIVE PURPOSES ONLY

The following tables set out the *pro forma* financial effects of the proposed Acquisition on LREIT's DPU for FY2021 and 1H FY2022, as if the proposed Acquisition was completed on 1 July 2020 for FY2021 and 1 July 2021 for 1H FY2022, and LREIT held the Property through to 30 June 2021 or 31 December 2021 (as the case may be):

Pro Forma effects of the proposed Acquisition for FY2021	Effects of the Acquisition			
	Actual FY2021	Adjusted FY2021 <sup>(1)</sup>	After the Acquisition	
			With one-off COVID-19 Impact <sup>(2)</sup>	Actual without one-off COVID-19 Impact <sup>(3)</sup>
Net Property Income (S\$ million)	56.9	56.9	139.7	147.8

<sup>20</sup> The Manager may issue additional perpetual securities, which are accounted for as equity, to partially finance the Acquisition should it decide not to raise approximately S\$837 million under the Equity Fund Raising. However, the financial effects of such issuance have not been taken into consideration in this paragraph 8 of this announcement as the DPU accretion set out in paragraph 8.1 of this announcement is expected to be more beneficial to Unitholders in such a case because the rate of distribution on the new perpetual securities is expected to be lower than the rate of distributions on New Units under the Equity Fund Raising. The issuance of additional perpetual securities is not expected to materially affect the financial effects set out in paragraphs 8.2 and 8.3 of this announcement.

<sup>21</sup> This assumes that new borrowings of S\$844 million and a bridging loan of S\$225 million will be drawn down for the purposes of funding the Acquisition. The S\$200.0 million 4.20% fixed rate perpetual securities were issued on 4 June 2021.

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<i>Pro Forma</i> effects of the proposed Acquisition for FY2021	Effects of the Acquisition			
	Actual FY2021	Adjusted FY2021 <sup>(1)</sup>	After the Acquisition	
			With one-off COVID-19 Impact <sup>(2)</sup>	Actual without one-off COVID-19 Impact <sup>(3)</sup>
<b>Profit before tax and change in fair value</b> (S\$ million) <sup>(4)</sup>	29.0	27.3	78.8	86.4
<b>Distributable Income</b> (S\$ million)	55.1	54.0	111.1	119.0
<b>Weighted Average Units in issue</b> (million)	1,179	1,178	2,372	2,373
<b>DPU</b> (cents) <sup>(5)</sup>	4.68	4.58	4.68	5.01
<b>DPU Accretion</b> (%) (against Actual FY2021)	-	-	0.2% <sup>(6)</sup>	7.3% <sup>(7)(8)</sup>
<b>DPU Accretion</b> (%) (against Adjusted FY2021)	-	-	2.2% <sup>(6)</sup>	9.5% <sup>(7)(9)</sup>

**Notes:**

- (1) Adjusted FY2021 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (2) Based on the Property's net property income with effects of COVID-19 related one-off rental abatements and expected credit loss.
- (3) Based on the Property's net property income without the effects of COVID-19 related one-off rental abatements and expected credit loss.
- (4) LREIT Group's Profit before tax and change in fair value takes into account share of profits from associates of its indirect holding in the Property before the Proposed Acquisition.
- (5) Assumes the additional Acquisition Fee Units and Consideration Units are issued at the beginning of the reporting period on 1 July 2020.
- (6) At the Illustrative Issue Price, DPU accretion increases by approximately 0.6% for a 1 cent increase in the Illustrative Issue Price, and vice versa.
- (7) At the Illustrative Issue Price, DPU accretion increases by approximately 0.6% to 0.7% for a 1 cent increase in the Illustrative Issue Price, and vice versa.
- (8) DPU accretion against Actual FY2021 base is 3.4% if management fee attributable to the Property is taken in cash.
- (9) DPU accretion against Adjusted FY2021 base is 5.5% if management fee attributable to the Property is taken in cash.

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<b>Pro Forma effects of the proposed Acquisition for 1H FY2022</b>	<b>Effects of the Acquisition</b>			
	<b>Actual 1H FY2022 <sup>(1)</sup></b>	<b>Adjusted 1H FY2022 <sup>(2)</sup></b>	<b>After the Acquisition</b>	
			<b>With One-Off COVID-19 Impact <sup>(3)</sup></b>	<b>Actual without one-off COVID-19 Impact <sup>(4)</sup></b>
<b>Net Property Income (S\$ million)</b>	29.6	29.6	72.1	74.1
<b>Profit before tax and change in fair value (S\$ million) <sup>(5)</sup></b>	35.3	36.4	62.8	64.7
<b>Distributable Income (S\$ million)</b>	28.6	26.7	57.2	59.2
<b>Weighted Average Units in issue (million)</b>	1,192	1,187	2,380	2,380
<b>DPU (cents) <sup>(6)</sup></b>	2.40	2.25	2.40	2.49
<b>DPU Accretion (%) (against 1H FY2022)</b>	-	-	0.1% <sup>(7)</sup>	3.6% <sup>(8)(9)</sup>
<b>DPU Accretion (%) (against Adjusted 1H FY2022)</b>	-	-	6.8% <sup>(7)</sup>	10.5% <sup>(8)(10)</sup>

**Notes:**

- (1) Actual effects of the Acquisition for 1H FY2022 includes a 3.75% indirect interest in the Property, and a further 28.1% indirect interest in the Property which was acquired in September 2021.
- (2) Adjusted 1H FY2022 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (3) Based on the Property's net property income with effects of COVID-19 related one-off rental abatements and expected credit loss.
- (4) Based on the Property's net property income without the effects of COVID-19 related one-off rental abatements and expected credit loss.
- (5) LREIT Group's Profit before tax and change in fair value takes into account share of profits from associates of its indirect holding in the Property before the Proposed Acquisition.
- (6) Assumes the additional Acquisition Fee Units are issued at the beginning of the reporting period on 1 July 2021.
- (7) At the Illustrative Issue Price, DPU accretion increases by approximately 0.6% for a 1 cent increase in the Illustrative Issue Price, and vice versa.
- (8) At the Illustrative Issue Price, DPU accretion increases by approximately 0.6% to 0.7% for a 1 cent increase in the Illustrative Issue Price, and vice versa.
- (9) DPU accretion against Actual 1H FY2022 base is 0.1% if management fee attributable to the Property is taken in cash.

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(10) DPU accretion against Adjusted 1H FY2022 base is 6.8% if management fee attributable to the Property is taken in cash.

## 8.2 Pro Forma NAV

The following table sets out the *pro forma* financial effects of the proposed Acquisition on the NAV per Unit as at 30 June 2021 and 31 December 2021, as if LREIT had completed the proposed Acquisition on those dates:

Pro Forma effects of the proposed Acquisition as at 30 June 2021	Effects of the Acquisition		
	Actual FY2021	Adjusted FY2021 <sup>(1)</sup>	After the Acquisition <sup>(2)</sup>
NAV (S\$ million) <sup>(3)</sup>	957.9	956.8	1,901.2
Units in issue (million)	1,181	1,180	2,376
NAV per Unit (S\$)	0.81	0.81	0.80

### Notes:

- (1) Adjusted FY2021 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (2) Illustrates the effects of the Proposed Acquisition after the LREIT PNs and any bridging facilities have been repaid.
- (3) Excludes NAV attributable to perpetual security holders and other non-controlling interests.

Pro Forma effects of the proposed Acquisition as at 31 December 2021	Effects of the Acquisition		
	Actual 1H FY2022	Adjusted 1H FY2022 <sup>(1)</sup>	After the Acquisition <sup>(2)</sup>
NAV (S\$ million) <sup>(3)</sup>	961.6	961.9	1,909.6
Units in issue (million)	1,192	1,187	2,380
NAV per Unit (S\$)	0.81	0.81	0.80

### Notes:

- (1) Adjusted 1H FY2022 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (2) Illustrates the effects of the Proposed Acquisition after the LREIT PNs and any bridging facilities have been repaid.
- (3) Excludes NAV attributable to perpetual security holders and other non-controlling interests.



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## 8.3 Pro Forma Capitalisation

**FOR ILLUSTRATIVE PURPOSES ONLY:** The following table sets out the *pro forma* capitalisation of LREIT as at 30 June 2021 and 31 December 2021, as if LREIT had completed the proposed Acquisition on those dates:

Pro Forma effects of the proposed Acquisition as at 30 June 2021	Effects of the Acquisition		
	Actual FY2021	Adjusted FY2021 <sup>(1)</sup>	After the Acquisition <sup>(2)</sup>
Total borrowings (S\$ million)	553.7	542.6	1,486.3
Unitholders' funds (S\$ million) <sup>(3)</sup>	957.9	956.8	1,901.2
Total Capitalisation (S\$ million) <sup>(4)</sup>	1,710.5	1,499.3	3,585.8
Gearing (%) <sup>(5)</sup>	32.0%	35.3%	41.0%

**Notes:**

- (1) Adjusted FY2021 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (2) Illustrates the effects of the Proposed Acquisition after the LREIT PNs and any bridging facilities have been repaid.
- (3) Excludes NAV attributable to perpetual security holders and other non-controlling interests.
- (4) Computed as the sum of gross borrowings, perpetual securities, Unitholders' funds and non-controlling interests.
- (5) Computed as gross borrowings over total assets. Total assets include non-controlling interests share of total assets.

Pro Forma effects of the proposed Acquisition as at 31 December 2021	Effects of the Acquisition		
	Actual 1H FY2022	Adjusted 1H FY2022 <sup>(1)</sup>	After the Acquisition <sup>(2)</sup>
Total borrowings (S\$ million)	666.6	526.3	1,468.9
Unitholders' funds (S\$ million) <sup>(3)</sup>	961.6	961.9	1,909.6
Total Capitalisation (S\$ million) <sup>(4)</sup>	1,966.6	1,488.2	3,576.8
Gearing (%) <sup>(5)</sup>	33.5%	34.6%	40.7%

**Notes:**

- (1) Adjusted 1H FY2022 base assumes no indirect ownership of the Property, so as to present the effects of the acquisition of the Property had LREIT acquired 100% of the Property directly at one go. The Manager is of the view that the financial effects of acquiring the Property against the portfolio of LREIT without any interests in Jem would present the true value of the Property to Unitholders and is also consistent with the Manager's intention of an eventual acquisition of 100% of the Property.
- (2) Illustrates the effects of the Proposed Acquisition after the LREIT PNs and any bridging facilities have been repaid.
- (3) Excludes NAV attributable to perpetual security holders and other non-controlling interests.
- (4) Computed as the sum of gross borrowings, perpetual securities, Unitholders' funds and non-controlling interests.
- (5) Computed as gross borrowings over total assets. Total assets include non-controlling interests share of total assets.

## 9. Other Information

### 9.1 Directors and Substantial Unitholders' Interests

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

- (i) Ms Ng Hsueh Ling, the Chairperson and Non-Independent Non-Executive Director of the Manager, is also Managing Director, Singapore, of Lendlease and a director of LLIM, LLR and Lendlease Singapore Pte. Ltd.; and
- (i) Mr Justin Marco Gabbani, a Non-Independent Non-Executive Director of the Manager, is also Chief Executive Officer, Asia of Lendlease, and a director of LLIM.

Based on the Register of Directors' unitholdings in LREIT ("**Unitholding**") maintained by the Manager, the direct and deemed interests of the Directors in the Units as at the Latest Practicable Date are as follows:

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	% <sup>(1)</sup>
	No. of Units held	% <sup>(1)</sup>	No. of Units held	% <sup>(1)</sup>		
Ms Ng Hsueh Ling	1,945,000	0.16	-	-	1,945,000	0.16
Dr Tsui Kai Chong	500,000	0.04	-	-	500,000	0.04
Mrs Lee Ai Ming	500,000	0.04	-	-	500,000	0.04
Mr Simon John Perrott	65,000	0.01	-	-	65,000	0.01
Mr Justin Marco Gabbani	441,000	0.04	-	-	441,000	0.04

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**Note:**

- (1) The percentage is based on 1,191,646,376 Units in issue as at the Latest Practicable Date. Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the directors, percentages are rounded to two decimal places.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Unitholder	Direct Interest No. of Units	% <sup>(1)</sup>	Deemed Interest No. of Units	% <sup>(1)</sup>
Lendlease SREIT Pty Limited (as trustee of Lendlease SREIT Sub Trust)	284,041,000	24.05	-	-
Lendlease LLT Holdings Pty Limited (as trustee of Lendlease LLT Holdings Sub Trust) <sup>(2)</sup>	-	-	284,041,000	24.05
Lendlease Responsible Entity Limited (as trustee of Lendlease Trust) <sup>(3)</sup>	-	-	284,041,000	24.05
Lendlease Corporation Limited <sup>(4)</sup>	-	-	316,174,602	26.53

**Notes:**

- (1) The percentage is based on 1,191,646,376 Units in issue as at the Latest Practicable Date. Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the Substantial Unitholders, percentages are rounded to two decimal places.
- (2) Lendlease LLT Holdings Pty Limited (as trustee of Lendlease LLT Holdings Sub Trust) holds all of the units of Lendlease SREIT Sub Trust ("**LLT Sub-Trust**"). Lendlease LLT Holdings Sub Trust is therefore deemed interested in LLT Sub-Trust's direct interest in 284,041,000 Units.
- (3) Lendlease Responsible Entity Limited (as trustee of Lendlease Trust) ("**LLT**") holds all of the units of Lendlease LLT Holdings Sub Trust. LLT is therefore deemed interested in Lendlease LLT Holdings Sub Trust's deemed interest in 284,041,000 Units.
- (4) Lendlease Responsible Entity Limited is a wholly-owned subsidiary of the Sponsor. The Sponsor is therefore deemed interested in LLT's deemed interest in 284,041,000 Units. The Sponsor is also deemed interested in 19,385,129 Units which are held directly by its indirect wholly-owned subsidiary, Lendlease GCR Investment Holding Pte. Ltd., and 12,748,473 Units which are held directly by the Manager, which is also an indirect wholly-owned subsidiary of the Sponsor.

**Lendlease Global Commercial Trust Management Pte. Ltd.**  
**(in its capacity as manager of Lendlease Global Commercial REIT)**

Company Registration No: 201902535N  
2 Tanjong Katong Road, #05-01 PLQ 3, Paya Lebar Quarter, Singapore 437161  
www.lendleaseglobalcommercialreit.com  
T: +65 6671 6600 F: +65 6671 7372

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Save as otherwise disclosed in this announcement and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the proposed Acquisition.

## 9.2 Directors' Service Contracts

No person is proposed to be appointed as a Director in connection with the proposed Acquisition or any other transactions contemplated in relation to the proposed Acquisition.

No person is proposed to be appointed as a Director in connection with the proposed Issuance of Consideration Units or any other transactions contemplated in relation to the proposed issuance of Consideration Units.

## 9.3 Relative Figures computed on the Bases set out in Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by LREIT. Such transactions are classified into the following categories:

- (i) non-disclosable transactions;
- (ii) disclosable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

A transaction by LREIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (a) the net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits pursuant to Rule 1006(b) of the Listing Manual;
- (b) the aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units excluding treasury Units pursuant to Rule 1006(c) of the Listing Manual; and
- (c) the number of Units issued by LREIT as consideration for an acquisition, compared with the number of Units previously in issue.

### 9.3.1 The Proposed Acquisition

The relative figures computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual in respect of the proposed Acquisition are as follows:

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(i) In respect of the proposed ARIF3 Share Acquisition:

	Proposed ARIF3 Share Acquisition (\$ million)	LREIT (\$ million)	Relative figure (%)
<u>Rule 1006(a)</u> NAV of the assets to be disposed of		N.A.	
<u>Rule 1006(b)</u> Net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits <sup>(1)</sup>	8.1	56.9	14.2%
<u>Rule 1006(c)</u> Aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units	116.0	1,014.9 <sup>(2)</sup>	11.4%
<u>Rule 1006(d)</u> The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	142.0 million units	1,191.6 million units	11.9%

**Notes:**

- (1) In the case of a real estate investment trust, NPI is a close proxy to the net profits after tax attributable to its assets.
- (2) Based on the volume-weighted average price of S\$0.8517 per Unit on the SGX-ST on 11 February 2022, being the latest market day with trades prior to the date of the ARIF3 SPA.

Applying Rule 1003 of the Listing Manual for purposes of computing the relative figures under Rule 1006(c) is not an appropriate measure of materiality and may in fact be misleading and confusing for the following reason as the ARIF3 Purchase Consideration has been fixed at approximately S\$116.0 million and applying Rule

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**Lendlease Global Commercial Trust Management Pte. Ltd.**  
**(in its capacity as manager of Lendlease Global Commercial REIT)**

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1003(3) in determining the value of consideration by reference to the higher of the market value S\$121 million as of 11 February 2022, being the latest market day with trades prior to the date of the ARIF3 SPA) or the net asset value (S\$115.0 million as of 30 June 2021) will result in distortion to the purchase consideration that has been fixed at approximately S\$116.0 million.

- (ii) In respect of the proposed Property Acquisition and based on LREIT's acquisition of the remaining 68.2% effective interest:

	<b>Proposed Property Acquisition (S\$ million)</b>	<b>LREIT (S\$ million)</b>	<b>Relative figure (%)</b>
<u>Rule 1006(a)</u> NAV of the assets to be disposed of	N.A.		
<u>Rule 1006(b)</u> Net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits	56.4 <sup>(1)</sup>	56.9	99.1%
<u>Rule 1006(c)</u> Aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units	1,416.8 <sup>(1)</sup>	1,014.9 <sup>(2)</sup>	139.6%
<u>Rule 1006(d)</u> The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.		

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**Notes:**

- (1) Based on 68.2% of the effective stake of the Property that LREIT does not own before the proposed Acquisition.
  - (2) Based on the volume-weighted average price of S\$0.8517 per Unit on the SGX-ST on 11 February 2022, being the latest market day with trades prior to the date of the Asset PCOA.
- (iii) In respect of the proposed Acquisition as a whole, and based on LREIT's acquisition of the remaining 68.2% effective interest:

	<b>Proposed Property Acquisition and Proposed ARIF3 Share Acquisition (S\$ million)</b>	<b>LREIT (S\$ million)</b>	<b>Relative figure (%)</b>
<u>Rule 1006(a)</u> NAV of the assets to be disposed of		N.A.	
<u>Rule 1006(b)</u> Net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits <sup>(1)</sup>	64.5 <sup>(2)</sup>	56.9	113.3%
<u>Rule 1006(c)</u> Aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units	1,532.8 <sup>(2)</sup>	1,014.9 <sup>(3)</sup>	151.0%
<u>Rule 1006(d)</u> The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	142.0 million units	1,191.6 million units	11.9%

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**Notes:**

- (1) For the Proposed ARIF3 Share Acquisition, in the case of a real estate investment trust, NPI is a close proxy to the net profits after tax attributable to its assets.
- (2) For the Proposed Property Acquisition, based on 68.2% of the effective stake of the Property that LREIT does not own before the proposed Acquisition
- (3) Based on the volume-weighted average price of S\$0.8517 per Unit on the SGX-ST on 11 February 2022, being the latest market day with trades prior to the date of the Asset PCOA.

Where any of the relative figures computed on the bases set out above is 100.0% or more, the transaction is classified as a “very substantial acquisition” or “reverse takeover” under Rule 1015 of the Listing Manual. Pursuant to the Listing Manual, a “very substantial acquisition” or “reverse takeover” involving LREIT would be subject to the approval of Unitholders.

As the relative figures in relation to the proposed Property Acquisition for the basis of comparison set out in paragraph 9.3 above exceeds 100.0% but does not result in a change in control of LREIT, the proposed Property Acquisition therefore constitutes a “very substantial acquisition” for LREIT under Rule 1015 of the Listing Manual and is therefore subject to the specific approval of Unitholders.

## 9.4 Opinion of the Independent Financial Adviser

The Audit and Risk Committee of the Manager has obtained an opinion from Deloitte & Touche Corporate Finance Pte Ltd, the Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee of the Manager and to the Trustee (the “IFA”), which has been appointed as the independent financial adviser, on the Acquisition and the issuance of the Consideration Units. Pursuant to Rule 917(4)(a)(ii) of the Listing Manual and based on the opinion of the IFA, and the rationale for the Acquisition and the issuance of the Consideration Units as set out in the Circular, the Audit & Risk Committee of the Manager believes that the Acquisition and the issuance of the Consideration Units is on normal commercial terms and would not be prejudicial to the interests of LREIT and its minority Unitholders.

The opinion of the IFA as to whether the Acquisition and the issuance of the Consideration Units is on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders will be disclosed in the Circular.

## 10. Approval in-principle

The Manager is pleased to announce that:

- (i) approval in-principle was received on 14 February 2022 from the SGX-ST for the Acquisition;



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- (ii) for the listing and quotation on the Main Board of the SGX-ST of up to 156,669,100 Consideration Units, which are proposed to be issued to effect the ARIF3 SPA; and
- (iii) for the listing and quotation on the Main Board of the SGX-ST of up to 1,265,346,000 New Units which are proposed to be issued pursuant to the Equity Fund Raising.

The SGX-ST's approval in-principle is subject to, *inter alia*, compliance with the SGX-ST's listing requirements and Unitholders' approval being obtained. The in-principle approval of SGX-ST is not an indication of the merits of the proposed Acquisition, the Consideration Units, the New Units or any of the transactions contemplated in association with the proposed Acquisition, LREIT and/or its subsidiaries, the enlarged portfolio, the Property or the existing Units.

Please refer to the Circular for further details on the in-principle approval from the SGX-ST.

## 11. Documents for Inspection

Copies of the following documents are available for inspection<sup>22</sup> during normal business hours at the registered office of the Manager located at 2 Tanjong Katong Road, #05-01 PLQ 3, Paya Lebar Quarter, Singapore 437161, from the date of this announcement up to and including the date falling three months after the date of this announcement:

- (a) the ARIF3 SPA;
- (b) the Asset PCOA;
- (c) the full valuation report issued by JLL in respect of the Property;
- (d) the full valuation report issued by CBRE in respect of the Property; and
- (e) the FY2021 Audited Financial Statements.

The Trust Deed will be available for inspection at the registered office of the Manager for so long as LREIT is in existence.

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)

14 February 2022

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<sup>22</sup> Prior appointment with the Manager (telephone number: +65 6671 7374) will be appreciated.

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## Appendix A

### Unaudited *Pro Forma* Financial Information of the Property

The unaudited *pro forma* financial information of the Property for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 and the six-month period ended 31 December 2020 and 31 December 2021 has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

A summary of the unaudited *pro forma* financial information of the Property for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 and the six-month period ended 31 December 2020 and 31 December 2021, is set out below:

### Unaudited *Pro Forma* Statements of Profit or Loss

	Year ended 30 June 2019 S\$'000	Year ended 30 June 2020 S\$'000	Year ended 30 June 2021 S\$'000	Six-month period ended 31 December 2020 S\$'000	Six-month period ended 31 December 2021 S\$'000
Revenue	125,053	108,775	122,708	59,464	57,889
Property related expenses	(32,884)	(32,034)	(39,939)	(15,434)	(15,475)
<b>Net property income</b>	<b>92,169</b>	<b>76,741</b>	<b>82,769</b>	<b>44,030</b>	<b>42,414</b>
Change in fair value of investment property		-	-	-	-
Other income		-	-	-	-
Administrative expenses	-	-	-	-	-
<b>Results from operating activities</b>	<b>-</b>	<b>76,741</b>	<b>82,769</b>	<b>44,030</b>	<b>42,414</b>
Finance income	-	-	-	-	-
Finance costs	-	-	-	-	-
<b>Profit before tax</b>	<b>92,169</b>	<b>76,741</b>	<b>82,769</b>	<b>44,030</b>	<b>42,414</b>
Tax expense	-	-	-	-	-
<b>Profit after tax</b>	<b>92,169</b>	<b>76,741</b>	<b>82,769</b>	<b>44,030</b>	<b>42,414</b>

## Appendix B

### Unaudited *Pro Forma* Financial Information of the Enlarged Group

The unaudited pro forma statements of financial position as at 30 June 2021 and 31 December 2021, the unaudited pro forma statements of profit or loss and other comprehensive income for the period from 28 January 2019 (date of constitution) to 30 June 2020, for the year ended 30 June 2021 and the six-month period ended 31 December 2020 and 31 December 2021, and the unaudited pro forma statement of cash flows for the six-month period ended 31 December 2021 of the Enlarged Group is prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

A summary of the unaudited consolidated *pro forma* financial information of the Enlarged Group for the period from 28 January 2019 (date of constitution) to 30 June 2020, for the year ended 30 June 2021 and the six-month period ended 31 December 2020 and 31 December 2021, is set out below. The summary below should be read in conjunction with the assumptions set out in the Circular:

### Unaudited *Pro Forma* Statements of Financial Position

	As at 30 June 2021 S\$'000	As at 31 December 2021 S\$'000
<b>Non-current assets</b>		
Investment properties	3,505,857	3,490,317
Investment property under development	5,521	6,789
Investment in associates	–	628,340
Equity instrument at fair value	160,584	–
Trade and other receivables	7,311	4,301
Other non-current assets	869	1,350
Derivative financial instruments	128	605
	3,680,270	4,131,702
<b>Current assets</b>		
Cash and cash equivalents	232,721	32,717
Trade and other receivables	6,664	5,914
Other current assets	2,910	5,455
Derivative financial instruments	–	1,108
	242,295	45,194
<b>Total assets</b>	3,922,565	4,176,896

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	As at 30 June 2021 S\$'000	As at 31 December 2021 S\$'000
<b>Current liabilities</b>		
Trade and other payables	290,346	288,957
Loans and borrowings	423,440	522,037
Lease liability	416	324
Derivative financial instruments	207	1,197
	<u>714,409</u>	<u>812,515</u>
<b>Non-current liabilities</b>		
Trade and other payables	5,300	4,379
Loans and borrowings	1,165,185	1,179,697
Lease liability	2,105	1,988
Derivative financial instruments	2,322	113
	<u>1,174,912</u>	<u>1,186,177</u>
<b>Total liabilities</b>	<u>1,889,321</u>	<u>1,998,692</u>
<b>Net assets</b>	<u>2,033,244</u>	<u>2,178,204</u>
Represented by:		
Unitholders' funds	1,834,347	1,839,793
Non-controlling interests	–	139,492
Perpetual securities holders	198,897	198,919
	<u>2,033,244</u>	<u>2,178,204</u>
Units issued at end of financial year ( '000)	2,368,500	2,379,150
Net asset value per unit attributable to Unitholders (S\$)	<u>0.77</u>	<u>0.77</u>

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## Unaudited Pro Forma Statements of Profit or Loss and Other Comprehensive Income

	Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	Year ended 30 June 2021 S\$'000	Six-month period ended 31 December 2020 S\$'000	Six-month period ended 31 December 2021 S\$'000
Gross revenue	133,411	201,359	101,072	97,079
Property operating expenses	(39,374)	(61,672)	(26,649)	(25,022)
<b>Net property income</b>	<b>94,037</b>	<b>139,687</b>	<b>74,423</b>	<b>72,057</b>
Manager's base fee	(7,735)	(10,479)	(5,271)	(5,372)
Manager's performance fee	(4,702)	(7,061)	(3,721)	(3,776)
Other management fee	(580)	(801)	(401)	(682)
Trustee's fee	(360)	(493)	(246)	(262)
Other trust expenses	(1,228)	(2,561)	(1,440)	(1,130)
Dividend income	–	–	–	–
Net foreign exchange loss	(10,999)	(9,219)	(14,633)	16,914
Net finance costs	(20,818)	(28,653)	(14,425)	(15,006)
<b>Profit before tax and change in fair value</b>	<b>47,615</b>	<b>80,420</b>	<b>34,286</b>	<b>62,743</b>
Net change in fair value of investment properties and investment property under development	(95,931)	(31,284)	–	–
Net change in fair value of equity instrument	–	(942)	–	330
Share of profit of associates	–	–	–	–
Net change in fair value of derivative financial instruments	(4,274)	1,873	(851)	2,804
<b>Profit/(loss) before tax</b>	<b>(52,590)</b>	<b>50,067</b>	<b>33,435</b>	<b>65,877</b>
Tax expense	–	–	–	–
<b>Profit/(loss) after tax</b>	<b>(52,590)</b>	<b>50,067</b>	<b>33,435</b>	<b>65,877</b>
<b>Attributable to:</b>				
Unitholders	(52,590)	49,469	33,435	59,457
Non-controlling interests	–	–	–	2,186
Perpetual securities holders	–	598	–	4,234
	<b>(52,590)</b>	<b>50,067</b>	<b>33,435</b>	<b>65,877</b>

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	Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	Year ended 30 June 2021 S\$'000	Six-month period ended 31 December 2020 S\$'000	Six-month period ended 31 December 2021 S\$'000
<b>Other comprehensive income Items that is or may be reclassified subsequently to profit or loss:</b>				
Translation differences relating to financial statements of foreign subsidiary	11,218	9,005	14,986	(17,115)
<b>Total comprehensive income for the period</b>	<b>(41,372)</b>	<b>59,072</b>	<b>48,421</b>	<b>48,762</b>
<b>Attributable to:</b>				
Unitholders	(41,372)	58,474	48,421	42,342
Non-controlling interests	-	-	-	2,186
Perpetual securities holders	-	598	-	4,234
	<b>(41,372)</b>	<b>59,072</b>	<b>48,421</b>	<b>48,762</b>

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## Unaudited Pro Forma Statement of Cash Flows

	<b>Six-month period ended 31 December 2021 S\$'000</b>
<b>Cash flows from operating activities</b>	
Profit/(loss) after tax	(10,146)
Adjustments for:	
Manager's fees paid/payable in Units	9,154
Property manager's fees paid/payable in Units	792
Transaction costs related to purchase of equity instrument	54
Finance income	(90)
Interest expense	8,948
Amortisation of debt-related transaction costs	6,287
Net unrealised foreign exchange gain	(17,090)
Share of profit of associate	–
Net change in the fair value of investment properties and investment property under development	75,829
Net change in fair value of equity instrument	(330)
Net change in the fair value of derivatives financial instruments	(2,804)
<b>Operating income before working capital changes</b>	<b>70,604</b>
Changes in:	
Trade and other receivables	3,820
Trade and other payables	262,214
Other current assets	(2,545)
Other non-current assets	(481)
<b>Net cash generated from operating activities</b>	<b>333,612</b>
<b>Cash flows from investing activities</b>	
Dividends received from associates	–
Interest received	90
Acquisition of investment property	(2,144,770)
Capital expenditure on investment properties	(1,876)
Capital expenditure on investment property under development	(1,343)
Transaction costs related to purchase of equity instrument	129
Acquisition of investment in associate	(169,933)
Acquisition of subsidiary	(157,965)
<b>Net cash used in investing activities</b>	<b>(2,475,668)</b>

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Six-month period ended  
31 December 2021  
S\$'000

<b>Cash flows from financing activities</b>	
Proceeds from issuance of new Units	837,138
Payment of issue costs for new Units	(16,185)
Proceeds from loans and borrowings	1,219,000
Repayment of loans and borrowings	(20,000)
Payment of financing expenses	(25,649)
Distribution to Unitholders	(65,928)
Distribution to perpetual securities holders	(4,212)
Distribution to non-controlling interests	–
Interest paid	(8,940)
Payment of lease liability	(231)
<b>Net cash generated from financing activities</b>	<b>1,914,993</b>
<b>Net increase in cash and cash equivalents</b>	<b>(227,063)</b>
Cash and cash equivalents at beginning of period	249,264
Effect of exchange rate changes on balances held in foreign currency	(734)
<b>Cash and cash equivalents at end of the period</b>	<b>21,467</b>



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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 United States Securities Act of 1933 (the "**US 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 US 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.