

SGX ANNOUNCEMENT

4 August 2025



(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.)

DIVESTMENT OF OFFICE COMPONENT OF JEM

1. Executive Summary

Lendlease Global Commercial REIT ("**Lendlease REIT**") to divest the leasehold interest in respect of the office component of the property known as "Jem", located at 50 Jurong Gateway Road, Singapore 608549 and 52 Jurong Gateway Road, Singapore 608550 and the mechanical and electrical equipment thereon (the "**Office Component of Jem**", and the divestment of the Office Component of Jem, the "**Divestment**") to an unrelated third-party purchaser (the "**Purchaser**") for a sale consideration of S\$462 million (the "**Divestment Consideration**")¹.

Key rationale for the Divestment to unitholders of Lendlease REIT ("**Unitholders**") include:

- (a) Improve financial position and strengthen capital structure;
- (b) Gain on disposal available for distribution;
- (c) Enhance financial flexibility to support potential portfolio growth;
- (d) Realise the value of Jem office; and
- (e) Increase focus on Singapore retail.

2. Introduction

Lendlease Global Commercial Trust Management Pte. Ltd., as manager of Lendlease REIT (the "**Manager**") wishes to announce that DBS Trustee Limited (in its capacity as trustee of Lendlease REIT) (the "**Trustee**") has, on 4 August 2025, entered into a put and call option

¹ Subject to relevant post-completion adjustments.

agreement (“**PCOA**”) with the Purchaser in relation to the Divestment.

A binding contract for the sale and purchase between the Trustee and the Purchaser of the Office Component of Jem (the “**Purchase Agreement**”) is deemed to be constituted on the date of exercise of either the Call Option (as defined herein) or the Put Option (as defined herein), as the case may be.

3. The Divestment

3.1 Information on the Office Component of Jem

The Office Component of Jem comprises 12 levels of office space which is leased to The Government of the Republic of Singapore c/o Ministry of National Development for a period of thirty (30) years commencing from 3 December 2014. The Jem asset was acquired in 2022 for long-term investment holding purposes. Considering factors such as the current gearing level, Lendlease REIT has decided to divest the Office Component of Jem, with rationale outlined in the section Rationale for and Key Benefits of the Divestment.

3.2 Principal Terms of the PCOA

Pursuant to the PCOA the Trustee has agreed to grant to the Purchaser the right to require the Trustee to sell to the Purchaser the Office Component of Jem in accordance with the terms of the PCOA (the “**Call Option**”) and the Purchaser has agreed to grant to the Trustee the right to require the Purchaser to purchase from the Trustee the Office Component of Jem in accordance with the terms of the PCOA (the “**Put Option**”).

Upon exercise of the Call Option or the Put Option, as the case may be, the Trustee and the Purchaser shall be deemed to have entered into the Purchase Agreement for the sale and purchase of the Office Component of Jem at the Divestment Consideration of S\$462 million.

Pursuant to the terms of the PCOA, the Office Component of Jem will be transferred to Purchaser upon completion of the Divestment by way of an instrument of lease to be issued by the Trustee (as lessor) to the Purchaser (as lessee) and to be registered with the Singapore Land Authority (“**SLA**”).

In connection with the Divestment, the Trustee and Purchaser have, pursuant to the PCOA agreed to, *inter alia*, enter into a deed in relation to certain shared facilities and shared services in Jem upon completion of the Divestment by the Trustee and Purchaser.

Under the PCOA, the entitlement of the Purchaser to exercise the Call Option or, as the case

may be, the Trustee to exercise the Put Option, is subject to and conditional upon the Trustee obtaining certain approval(s) in writing from the SLA.

3.3 Divestment Consideration and Valuation

The Divestment Consideration of S\$462 million was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation of the Office Component of Jem.

In this respect, Jones Lang LaSalle (the “**Independent Valuer**”) has been commissioned by the Manager and the Trustee to provide an independent valuation of the Office Component of Jem for the Divestment. The independent valuation of the Office Component of Jem as at 31 July 2025 determined by the Independent Valuer is S\$462 million (“**Independent Valuation**”). In arriving at the Independent Valuation, the Independent Valuer primarily relied on the income capitalisation method and discounted cashflow analysis.

The Divestment Consideration of S\$462 million is in line with the Independent Valuation².

In respect of the PCOA, an option fee equivalent to 5.0% of the Divestment Consideration, will be payable by the Purchaser to the Trustee’s solicitors as stakeholders until completion of the Divestment (and released to the Trustee on completion of the Divestment) within 15 business days from the date of signing of the PCOA. The balance of Divestment Consideration with goods and services tax thereon (where applicable) (subject to any adjustments in accordance with the terms of the PCOA) shall be paid to the Trustee upon the completion of the Divestment, which is expected to take place by the fourth quarter of 2025.

3.4 Estimated Total Divestment Cost and Divestment Proceeds

The estimated total cost of the Divestment (the “**Total Divestment Cost**”) is approximately S\$5.0 million³, comprising:

- (i) the divestment fee of approximately S\$2.3 million (the “**Divestment Fee**”) ⁴ payable to the Manager for the Divestment pursuant to the trust deed dated 28 January 2019 constituting Lendlease REIT (as amended, restated and supplemented) (the “**Trust Deed**”) which the Manager intends to elect to be paid in units; and
- (ii) the estimated professional and other fees and expenses incurred or to be incurred by

² As a proxy for book value. As at 30 June 2025, the Jem asset (Office and Retail) is held in the books as a single integrated property.

³ Discrepancy is due to rounding.

⁴ The Divestment Fee in respect of the Divestment is 0.5% of the Divestment Consideration.

Lendlease REIT in connection with the Divestment of approximately S\$2.6 million.

After taking into account the Total Divestment Cost, the net cash proceeds from the Divestment is estimated to be S\$459.4 million, resulting in an estimated net cash gain over the cost of investment of approximately S\$8.9 million⁵.

3.5 Use of Divestment Proceeds

The Manager intends to use the net cash proceeds from the Divestment to (i) predominantly repay certain loans which is expected to reduce its aggregate leverage ratio from 42.6% as at 30 June 2025 to approximately 35% on a *pro forma* basis and (ii) potentially distribute net cash gain on disposal.

4. Rationale for and Key Benefits of the Divestment

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

- (a) **Improve financial position and strengthen capital structure.** Net cash proceeds will be utilised predominately towards repayment of borrowings. Following the Divestment, the aggregate leverage of Lendlease REIT will be reduced to approximately 35% on a proforma basis from 42.6% as at 30 June 2025.
- (b) **Gain on disposal available for distribution.** A net cash gain on disposal over the cost of investment of approximately S\$8.9 million⁵ is estimated upon completion. This gain is available for distribution to Unitholders.
- (c) **Enhance financial flexibility to support potential portfolio growth.** The strengthened capital structure will support Lendlease REIT in potential acquisitions and meaningful portfolio growth moving forward.
- (d) **Realise the value of Jem office.** Jem office is fully leased to Singapore's Ministry of National Development with a rental review once every five years. In February 2025, the Manager secured approximately 13% increase over the prevailing base rent for the space. The Divestment will unlock the embedded value of Jem office, with the Divestment Consideration in line with the Independent Valuation.
- (e) **Increase focus on Singapore retail.** Post the Divestment, Singapore retail will account for more than 85% of Lendlease REIT's portfolio by valuation, and the REIT

⁵ Excluding acquisition fee paid in units and Divestment Fee which the Manager intends to elect to be paid in units.

will be well-positioned to capitalise on the positive fundamentals for this sector.

5. Relative Figures computed on the Bases set out In Rule 1006 of the Listing Manual

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**”) governs the acquisition or disposal of assets by Lendlease REIT. Such transactions are classified into the following categories:

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

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

- (i) the net asset value (“**NAV**”) of the asset to be disposed of, compared with Lendlease REIT’s NAV pursuant to Rule 1006(a) of the Listing Manual;
- (ii) the net profits attributable to the asset disposed of, compared with Lendlease REIT’s net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (iii) the aggregate value of the consideration given or received, compared with Lendlease REIT’s market capitalisation based on the total number of issued Units excluding treasury Units pursuant to Rule 1006(c) of the Listing Manual.

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The relative figures computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual in respect of the Divestment is as follows:

	Divestment (S\$ million)	Lendlease REIT (S\$ million)	Relative Figure (%)
<u>Rule 1006(a)</u> NAV of the assets to be disposed of, compared with Lendlease REIT's NAV	462.0 ⁽¹⁾	1,827.4 ⁽²⁾⁽³⁾	25.3
<u>Rule 1006(b)</u> Net profit attributable to the assets to be disposed of, compared with the net profit of Lendlease REIT	12.3 ⁽⁴⁾	70.7 ⁽²⁾	17.5
<u>Rule 1006(c)</u> Aggregate value of the consideration received compared with Lendlease REIT's market capitalisation based on the total number of issued Units	462.0	1,342.7 ⁽⁵⁾	34.4

Notes:

- (1) Based on Independent Valuation of the Office Component of Jem as at 31 July 2025.
- (2) Based on Lendlease REIT's latest unaudited financial statements for the financial year beginning 1 July 2024 and ended 30 June 2025 ("FY2025").
- (3) Based on NAV attributable to Unitholders' funds.
- (4) Based on the net property income, estimated management and trustee fees attributable to the Office Component of Jem less the Total Divestment Cost.
- (5) Based on the volume-weighted average price of S\$0.5488 per Unit on the SGX-ST on 1 August 2025, being the latest market day with trades prior to the date of the PCOA.

Pursuant to Rule 1014(3) of the Listing Manual, in the case of REITs and property trusts, a disposal of properties is considered to be in its ordinary course of business, provided that the relative figures computed on the bases set out in Rule 1006 do not exceed 50% based on the aggregate value of all disposals in the last twelve months. In the event any of the relative figures calculated under Rule 1006 on an aggregated basis is 50% or more, the REIT/property trust must seek unitholders' approval. Notwithstanding that the disposal of property may be considered in the ordinary course of business, the REIT/property trust will have to comply with Rule 1010 of the Listing Manual.

Given that none of the relative figures computed on the bases set out above exceeds 50% based on the aggregate value of all disposals in the last 12 months, the Divestment is in the ordinary course of Lendlease REIT's business pursuant to Rule 1014(3) of the Listing Manual

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that does not require Unitholders' approval under Chapter 10 of the Listing Manual but will have to comply with Rule 1010 of the Listing Manual.

6. *Pro Forma* Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Divestment presented below are strictly for illustrative purposes only and do not reflect the actual financial results or the future financial performance and condition of the Lendlease REIT Group⁶ following completion of the Divestment. They are prepared based on Lendlease REIT Group's latest unaudited financial statements for FY2025 (the "**FY2025 Unaudited Financial Statements**").

6.1 *Pro Forma* DPU

FOR ILLUSTRATIVE PURPOSES ONLY

The following table set out the *pro forma* financial effects of the Divestment on Lendlease REIT's distribution per Unit ("**DPU**") for FY2025, as if the Divestment was completed on 1 July 2024.

Based on the FY2025 Unaudited Financial Statements	Effects of the Divestment	
	Before the Divestment	After the Divestment ⁽¹⁾
DPU (cents)	3.60	3.52
DPU effect (%)	-	(2.2%)

Note that any discrepancies on figures in the table above are due to rounding.

Note:

- (1) Assuming that net cash proceeds are used to repay certain debt and interest rate hedges on 1 July 2024 and subsequently on 11 April 2025, S\$200 million perpetual securities are redeemed with loans assuming the S\$120 million new issuance of perpetual securities on 28 February 2025 had not taken place.

⁶ "Lendlease REIT Group" refers to Lendlease REIT and its subsidiaries.

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6.2 Pro Forma NAV

The following table sets out the *pro forma* financial effects of the Divestment on the NAV per Unit as at 30 June 2025, as if the Divestment was completed on 30 June 2025.

Based on the FY2025 Unaudited Financial Statements	Effects of the Divestment	
	Before the Divestment	After the Divestment ⁽²⁾
NAV (S\$ million) ⁽¹⁾	1,827.4	1,824.7
Units in issue (million)	2,446.7	2,451.2
NAV per Unit (S\$)	0.75	0.74

Notes:

- (1) Excludes NAV attributable to perpetual security holders and other non-controlling interests.
(2) Assuming that net cash proceeds are used to repay certain debt and interest rate hedges and Divestment Fee is paid in units on 30 June 2025.

7. Other Information

7.1 Interests of Directors and Controlling Unitholders

As at the date of this announcement and based on information available to the Manager as at the date of this announcement, save for the Unitholding interests in Lendlease REIT held by certain directors of the Manager and the controlling Unitholders, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Divestment.

7.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Divestment or any other transactions contemplated in relation to the Divestment.

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8. Documents for Inspection

Copies of the following documents are available for inspection by appointment only 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 PCOA; and
- (b) the valuation report issued by the Independent Valuer.

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

By Order of the Board
Guy Cawthra

Chief Executive Officer

Lendlease Global Commercial Trust Management Pte. Ltd.
(Registration Number: 201902535N)
(in its capacity as manager of Lendlease Global Commercial REIT)

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IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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

The value of the Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or DBS Trustee Limited, in its capacity as trustee of Lendlease REIT. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

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 Lendlease REIT and the Manager is not necessarily indicative of the future performance of Lendlease REIT and the Manager.