

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “**Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES (THE “**UNITED STATES**” OR THE “**U.S.**”) OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. **THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.**

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act (“**Regulation S**”). This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us (1) you are outside the United States, and (2) that you consent to delivery of such Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in this Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (the “**Arrangers**”), the Dealers (as defined in this Offering Circular), the Trustee (as defined in this Offering Circular), the Agents (as defined in this Offering Circular) or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers and the Dealers.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your email software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

RBC Investor Services Trust Singapore Limited
(in its capacity as trustee of Lendlease Global Commercial REIT)
(incorporated with limited liability in Singapore with Company Registration Number: 199504677Z)

S\$1,000,000,000
Multicurrency Debt Issuance Programme

Under the Multicurrency Debt Issuance Programme described in this Offering Circular (the “**Programme**”), RBC Investor Services Trust Singapore Limited (in its capacity as trustee (the “**LREIT Trustee**”) of Lendlease Global Commercial REIT (“**LREIT**”), a real estate investment trust constituted by a deed of trust on 28 January 2019 entered into between Lendlease Global Commercial Trust Management Pte. Ltd. (the “**LREIT Manager**”) and the LREIT Trustee (the “**Issuer**”) constituting LREIT, as may be amended, varied or supplemented from time to time), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the “**Notes**”) or perpetual securities (the “**Perpetual Securities**”) and, together with the Notes, the “**Securities**”). The Notes will rank as senior obligations of the Issuer and the Perpetual Securities may rank as senior obligations (the “**Senior Perpetual Securities**”) or subordinated obligations (the “**Subordinated Perpetual Securities**”) of the Issuer. The aggregate nominal amount of Securities outstanding will not at any time exceed S\$1,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

The Securities may be issued by the Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer**” shall, in the case of an issue of Securities being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Securities.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. Unlisted series of Securities may also be issued pursuant to the Programme and Securities may also be listed on stock exchanges other than the SGX-ST. The applicable pricing supplement (each, a “**Pricing Supplement**”) in respect of any series of Securities will specify whether or not such Securities will be listed on the SGX-ST or on any other stock exchange. There is no assurance that any application to the Official List of the SGX-ST for the listing of the Securities will be approved. Approval-in-principle from the SGX-ST, admission to the Official List of the SGX-ST and listing and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, LREIT, the Group (as defined below), the Programme or such Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular or the applicable Pricing Supplement.

The Securities may be issued in bearer form (“**Bearer Securities**”) or in registered form (“**Registered Securities**”) only. Each Series (as defined in the terms and conditions of the Notes or, as the case may be, the terms and conditions of the Perpetual Securities) in bearer form will be represented on issue by a temporary global security in bearer form (each a “**Temporary Global Security**”). Interests in a Temporary Global Security will be exchangeable, in whole or in part, for interests in a permanent global security in bearer form (each a “**Permanent Global Security**”) and, together with the Temporary Global Security, the “**Global Securities**”) on or after the date falling on the first business day following the period of 40 calendar days from (but not including) the relevant issue date, upon certification as to non-U.S. beneficial ownership. Each Series of Registered Securities will be represented by registered certificates (each a “**Certificate**”), without interest coupons, one Certificate being issued in respect of each Securityholder’s entire holding of Registered Securities of one Series. Registered Securities will initially be represented by a registered global certificate (each a “**Global Certificate**”) without coupons.

Global Securities and Global Certificates may be: (i) deposited on the relevant issue date with a common depositary (the “**Common Depositary**”) on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”); or (ii) deposited on the relevant issue date with The Central Depository (Pte) Limited (“**CDP**”). Beneficial interests in Global Securities or Global Certificates held in book-entry form through Euroclear, Clearstream, Luxembourg and/or CDP will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg or CDP, as the case may be. The provisions governing the exchange of interests in Global Securities or Global Certificates for other Global Securities and definitive Securities or Certificates are described in “Summary of Provisions Relating to the Securities while in Global Form”.

Unless otherwise stated in the applicable Pricing Supplement, Tranches of Securities to be issued under the Programme will be un-rated.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and the Securities may include Bearer Securities (as defined in the Dealer Agreement referred to herein) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States. The Securities are subject to certain restrictions on transfer, see “Subscription and Sale”.

Investing in Securities issued under the Programme involves certain risks. Prospective investors should have regard, *inter alia*, to the factors described under the section headed “Risk Factors” in this Offering Circular.

Arrangers and Dealers

DBS Bank Ltd.

Oversea-Chinese Banking Corporation Limited

NOTICE TO INVESTORS

The Issuer (based on instructions from the LREIT Manager, except for information relating to RBC Investor Services Trust Singapore Limited in its personal capacity which remain the sole responsibility of the Issuer) accepts responsibility for the information contained in this Offering Circular. The Issuer (based on instructions from the LREIT Manager, except for information relating to RBC Investor Services Trust Singapore Limited in its personal capacity which remain the sole responsibility of the Issuer), having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with regard to the Issuer, LREIT and its subsidiaries (the “**Group**”), and the Securities which is material in the context of the Programme, the issue and offering of the Securities, (ii) such information is true and accurate and not misleading in all material respects, (iii) the opinions, expectations and intentions expressed in this Offering Circular have been carefully considered, are based on all relevant considerations and facts known to the Issuer existing at the date of its issue and are fairly, reasonably and honestly held, (iv) there are no other facts the omission of which in the said context would make any such information or expressions of opinion, expectation or intention misleading in any material respect and (v) the Issuer has made all reasonable enquiries to ascertain all material facts for the purpose aforesaid.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and the applicable Pricing Supplement in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Arrangers, The Bank of New York Mellon, London Branch as trustee (the “**Trustee**”) or any of the Agents (as defined in the Agency Agreement referred to herein) or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. Save as expressly stated in this Offering Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the LREIT Manager, LREIT or any of their respective subsidiaries or associated companies (if any). Neither this Offering Circular nor any other document or information or any part thereof, delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, such solicitation or invitation by or on behalf of the Issuer or any of the Arrangers or Dealers to subscribe for or purchase the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. Neither the delivery of this Offering Circular (or any part thereof) nor any sale, offering or purchase made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the prospects, results of operation or general affairs of the Issuer, the LREIT Manager, LREIT or any of their respective subsidiaries and/or associated companies (if any) or in the information herein since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, LREIT or any of their respective subsidiaries and/or associated companies (if any) since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution and publication of this Offering Circular or any such other document or information and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Offering Circular or any such other document or information or into whose possession this Offering Circular or any such other document or information comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Securities and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Securities. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer (based on instructions from the LREIT Manager, except for information relating to RBC Investor Services Trust Singapore Limited in its personal capacity which remain the sole responsibility of the Issuer) and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Securities offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND THE SECURITIES MAY INCLUDE BEARER SECURITIES (AS DEFINED HEREIN) THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD, OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES. THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF SECURITIES AND DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "SUBSCRIPTION AND SALE". THE ATTENTION OF RECIPIENTS OF THIS OFFERING CIRCULAR IS DRAWN TO THE RESTRICTIONS ON RESALE OF THE SECURITIES SET OUT UNDER THE SECTION "SUBSCRIPTION AND SALE".

This Offering Circular and/or any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall not be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Securities.

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Offering Circular is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS") and the Securities are offered by the Issuer pursuant to exemptions under Section 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "SFA"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

None of the Arrangers, the Dealers, the Trustee, the Agents nor any of their respective affiliates, officers, employees, agents, representatives, directors or advisers nor any person who controls any of them has independently verified the information contained in this Offering Circular. None of the Arrangers, the Dealers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, LREIT or the Group. Each person receiving this Offering Circular acknowledges that it has not relied on the Arrangers, the Dealers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in

connection with its investigation of the accuracy of such information or its investment decision, and such person must rely on its own examination of the Issuer, LREIT or the Group, and the merits and risks involved in investing in the Securities. See “Risk Factors” below for a discussion of certain factors to be considered in connection with an investment in the Securities.

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them accepts any responsibility for the contents, accuracy, completeness or sufficiency of any such information in this Offering Circular or for any other statement made or purported to be made by the Arrangers, the Dealers, the Trustee or the Agents or on their behalf in connection with the Issuer, the LREIT Manager, LREIT, the Group, the Programme or the issue and offering of the Securities. Each of the Arrangers, each Dealer, the Trustee and each Agent, and each of their respective directors, officers, employees, agents, representatives, advisers or affiliates and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

The Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them shall not be responsible nor have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed, the Agency Agreement, or any other agreement or document entered into in connection with the Securities, and the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them shall assume the accuracy and correctness thereof for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence in the Trust Deed, the Agency Agreement or any such other agreement or document referred to above.

Neither this Offering Circular nor any other document or information (or any part thereof) delivered and supplied under or in relation to the Programme or any Securities is intended to provide the basis of any credit or other evaluation of the Issuer, LREIT or the Group and should not be considered as a recommendation by any of the Issuer, the Arrangers, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them that any recipient of this Offering Circular or any other financial statements should purchase the Securities. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Securities under applicable laws or regulations. Each potential purchaser of Securities shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, the LREIT Manager, LREIT and any of their respective subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, the LREIT Manager, LREIT and any of their respective subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Arrangers, any of the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them shall be held responsible for any loss or damage suffered or incurred by the recipients of this Offering Circular or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Offering Circular or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Offering Circular or such other document or information (or such part thereof). None of the Dealers, the Arrangers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer, LREIT or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Dealers, the Arrangers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them.

SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise stated before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The applicable Pricing Supplement in respect of any Securities may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as

a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Dealer Agreement and the issue of the Securities by the Issuer pursuant to the Dealer Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Offering Circular shall (without any liability or responsibility) on the part of the Issuer, any of the Arrangers or the Dealers lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Dealer Agreement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Securities of a particular issue. Each potential purchaser of Securities should refer to and consider carefully the applicable Pricing Supplement for each particular issue of Securities, which may describe additional risks and investment considerations associated with such Securities. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only.

It is recommended that persons proposing to purchase or subscribe for any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

STABILISATION

In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of the Securities is made and, if begun, may cease at any time and must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws, rules and regulations.

ROUNDING OF AMOUNTS

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information has not been independently verified and is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them makes

any representation as to the accuracy of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, LREIT and the Group and the terms of the offering and the Securities, including the merits and risks involved. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

CERTAIN DEFINED TERMS AND CONDITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Singapore dollars**”, “**SGD**” and “**S\$**” are to the lawful currency for the time being of Singapore, all references to “**U.S. dollars**”, “**USD**” and “**U.S.\$**” are to the lawful currency for the time being of the United States of America, all references to “**Euro**” and “**€**” are to the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time, all references to “**Australian dollars**” and “**A\$**” refer to the lawful currency of the Commonwealth of Australia, all references to “**Malaysian Ringgit**”, “**Ringgit**” or “**RM**” and “**sen**” refer to the lawful currency of Malaysia, all references to “**Sterling**” and “**£**” are to the lawful currency of the United Kingdom, and all references to “**JPY**” and “**Yen**” are to the lawful currency of Japan.

Unless otherwise specified in this Offering Circular, references to “**Conditions**” are to the Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities together.

The following definitions have, where appropriate, been used in this Offering Circular:

“**SOR**” means the Singapore Dollar Swap Offer Rate;

“**SIBOR**” means the Singapore Interbank Offered Rate;

“**HIBOR**” means the Hong Kong Interbank Offered Rate;

“**CNH HIBOR**” means the Offshore Chinese Yuan Hong Kong Interbank Offered Rate;

“**LIBOR**” means the London Interbank Offered Rate; and

“**EURIBOR**” means the Euro Interbank Offered Rate.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. All statements other than statements of historical facts contained in this Offering Circular constitute forward-looking statements. Some of these statements can be identified by the use of forward-looking terminology, such as “**believe**”, “**expect**”, “**plan**”, “**anticipate**”, “**can**”, “**may**”, “**plan**”, “**target**”, “**intend**”, “**aim**”, “**project**”, “**seek**”, “**should**”, “**will**”, “**would**”, “**could**”, “**schedule**”, “**estimate**” or, in each case, their negative or other variations or comparable terminology. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Group discussed in this Offering Circular regarding matters that are not historical facts.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Investors are cautioned that forward-looking statements are not guarantees of the Group’s future performance and their actual results of operations, financial condition and liquidity, and the development of the industries in which they operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the Group’s results of operations, financial condition and liquidity and the development of the industries in which the Group operate are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on their behalf may issue. The Issuer does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

The factors that could cause the actual results, performances and achievements of the Issuer or the Group to be materially different include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Investors should read the factors described in the "Risk Factors" section of this Offering Circular to better understand the risks and uncertainties inherent in the business of LREIT and underlying any forward-looking statements.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of this Offering Circular, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

FINANCIAL STATEMENTS

LREIT has prepared audited consolidated financial statements (the "**FY2020 Financial Statements**") as at and for the financial period ended 30 June 2020. The FY2020 Financial Statements are included in this Offering Circular and are prepared in conformity with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standard Board, and the applicable requirements of the Code on Collective Investment Schemes issued by the MAS and the provisions of the deed of trust dated 28 January 2019 entered into between the LREIT Manager and the LREIT Trustee constituting LREIT, as may be amended, varied, supplemented or restated from time to time. See "Index to Financial Statements" and "Selected Financial Information".

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with (i) each applicable Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements (including the Independent Auditors' Report thereon), any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of LREIT from time to time (if any) and any quarterly financial updates (including any accompanying business updates) of LREIT announced by LREIT on SGX-ST, (iii) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Any statement that is modified or superseded in this manner will no longer be part of this Offering Circular, except as so modified or superseded.

Copies of all such documents which are so deemed to be incorporated by reference herein (which, for the avoidance of doubt, shall exclude financial statements that are not published publicly by LREIT), and to form part of, this Offering Circular are available for inspection at the specified office of the Trustee during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) set out at the end of this Offering Circular, provided that such documents have been made available to the Trustee. Copies of the most recently published audited consolidated annual financial statements of LREIT and all other documents deemed incorporated by reference in this Offering Circular are available on the website of the SGX-ST at www.sgx.com.

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME	1
SELECTED FINANCIAL INFORMATION	18
RISK FACTORS	20
TERMS AND CONDITIONS OF THE NOTES	54
TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES	97
SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM.....	140
USE OF PROCEEDS	145
CAPITALISATION AND INDEBTEDNESS	146
DESCRIPTION OF THE ISSUER	147
DESCRIPTION OF LENDLEASE GLOBAL COMMERCIAL REIT	148
TAXATION	172
CLEARANCE AND SETTLEMENT	178
SUBSCRIPTION AND SALE.....	180
FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES.....	185
FORM OF PRICING SUPPLEMENT IN RELATION TO PERPETUAL SECURITIES	196
GENERAL INFORMATION	206
INDEX TO FINANCIAL STATEMENTS	F-1

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Securities should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Some of the terms described below are subject to important limitations and exceptions. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the sections entitled “Terms and Conditions of the Notes” and “Terms and Conditions of the Perpetual Securities” or elsewhere in this Offering Circular.

Issuer	RBC Investor Services Trust Singapore Limited (in its capacity as trustee of LREIT).
Description	S\$1,000,000,000 Multicurrency Debt Issuance Programme.
Size	The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding, shall be S\$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased in accordance with the terms of the Dealer Agreement.
Arrangers	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
Dealers	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and such other Dealers as may be appointed by the Issuer in accordance with the Dealer Agreement. The Issuer may from time to time appoint one or more additional Dealers in accordance with the terms of the Dealer Agreement. Any such appointment of a Dealer may be in respect of a single Series, Tranche or the whole Programme. References in this Offering Circular to “ Permanent Dealers ” are to all Dealers other than those appointed as such solely in respect of one or more specified Tranches (and whose appointment has not been terminated) and references to “ Dealers ” are to all Permanent Dealers and any other Dealer that is appointed to the Programme.
Trustee	The Bank of New York Mellon, London Branch.
Issuing and Paying Agent (in respect of Securities cleared through Euroclear/Clearstream, Luxembourg) and (where appointed as contemplated in the Agency Agreement) Calculation Agent	The Bank of New York Mellon, London Branch.
Non-CDP Transfer Agent and Non-CDP Registrar (in respect of Securities cleared through Euroclear/ Clearstream, Luxembourg)	The Bank of New York Mellon SA/NV, Luxembourg Branch.

CDP Paying Agent, CDP Transfer Agent, CDP Registrar and (where appointed as contemplated in the Agency Agreement) CDP Calculation Agent

The Bank of New York Mellon, Singapore Branch.

Method of Issue

The Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis.

Each Series may be issued in one or more tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche which will be set out in the applicable Pricing Supplement.

Issue Price

The Securities may be issued at par or at a discount, or premium, to par.

Form and Denomination and Trading of the Securities

The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Securities upon the terms therein. Each Tranche or Series of Registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a Common Depository and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities, as applicable, a Certificate shall be issued in respect of each Securityholder’s entire holding of Registered Securities of one Series.

Clearing Systems

Clearstream, Luxembourg, Euroclear, CDP and, in relation to any Tranche, such additional or alternative clearing system selected by the Issuer and approved by the Trustee, the relevant Registrar and the Issuing and Paying Agent.

Initial Delivery of Securities

On or before the issue date for each Tranche, the Global Security representing Bearer Securities or the Global Certificate representing Registered Securities may be deposited with a Common Depository, or with CDP. Global Securities or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the

Issuing and Paying Agent and the relevant Dealer. Registered Securities that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

Denomination Amount

Definitive Securities will be in such denominations as may be specified in the applicable Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Securities (including Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

Listing and Admission to Trading

Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. Unlisted Series of Securities may also be issued pursuant to the Programme.

If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).

Selling Restrictions

The offer and sale of Securities in the United States, European Union, the United Kingdom, Hong Kong, Singapore and Japan will be subject to certain restrictions. The Securities will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the IRC) (“**TEFRA D**”) unless:

- (i) the applicable Pricing Supplement states that Securities are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the IRC) (“**TEFRA C**”); or
- (ii) the Securities are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Securities will not constitute “**registration required obligations**” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.

For a description of certain restrictions on offers, sales and deliveries of the Securities and the distribution of offering material relating to the Securities, see the section on "Subscription and Sale" herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.

Additional Terms of the Notes

Notes Maturities

Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).

Interest Basis

Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest.

Fixed Rate Notes

Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to SOR, SIBOR, HIBOR, CNH HIBOR, LIBOR or EURIBOR,

(or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the applicable Pricing Supplement.

Variable Rate Notes

Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

Hybrid Notes

Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to SOR, SIBOR, HIBOR, CNH HIBOR, LIBOR or EURIBOR (or such other benchmark as may be specified in the applicable Pricing Supplement), as adjusted for any applicable margin.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in relation to default interest referred to in Condition 7(h) of the Notes.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Pricing Supplement.

Redemption

Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount shown on its face on the relevant maturity date. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption

If so provided on the face of the Note and the applicable Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Tax Redemption

If so provided on the face of the Notes and the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) of the Notes) together with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made on or after the Issue Date or any other date specified in the applicable Pricing Supplement; and
- (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption for Cessation or Suspension of trading

If, on any date, (A) the units of LREIT (“Units”) cease to be traded on the SGX-ST or (B) trading in the Units on the SGX-ST is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption which shall be the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the relevant Effective Date (as defined in Condition 6(e) of the Notes). The Issuer shall, within seven business days of the relevant Effective Date, give notice to the Trustee, the Paying Agents and the Securityholders of the occurrence of either event specified in (A) or (B) above (provided that any failure by the Issuer to give such notice shall not prejudice any exercise of such option). Please refer to Condition 6(e) of the Notes for more details.

Redemption in the case of Minimum Outstanding Amount

If so provided on the face of the Notes and the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Securityholders (which notice shall be irrevocable) at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Notes issued pursuant to Condition 14 of the Notes and consolidated and forming a single series with the Notes).

Status of Notes

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Notes) unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Negative Pledge

So long as any Note or Coupon remains outstanding, the Issuer will not, and will ensure that none of the Principal Subsidiaries (as defined in Condition 4(a) of the Notes) of LREIT will create, or have outstanding, any Security Interest (as defined in Condition 4(a) of the Notes), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in Condition 4(a) of the Notes) or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, other than a Permitted Security Interest (as defined in Condition 4(a) of the Notes), without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to

the interest of the Securityholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders. For further details, please see Condition 4(a) of the Notes.

Financial Covenant

So long as any Note or Coupon remains outstanding, the Issuer will ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix, provided that if the threshold is exceeded, the Issuer shall not incur additional borrowings or enter into further deferred payment arrangements.

The financial covenant set out in Condition 4(c) of the Notes shall be calculated and interpreted in accordance with IFRS, as determined from the latest audited or, as the case may be, unaudited financial statements of LREIT, and having regard to the Property Funds Appendix. For further details, please see Condition 4(c) of the Notes.

Non-disposal

So long as any Note or Coupon remains outstanding, the Issuer will not, and will ensure that none of the Principal Subsidiaries of LREIT will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Condition 4(b) of the Notes, would have a material adverse effect on its ability to perform or comply with any of its payment or other material obligations under the Terms and Conditions of the Notes or the Trust Deed, save for certain exceptions. For further details, please see Condition 4(b) of the Notes.

Events of Default

For more details on the Events of Default in relation to the Notes, please see Condition 10 of the Notes.

Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 8 of the Notes.

Governing Law

English law.

Jurisdiction

Non-exclusive jurisdiction of the Courts of England.

Additional terms of the Perpetual Securities

Perpetual Securities Maturities

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 of the Perpetual Securities and without prejudice to Condition 9 of the Perpetual Securities) only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of Condition 5 of the Perpetual Securities.

Distribution Basis

Perpetual Securities may confer a right to receive distribution at fixed or floating rates.

Fixed Rate Perpetual Securities

Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.

Floating Rate Perpetual Securities

The distribution rate in respect of Floating Rate Perpetual Securities shall be determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to *SOR*, *SIBOR*, *HIBOR*, *CHN HIBOR*, *LIBOR* or *EURIBOR*,

(or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Distribution periods will be specified in the applicable Pricing Supplement.

Distribution Periods and Distribution Rates

The length of the distribution periods for the Perpetual Securities and the applicable distribution rate or its method of calculation may differ from time to time or be constant for any Series. Perpetual Securities may have a maximum distribution rate, a minimum distribution rate, or both. The use of distribution accrual periods permits the Perpetual Securities to allow distribution at different rates in the same distribution period. All such information will be set out in Condition 4(II) of the Perpetual Securities and the applicable Pricing Supplement.

Distribution Deferral

If Distribution Deferral is provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Terms and Conditions of the Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 20 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, any of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any Junior Obligations (as defined in the Terms and Conditions of the Perpetual Securities) or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations (as defined in the Terms and Conditions of the Perpetual Securities); or
- (ii) any Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations for Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral

If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the applicable Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is so provided on the face of the Perpetual Security and the applicable Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to

any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV) (c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security and the applicable Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

**Restrictions in the case of
Non-Payment**

If Dividend Stopper is so provided on the face of the Perpetual Security and the applicable Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and the LREIT Trustee shall procure that none of LREIT’s Subsidiaries shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most

recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Status of the Senior Perpetual Securities

The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Status of the Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of LREIT.

Subordination of Subordinated Perpetual Securities

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of LREIT, there shall be payable by the Issuer in respect of each Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the winding-up of LREIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of LREIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Notional Preferred Units**” and each, a “**Notional Preferred Unit**”) having an equal right to return of assets in the winding-up of LREIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the winding-up of LREIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)), but junior to the claims of all other present and future creditors of LREIT (other than Parity Obligations), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such winding-up was an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Perpetual Security together with distributions (including any Arrears of Distribution and Additional Distribution Amounts) accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Terms and Conditions of the Perpetual Securities.

No set-off in relation to Subordinated Perpetual Securities

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons

relating to them and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the winding-up or administration of LREIT, the liquidator or, as appropriate, administrator of LREIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of LREIT) and accordingly any such discharge shall be deemed not to have taken place.

Optional Redemption

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Securityholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Perpetual Securities on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption.

Tax Redemption

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount, together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption, if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that: (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or (2) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable on indebtedness and/or will not enjoy the tax concessions and exemptions available for "qualifying debt securities" under the ITA; or

- (ii) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax as defined in Condition 7 of the Perpetual Securities, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, or as a result of a position adopted by any political subdivision or any authority of or in Singapore having power to tax, which causes the Perpetual Securities not to qualify as “qualifying debt securities” for the purposes of the ITA, which position becomes effective on or after the Issue Date or any other date specified in the applicable Pricing Supplement and such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to International Financial Reporting Standards, as amended from time to time (the “**IFRS**”) or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of LREIT (the “**Relevant Accounting Standard**”), the Perpetual Securities will not or will no longer be recorded as “equity” of LREIT pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption):

- (i) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (3) any applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which was announced before the Issue Date,

payments by the Issuer, which would otherwise have been tax deductible to LREIT, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by LREIT for Singapore income tax purposes; or

- (ii) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Issuer is not entitled to tax deductions for the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) made, as interest payments, in accordance with Section 14(1) of the ITA (including Section 14(1)(a) of the ITA).

Redemption in the case of Minimal Outstanding Amount

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Perpetual Securities issued pursuant to Condition 12 of the Perpetual Securities and consolidated and forming a single series with the Perpetual Securities).

Upon expiry of any such notice as is referred to in Condition 5(f) of the Perpetual Securities, the Issuer shall be bound to redeem all the Perpetual Securities in accordance with Condition 5(f) of the Perpetual Securities.

Redemption upon a Regulatory Event

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption, if as a result of any change in, or amendment to, the Property Funds Appendix (as defined in Condition 5(g) of the Perpetual Securities), or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities will count towards the Aggregate Leverage as defined in the Conditions of the Perpetual Securities under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Redemption upon a Ratings Event

If so provided on the face of the Perpetual Security and the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Payment Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of the Rating Agency as defined in the Terms and Conditions of the Perpetual Securities specified thereon (or any other rating agency of equivalent recognised standing requested from

time to time by the Issuer to grant a rating to LREIT or the Perpetual Securities) and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency).

Redemption in the case of Cessation or Suspension of trading

If so provided hereon, in the event that (A) the units of LREIT (“Units”) cease to be traded on the SGX-ST or (B) trading in the Units on the SGX-ST is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, of earlier, the date falling 45 days after the Effective Date, at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption. The Issuer shall, within seven business days of the relevant Effective Date, give notice to the Trustee, the Paying Agents and the Perpetual Securityholders of the occurrence of either event specified in (A) or (B) above.

Upon the expiry of any such notice as is referred to in Condition 5(i) of the Perpetual Securities, the Issuer shall be bound to redeem the Perpetual Securities in accordance with Condition 5(i) of the Perpetual Securities.

Limited right to institute proceedings in relation to Perpetual Securities

Notwithstanding any of the provisions in Condition 9 of the Perpetual Securities, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4 (IV) of the Perpetual Securities.

Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the winding-up of the Issuer or (ii) the Issuer fails to make payment of principal or distributions in respect of the Perpetual Securities when due and such failure continues for a period of more than three business days in the case of principal and five business days in the case of distributions, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Taxation

Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or

deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions specified in the Terms and Conditions of the Perpetual Securities.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of LREIT and the LREIT Trustee may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10 per cent. or 17 per cent.) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Governing Law

English law, except that the subordination provisions set out in Condition 3(b) of the Perpetual Securities applicable to the Issuer shall be governed by and construed in accordance with the laws of Singapore.

Jurisdiction

Non-exclusive jurisdiction of the Courts of England.

SELECTED FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the period indicated. The summary consolidated financial information of the Group as at 30 June 2020 has been derived from the audited financial statements for the period ended 30 June 2020, on the basis of the assumptions and accounting policies stated in, and should be read in conjunction with the audited financial statements for the period ended 30 June 2020 included elsewhere in this Offering Circular.

Statements of Financial Position

	Note	Group 30 June 2020 (S\$'000)	LREIT 30 June 2020 (S\$'000)
Current assets			
Cash and cash equivalents		83,678	60,664
Trade and other receivables		10,553	4,942
Other current assets		4,663	4,359
		98,894	69,965
Non-current assets			
Investment properties	i	1,442,598	1,008,000
Investment in subsidiaries		–	435,245
Trade and other receivables		12,845	–
Other non-current assets		1,012	1,012
Derivative financial instruments ¹		149	149
		1,456,604	1,444,406
Total assets		1,555,498	1,514,371
Current liabilities			
Trade and other payables		21,827	17,555
Derivative financial instruments ¹		320	320
		22,147	17,875
Non-current liabilities			
Trade and other payables		7,999	7,999
Loans and borrowings		528,999	528,999
Derivative financial instruments ¹		4,103	4,103
		541,101	541,101
Total liabilities		563,248	558,976
Net assets		992,250	955,395
Represented by:			
Unitholders' funds		992,250	955,395
NAV per Unit (S\$)²		0.85	0.82

Footnotes:

- Derivative financial instruments reflect the fair value of interest rate swaps, options and currency forwards which were entered to hedge interest rate and foreign currency risks.
- Net asset value ("NAV") and net tangible asset ("NTA") backing per unit based on issued units at the end of the period.

Notes to the Statements of Financial Position

i Investment properties

	Group
	30 June 2020
	(S\$'000)
Property	
313@somerset	1,008,000
Sky Complex	434,598
Investment Properties	1,442,598
	Group
	2 October
	2019 to
	30 June 2020
	(S\$'000)
As at 2 October 2019 (Listing Date)	–
Acquisitions (including acquisition costs)	1,451,542
Capital expenditure	624
Currency translation differences	10,534
Change in fair value of investment properties at Listing Date	(48,997)
Change in fair value of investment properties at 30 June 2020	28,895
As at 30 June 2020	1,442,598

Consolidated Statement of Comprehensive Income

	Group		
	3 months ended 30 June 2020		
	Actual	Forecast^A	Variance
	(S\$'000)	(S\$'000)	%
Profit after tax	30,396	11,005	>100
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income:			
Net currency translation differences relating to financial statement of foreign subsidiary	537	–	NM
Total comprehensive income	30,933	11,005	>100

NM: Not meaningful

	Group		
	2 October 2019 to 30 June 2020		
	Actual	Forecast^A	Variance
	(S\$'000)	(S\$'000)	%
Loss after tax	(8,616)	(15,732)	45.2
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income:			
Net currency translation differences relating to financial statement of foreign subsidiary	11,218	–	NM
Total comprehensive income	2,602	(15,732)	NM

NM: Not meaningful

Footnotes:

- A. The Forecast is derived from the forecast year 1 October 2019 to 30 June 2020 as disclosed in LREIT's IPO prospectus dated 25 September 2019 (the "IPO Prospectus").

RISK FACTORS

Prior to making any investment decision, prospective investors in or existing holders of the Securities should consider carefully all of the information in this Offering Circular, including any documents incorporated by reference herein and the risks and uncertainties described below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including those under the Securities, and have a material adverse effect on the Issuer's, LREIT's and/or the Group's business, financial condition or results of operations. In that event, the market price of the Securities could decline and investors may lose all or part of their investment in the Securities. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer, the LREIT Manager or the Group or that the Issuer or the Group currently deem to be immaterial which may in the future become material risks. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

RISKS RELATING TO THE PROPERTIES

The Group may be adversely affected by economic and real estate market conditions (including uncertainties and instability in global market conditions and increased competition in the real estate markets), political or constitutional instability, conflicts and/or crises, as well as changes in regulatory, fiscal and other governmental policies

LREIT's properties are diversified across Singapore and Italy and, as LREIT has a global mandate, LREIT's properties may in future be located in different markets across the globe. As the Group's Gross Revenue is currently derived from properties located in Singapore and Italy, the results of operations currently depend upon the performance of these economies. A downturn in either of these economies (and any future markets which the Group enters), or the impact that an economic decline in either of these economies (and any economy which the Group may be exposed to), could result in reduced demand for LREIT's properties. These may lead to a decline in the rental income, and in turn adversely affect the Group's operations, future growth and in turn LREIT's ability to fulfil its obligations under the Securities.

In addition, the economies in which LREIT operates are affected by global events. Global credit markets have in the past experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Global trade wars may also impinge upon the health of the global financial system.

In recent years, the global economy and global financial markets have experienced significant volatility as a result of, among other things:

- the occurrence of several health epidemics, such as the COVID-19 pandemic;
- a deterioration in economic and trade relations between the United States and its major trading partners, including China;
- interest rate fluctuations as well as changes in policy rates by the U.S. Federal Reserve and other central banks;
- uncertainties resulting from the UK's exit from the European Union;
- the slowdown of economic growth in China and other major emerging market economies; and
- the volatility in oil prices.

These events could adversely affect the Group insofar as they result in:

- a negative impact on the ability of tenants to pay their rents in a timely manner or at all, loss of key tenants and difficulties in finding suitable replacement tenants in a timely manner and on a comparable lease term, tenants requesting rental rebates or restructuring of their lease terms due to the impact of an economic downturn or tenants requesting waiver of interest on late payment of rent, thus reducing the Group's cash flow;
- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on the ability of the Group to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;
- an increase in counterparty risk (being the risk of monetary loss which the Group may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) the Group's banking syndicates (if any) or (ii) the Group's insurers, may be unable to honour their commitments to the Group.

Political or constitutional instability, conflicts and/or crises in the countries in which the Group invests may also negatively impact economic conditions in these countries, which may in turn adversely affect the Group's business, financial condition, results of operations and prospects and LREIT's ability to fulfil its obligations under the Securities.

The Group is subject to concentration risk as LREIT's asset portfolio currently comprises of two properties

While the Group intends to continue to expand and diversify its portfolio of assets, its current asset portfolio comprises two properties and the Group derives nearly all of its revenue from 313@somerset and Sky Complex. For the period ended 30 June 2020, the Group recognised revenue in respect of 313@somerset and Sky Complex of S\$36,844,000 and S\$18,692,000 respectively, each of which constituted 66.3% and 33.7% respectively of overall revenue. Consequently, the results and operations of the two properties have a significant impact on the Group's overall financial condition and prospects.

Given the foregoing, any risks inherent in property development and/or ownership will be magnified in relation to the Group, as should such risks materialise and result in delays, interruptions and/or other complications on any particular project developed by the Group, the impact on the Group's results of operations, financial condition and prospects will be significant.

The Group is subject to the risk of non-renewal and non-replacement of leases, and the loss of anchor tenants or a significant number of tenants of any of LREIT's properties, or a downturn in the businesses of anchor tenants or a significant number of tenants, could have an adverse effect on the business, financial condition and results of operations of the Group

Any downturn in the businesses, bankruptcy or insolvency of a tenant of the Group may result in such tenant deciding not to or being unable to renew its lease at the end of a lease cycle or such tenant seeking to terminate the lease before its expiry date. Factors that affect the ability of tenants to meet their obligations under the leases include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of tenants to compete with their competitors;
- in instances where tenants have sub-leased the Properties, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

Certain leases may also grant optional early termination rights to tenants subject to certain conditions, including but not limited to the payment of termination fees or, in the case of leases with major tenants, at certain specified points in time without termination fees, or operate to allow tenants the right to terminate at short notice (such as a six-month notice period or such shorter notice period in the case of rolling leases).

For the month of June 2020, the top 10 tenants of the Portfolio by GRI contributed approximately 54% of the GRI of the Group. As at 30 September 2020, approximately 12% of the leases by GRI will be expiring within FY2021 and approximately 20% of the leases by GRI will be expiring within FY2022. For the month of June 2020, Sky Italia contributed approximately 30% of the GRI of the Portfolio. As such, the Group's financial condition and results of operations and capital growth may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of the key tenants (particularly Sky Italia, as the sole tenant of the Milan Property) or a significant number of tenants of any of LREIT's properties, as well as the decision by one or more of these tenants not to renew its lease at the end of a lease cycle or terminate its lease before it expires. If a key tenant or a significant number of tenants terminate their leases or do not renew their leases at expiry, it may be difficult to secure replacement tenants at short notice. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than the current leases. If replacement tenants cannot be found in a timely manner or on terms acceptable to the LREIT Manager, there is likely to be a material adverse effect on the Properties, which could adversely affect the business, financial condition and results of operations of the Group and LREIT's ability to fulfil its obligations under the Securities.

LREIT's properties may require capital expenditures periodically and the Group may not be able to secure funding

LREIT's properties may require periodic capital expenditures for refurbishment, renovation for improvements and further development in order to remain competitive. The Group may not be able to fund such capital expenditures solely from cash from its operating activities and may not be able to obtain additional equity or debt financing on favourable terms or at all. If the Group is not able to obtain such funding, the attractiveness, marketability and operating efficiency of LREIT's properties may be affected, in turn affecting the Group's business, financial condition, results of operations and prospects.

The Group is subject to risks associated with asset enhancements of its properties

The Group's properties may be the subject of asset enhancement initiatives from time to time. Asset enhancement initiatives typically require substantial capital outlay and may take an extended period of time before positive cash flows may be generated. A significant amount of time and funds are required to complete such asset enhancement initiatives. The Group finances its asset enhancement initiatives largely through internally generated funds as well as debt financing. The ability of the Group to undertake its asset enhancement initiatives is subject to its ability to secure adequate funding. As security for payment under debt financing, the Group may also be required to mortgage or pledge certain assets to creditors and/or assign the sale and rental proceeds, performance bonds and insurances in respects of its properties to creditors.

The time taken and the costs involved in completing asset enhancement initiatives can be adversely affected by many factors, including delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government policies, and other unforeseen problems or circumstances. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the asset enhancement initiative, which in turn may have a direct impact on whether or not the asset enhancement initiative is profitable. Factors that may affect the profitability of an asset enhancement initiative also include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget and the availability of financing.

There can also be no assurance that any or all of the current or future asset enhancement initiatives affecting the properties in which the Group has an interest will be completed within the anticipated time frame or budget, if at all, whether as a result of the factors specified above or for any other reason. The inability to complete any asset enhancement initiative within the anticipated time frame and budget could adversely affect the Group's business, financial condition, results of operations and future growth, thus affecting LREIT's ability to fulfil its obligations under the Securities. In addition, significant pre-operating costs may be incurred and there can be no assurance that these costs can be recovered within a brief period or if at all, and there may be a substantial length of time before an asset enhancement initiative generates revenues and positive cash flows. The failure to adequately prepare for pre-operating costs could adversely affect the Group's business, financial condition, results of operations and future growth, thus affecting LREIT's ability to fulfil its obligations under the Securities.

LREIT is exposed to general risks associated with relying on third-party contractors to provide various services in respect of its properties

LREIT may engage third-party contractors to provide various services in respect of its properties, including property management, construction, piling and foundation, building and property fitting-out works, alterations and additions, interior decoration, installation and maintenance of air-conditioning units and lifts, and gardening and landscaping works. LREIT is exposed to the risk that a third-party contractor may incur costs in excess of project estimates, which may have to be borne by LREIT in order to complete the project. Furthermore, major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to LREIT. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match LREIT's targeted quality levels. All of these factors could have an adverse effect on the business, financial condition and results of operations of LREIT, which could in turn affect LREIT's ability to fulfil its obligations under the Securities.

The Group may not be able to put in place or maintain adequate insurance in relation to LREIT's properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds

LREIT's properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters like earthquakes, flooding or other causes, as well as potential public liability claims, including claims arising from the operations of LREIT's properties. In addition, certain risks, such as floods and losses caused by the outbreak of contagious diseases, contamination or other environmental impairment or breaches, may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. As an example, the Group's property and casualty insurance policies for LREIT's properties do not currently cover acts of war, fraudulent or dishonest acts, nuclear or radio-active contamination, asbestos contamination or other long-term environmental impairments. These are examples as this is not an exhaustive set of policy coverage exclusions.

Further, should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property and any financial obligations secured by such property may be accelerated. There is no assurance that material losses in excess of insurance proceeds will not occur. This may in turn affect LREIT's ability to fulfil its obligations under the Securities.

In addition, should the Group fail to put in place or maintain adequate insurance in relation to its Properties and its potential liabilities to third parties, the Group may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

Renovation or redevelopment works or physical damage to LREIT's properties may disrupt operations and collection of rental income or otherwise result in an adverse impact on the financial condition of the Group

The quality and design of LREIT's properties have a direct influence over the demand for space in, and the rental rates of, LREIT's properties. LREIT's properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance, repairs or refurbishment in respect of faults or problems or as a result of new

planning laws, regulations or building codes. The costs of maintaining LREIT's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as buildings age or if LREIT's properties are not maintained properly. The business and operations conducted at a property may suffer some disruption, and it may not be possible to collect the full or any rental income on space affected by such renovation, redevelopment, maintenance, repair or refurbishment works.

In addition, physical damage to a property resulting from fire or other causes may lead to a significant disruption to the business and operations conducted at the property and may cause injury or loss of life to human beings.

These, together with the aforesaid maintenance or repair requirements, may result in unanticipated costs and liability for the Group and may result in an adverse impact on the business, financial condition and results of operations of the Group and LREIT's ability to fulfil its obligations under the Securities.

The Group could incur costs or liability related to environmental matters

The Group's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including fines or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. In addition, the Group may be required to make capital expenditures to comply with these environmental laws, which may be substantial. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate issues relating to contamination, air pollution, noise pollution or dangerous goods may expose the Group to liability or materially adversely affect its ability to sell or let out the real property or to borrow using the real property as collateral.

If the LREIT's properties are affected by contamination or other environmental effects not previously identified and/or rectified, the Group risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditures to remedy such issue, which may in turn affect its ability to fulfil its obligations under the Securities. In addition, the financial position of the Group's tenants may also be adversely impacted, affecting their ability to trade and to meet their tenancy obligations.

The Group faces risks associated with climate change and climatic conditions

Any failure by the Group to adequately respond to the impact of climate change and associated legislative requirements could result in litigation (if, for instance, reporting requirements are not met), reduced profit due to the impact of increased costs associated with enhancing energy efficiency and other costs associated with upgrading existing buildings to comply with new building codes or other regulatory or contractual obligations. The Group may also be adversely impacted by a loss of market share if building designs do not address community expectations or match its competitors on sustainability issues.

Occurrence of any acts of God, natural disasters, war and terrorist attacks and other events beyond the control of the Group, including the recent outbreaks of communicable diseases such as H1N1 influenza, H7N9 influenza and COVID-19, may adversely and materially affect the business and operations of LREIT's properties

Acts of God, such as natural disasters, war and terrorist attacks, are beyond the control of the Group or the LREIT Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. The Group's properties, business and financial condition may be adversely affected should such acts of God, natural disasters or pandemics occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of LREIT's properties and hence LREIT's ability to fulfil its obligations under the Securities.

In addition, physical damage to the properties resulting from any acts of God, natural disasters, war, or terrorist attacks may lead to a significant disruption to the business and operation of LREIT's properties. This may result in the loss of invested capital in affected properties and anticipated future revenues as the Group may not be able to rent out or sell the affected properties. The Group may also suffer a loss of or disputes with existing tenants in the affected properties and any financial obligations secured by such properties may be accelerated. These may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The outbreak of infectious diseases such as the Severe Acute Respiratory Syndrome, Ebola virus disease, Middle East Respiratory Syndrome corona virus, H5N1 influenza, H1N1 influenza, H7N9 influenza and, most recently, the novel coronavirus named COVID-19 by the World Health Organisation in Singapore, Italy and elsewhere, have resulted in a negative impact on the economy and business activities in Singapore, Italy and in other countries that the Group could potentially expand to and thereby adversely impact the revenues and results of operations of the Group.

In addition, the outbreak of such communicable diseases on a global scale may affect investment sentiment and result in volatility in the global capital markets or adversely affect Singapore, Italy and other economies. Such outbreak has resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. This may adversely affect the supply of or demand for property (including retail and commercial property), which may in turn have an adverse impact on rental income which forms a substantial part of the Group's revenue. Any material change in the financial markets or local or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The emergence of the COVID-19 pandemic has disrupted the global economy, creating uncertainty and placing global economic and social resilience to the test. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, potential taxation changes, strict movement controls, work stoppages, lockdown, quarantines, travel restrictions, curfews, suspension and/or termination of major events, interruptions to supply and demand chains locally and globally, leading to a substantial decline in the number of travellers and in business activity, thereby impacting the demand for the Group's properties. There have also been adverse impacts on the global economy and share markets affecting access to capital markets for funding requirements. The potential effects of the COVID-19 pandemic on the Group's business include, but are not limited to, adverse impacts on rental revenue in relation to the Group's properties, adverse impacts on the valuation of its assets, solvency issues experienced by the Group's tenants as well as counterparties to the Group's contractual arrangements, adverse legislative changes (such as the suspension of contractual rights and obligations and mandatory rental relief), changes to employee working arrangements, reduce in demand for workspaces and retail units, increases to the Group's labour and other costs, adverse impacts to its existing and future projects (including delays to and/or suspension of any planned or potential development, redevelopment and/or asset enhancement initiatives as well as acquisitions or divestments of assets or businesses by the Group and shutdowns of the Group's development sites and workplaces), renegotiation of terms (as well as claims) in relation to any existing projects and/or contractual arrangements (including tenancies), civil unrest in the countries in which the Group's properties are located, any or a combination of which may have a material and adverse impact on the Group's business, results of operations, financial condition and prospects. The events relating to COVID-19 have also resulted in market volatility including in the prices of securities trading on SGX-ST and on other foreign securities exchanges. Adverse changes in global equity or credit market conditions as a result of the uncertainty and downturn in economic conditions arising from the COVID-19 pandemic may also adversely affect the Group. Please refer to "Recent Developments – Impact of COVID-19" in the "Description of Lendlease Global Commercial REIT" section for a non-exhaustive review of the Group's key assets in light of the COVID-19 pandemic.

As the COVID-19 pandemic is ongoing and evolving, there is no assurance that the Group will not experience more severe disruptions in the future in the event that more stringent COVID-19 related measures are imposed or if the COVID-19 outbreak becomes more severe or protracted. This could in turn cause further deterioration in the business, results of operations, financial condition and prospects of the Group. The actual extent of the COVID-19 outbreak and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, results of operations, financial condition and prospects will depend on, among other things, the duration and impact of the COVID-19 outbreak.

The representations, warranties and indemnities granted in favour of the Group by the vendors of LREIT's properties are subject to contractual limitations as to their scope, amount and timing of claims which can be made thereunder

The representations, warranties and indemnities granted in favour of the Group in the Sale and Purchase Agreements are subject to various conditions and limitations as to the scope, amount and the timing of claims which can be made thereunder. Such conditions and limitations include, amongst others, conditions and limitations on time, scope, amount, minimum size of claims, the aggregate amount claimable and the losses that the relevant party would have to bear before making a claim.

Further, the representations, warranties and indemnities in respect of the Singapore Property are further limited by the claim limits under the warranty and indemnity insurance policy procured by the Group under the Singapore Property Option Agreement (the "**W&I Insurance Policy**"). The W&I Insurance Policy itself is also subject to conditions and limitations, including conditions and limitations on time, scope, amount, minimum size of claims, the aggregate amount claimable and the losses that the Group would have to bear before making a claim under the W&I Insurance Policy. The Group has agreed that its only claim in respect of the acquisition of the Singapore Property under the Singapore Property Option Agreement will be under the W&I Insurance Policy.

While the LREIT Manager considers that the limits set out in the W&I Insurance Policy are consistent with market claim limits for transactions of this type, taking into account the risks of breach and likely quantum of loss, the Group may not have full coverage for all losses or liabilities which the Group might suffer in connection with the acquisition of the Portfolio and will need to rely on its own due diligence to mitigate against the risk of such losses and liabilities.

While the LREIT Manager believes that reasonable due diligence has been performed with respect to the Portfolio, there can be no assurance that there will not be any losses or liabilities suffered by the Group in connection with the Portfolio, which is beyond the limits of the recourse under the Sale and Purchase Agreements and the W&I Insurance Policy. In the event that the Group suffers losses or liabilities in connection with the Portfolio to which it has no recourse or only limited recourse to under the Sale and Purchase Agreements and the W&I Insurance Policy, the Group's financial condition, business, results of operations and/or prospects may be materially adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The due diligence exercise on LREIT's properties, tenancies, buildings and equipment, may not have identified all material defects, breaches of laws and regulations, historical tax liabilities and other deficiencies and any losses or liabilities from defects and deficiencies may adversely affect net assets, earnings and cash flows

The LREIT Manager believes that reasonable due diligence investigations with respect to LREIT's properties have been and will be conducted prior to their acquisition. However, there is no assurance that LREIT's properties will not have defects which require repair or maintenance (including design, construction or other property or equipment defects which may require additional capital expenditure, special repair or maintenance expenses or be affected by breaches of laws and regulations) other than those which have been previously disclosed to the LREIT Manager. Such defects or deficiencies may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings, cash flows and prospects. There can also be no assurance that any of the Group's reviews, surveys or inspections (or the relevant review, survey, inspection reports or other information on which the Group has relied or been provided) would have revealed all defects or deficiencies in the properties that LREIT has an interest in, including the title thereof. These may in turn affect LREIT's ability to fulfil its obligations under the Securities.

Any expert report that the LREIT Manager relies or has relied on as part of its due diligence investigations of LREIT's properties may also be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors. Further, notwithstanding that due diligence investigations have been and will be carried out on LREIT's properties, some of LREIT's properties may still not be in compliance with certain laws and regulations, which may

result in the LREIT Manager having to incur financial or other obligations in relation to such breaches or non-compliance. This may affect the financial condition and results of operations of the Group which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

In addition, the contractual representations and warranties given by the respective vendors are limited as to the scope, amount and timing of claims which can be made thereunder and may not afford complete protection from costs or liabilities arising from defects or deficiencies. There is no assurance that the Group will be entitled to be reimbursed under such representations and warranties for any losses or liabilities suffered or incurred by it as a result of its acquisition of these properties. This may affect the financial condition and results of operations of the Group, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The Portfolio could be affected by missing documents

Not all documents relating to the Portfolio requested in the course of due diligence, which was conducted at the time of LREIT's IPO listing, are available. They could have been misplaced by the vendors or missing due to the age of the records or not obtained. Although the LREIT Manager does not consider the missing documents uncovered during the independent due diligence to be a material issue as there is no evidence that such missing documents indicate a lack of title to the Properties, and that the risks of demolition of these properties and fines are remote (based on the documents available for due diligence and documents which were missing), there is no assurance that the due diligence has uncovered all non-compliance with the laws, regulations, terms of all documentation relevant to the Singapore Property and Milan Property, and all material liabilities in respect of these properties.

In the absence of all historical documentation, it remains a possibility that there may be potential grounds for invalidation of building permits issued in respect of the Singapore Property and Milan Property if there were irregularities in documentation relating to a past construction process in relation to construction of a part of any of these properties. If a building permit were invalidated, not obtained, or if a certain area of a property were found to not be in compliance with applicable laws and regulations, this could result in financial penalties being imposed or the affected area of the property having to be demolished or reinstated to its previous condition (as the case may be) unless, where applicable, a legalisation procedure was successfully undertaken, and the payment of a legalisation fee was made. If so, this could result in unbudgeted costs for the Group or an unexpected decrease in the value of the affected property which might result in an adverse impact on the financial condition and results of operations of the Group and the ability of LREIT to fulfil its obligations under the Securities.

LREIT's properties may face increased competition from other properties

LREIT's properties are, and the Group expects that subsequently acquired properties will be, located in areas where other competing properties are present and new properties may be developed which may compete with LREIT's properties. Some competing properties may be newer, be better located, have more attractive features, floor plans or amenities or otherwise be more attractive to tenants. Competing properties may also have lower rates of occupancy or operating cost than LREIT's properties, which may result in competing owners offering available space at lower rents than offered at LREIT's properties.

The income from, and the market value of, LREIT's properties will be dependent on the ability of LREIT's properties to compete against other properties for tenants. As all of the income generated from LREIT's properties is derived from rentals, the Group's cash flow may be adversely affected by any significant decline in the rental rates at which the Group is able to lease LREIT's properties and to renew existing leases or attract new tenants.

In addition, if competitors sell assets similar to those that the Group intends to divest, the Group may not be able to dispose of its assets on favourable terms within a reasonable time period, or at all. Furthermore, if the Group's competitors sell similar assets at lower prices than comparable assets held or managed by the Group, it may have an adverse impact on the market value of these assets. Likewise, the existence of pricing competition for lettable properties may have a material adverse impact on the Group's ability to secure tenants for the properties at satisfactory rental rates and on a timely basis.

There can be no assurance that the rental rates will not decline at some point during the period from each issue of the Securities until their redemption. If competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from LREIT's properties and subsequently acquired properties could be reduced, adversely affecting the business, financial condition, results of operations, and prospects of the Group and the ability of LREIT to fulfil its obligations under the Securities.

The appraisals of LREIT's properties are based on various assumptions and the price at which the Group is able to sell such properties in the future may be different from the initial acquisition value

There can be no assurance that the assumptions on which the appraisals of LREIT's properties are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately. The independent valuers of LREIT's properties may have included a subjective determination of certain factors relating to a property such as its relative market position, financial and competitive strengths, and physical condition and, accordingly, the valuation of a property (which affects the NAV per Unit) may be subjective and prove incorrect.

The valuation of any property does not guarantee a sale price at that value at present or in the future.¹ The price at which the Group may sell a property may be lower than its purchase price or the anticipated sale price projected at the time of acquisition. General property prices, including those of office and retail properties, are subject to the volatilities of the property market and there can be no assurance that the Group will not be required to make a downward revaluation of LREIT's properties. Any fall in the Gross Revenue or NPI earned from LREIT's properties will result in a downward revaluation of such properties. Downward revaluations could negatively affect the Group's gearing, which could in turn trigger a default under certain loan covenants and/or impact the Group's ability to refinance its existing borrowings or secure additional borrowings.

In addition, the Group is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. Changes in fair value may have an adverse effect on the Group's financial results for the financial year if there is a significant increase in the valuation of the LREIT's investment properties which results in revaluation losses that are recognised in its statements of total return.

Amenities and transportation infrastructure near LREIT's properties may be closed, relocated or terminated

The proximity of amenities and transportation infrastructure such as train stations and bus interchanges to LREIT's properties influence the demand for and hence the occupancy of such properties.

The Singapore Property is situated along Orchard Road, the major shopping belt and tourist attraction in Singapore. The Singapore Property has direct access to Somerset MRT Station on basement 2 and level 1 and is connected to the adjacent retail mall of Orchard Gateway on levels 1 and 4.

The Milan Property is situated in the area flanked by Via Luigi Russolo on the northwest and Via Monte Penice on the southeast and is located within the Milan Periphery office submarket of Milan.

The Milan Property is also accessible via public transport. The Rogoredo subway station is located about 150 metres away, providing access to Yellow-MM3 line of the Milan Metro network and served by multiple bus lines. The closest railway station is Milano Rogoredo, also located about 150 metres away. The station is served by several regional and suburban lines and high-speed trains towards Bologna, Florence, Rome and Naples.

Linate Airport is located about 7.5 kilometres from the buildings, and is 10 minutes by car accessible from the San Donato exit of the Tangenziale Est (Milan ring-road) and 40 minutes by public transportation. The Milan Property is also accessible by car. It is close to the A1 Motorway – Autostrada del Sole (exit "San Donato Milanese", about 1km distance) and the A51 East Milan Ring Road – Tangenziale Est di Milano (exit "Milano Rogoredo/San Donato Milanese", about 1km distance).

¹ The valuations of the Properties by the Independent Valuers reflect valuations as of 30 June 2020. Market conditions and movements in the property markets in which the Properties are located are also factors that can affect the value of the Properties after 30 June 2020.

There is no assurance that amenities, transportation infrastructure and public transport services near LREIT's properties will not be closed, relocated or terminated. If such an event were to occur, it could adversely impact the accessibility of the relevant property and the attractiveness and marketability of the relevant property to tenants which may in turn have an adverse impact on the demand and rental rates for the relevant property and the ability of LREIT to fulfil its obligations under the Securities.

There may be unknown or contingent liabilities related to LREIT's properties or entities that the Group has acquired or may acquire, which may result in damages and investment losses

Assets and entities that the Group has acquired or may acquire in the future may be subject to unknown or contingent liabilities for which the Group may have limited or no recourse against the respective vendors. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of tenants, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise.

In the future, the Group may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event the Group may have no or limited recourse against the vendors of such properties or entities. While the Group typically requires the vendors to indemnify it with respect to breaches of representations and warranties that survive, such indemnification is often limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. Further, even though the Group may procure warranty and indemnity insurance policies for its future transactions, claims under such warranty and indemnity insurance policies are subject to limitations. (See "*Risk Factors – The representations, warranties and indemnities granted in favour of the Group by the vendors of LREIT's properties are subject to contractual limitations as to their scope, amount and timing of claims which can be made thereunder*".)

As a result, there is no guarantee that the Group will recover any or all amounts with respect to losses due to breaches by the vendors of their representations and warranties. In addition, the total amount of costs and expenses that the Group may incur with respect to liabilities associated with LREIT's properties acquired may exceed the Group's expectations. Any of these matters could have a material adverse effect on the Group and the ability of LREIT to fulfil its obligations under the Securities.

LREIT's properties or a part of them may be acquired compulsorily by the respective governments in the countries in which such properties are located

LREIT's properties or any part of them that the Group has acquired in Singapore or Italy or may acquire in the future in these countries or other countries that the Group expands to, may be acquired compulsorily by the respective governments in these countries.

Under the laws and regulations of Singapore and Italy, there are various circumstances under which the respective government is empowered to acquire property.

Singapore

Under the laws and regulations of Singapore, the Land Acquisition Act, Chapter 152 of Singapore (the "**Land Acquisition Act**") gives the Singapore Land Authority the power to acquire any land in Singapore (i) for any public purpose; (ii) where the acquisition is of public benefit or of public utility or in the public interest; or (iii) for any residential, commercial or industrial purposes.

In the event that any of LREIT's properties (or any part thereof) located in Singapore is acquired compulsorily, the relevant authority will take into consideration, among others, the following, in determining the amount of compensation to be awarded: (i) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land, provided that within six months from the date of such publication, a declaration of intention to acquire is subsequently made by publication in the Government Gazette; or (ii) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire, in any other case.

Italy

Under the laws and regulations of Italy, there are various circumstances under which the government of the Italian Republic and the local authorities are empowered to acquire properties in Italy. Such expropriation procedures may be in relation to public works or private works declared to be of public utility such as the construction of an expressway. In the event of any compulsory acquisition of property in Italy, the amount of compensation to be awarded includes, among others, compensation for the value of the property, which is based on the open market value of such property and assessed on the basis prescribed in the relevant ordinances.

In the event that the compensation paid for the compulsory acquisition of any of the properties (or part thereof) is less than the market value of the relevant property, such compulsory acquisitions would have an adverse effect on the revenue of the Group, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The President of the Republic of Singapore may, as lessor, re-enter the Singapore Property and terminate the State lease upon breach of terms and conditions of the State lease

The land on which the Singapore Property is located is held under a registered State lease issued by the President of the Republic of Singapore. The State lease contains terms and conditions commonly found in State leases in Singapore, including the President of the Republic of Singapore's right as lessor to re-enter the land on which the Singapore Property is located and terminate the State lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the State lease. Should such an event happen, the revenue of the Group will be adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

LREIT will hold the Singapore Property on a lease from the State, and as the term of the leasehold interest diminishes or upon the expiry of the lease through effluxion of time, the NAV of LREIT may be affected

The LREIT Trustee, on behalf of LREIT, holds the Singapore Property, which makes up approximately 69.9% of the investment property value of the Portfolio as at 30 June 2020, under a State lease which is for a 99-year term commencing from 21 November 2006 and expiring on 20 November 2105.

As the Singapore Property is comprised in a leasehold interest, the term of the leasehold interest will diminish over time and expire, and upon the expiry of the State lease, LREIT will have to surrender the Singapore Property to the President of the Republic of Singapore. The NAV of LREIT may be affected by the diminution of the term of the leasehold interest over time and such surrender may in turn affect LREIT's ability to fulfil its obligations under the Securities.

Risks relating to the Grange Road property

On 13 June 2020, it was announced that LREIT was awarded a tender by the Government of the Republic of Singapore (the "**Government**") to redevelop the 48,200 square feet carpark at Grange Road into a multi-functional event space. The Grange Road property will be held under a tenancy agreement (the "**Tenancy Agreement**") with an initial tenancy term of three years, which may be renewed for a further two consecutive tenancy terms not exceeding three years each and a final tenancy term not exceeding 364 calendar days. Any such renewal is at the sole discretion of the Government and there can be no assurance that the Government will agree to any renewal of the tenancy following the expiry of each term of tenancy.

The Grange Road property is leased on an "*as is where is*" basis subject to all easements and rights (if any) subsisting thereon and LREIT, as tenant, is required to ascertain the exact and detailed conditions and requirements of all relevant public authorities in respect of the proposed use of the premises and observe and comply with the same at its own cost and expense. There can be no assurance that any of the Group's requisitions, reviews, surveys or inspections (or the relevant requisitions, review, survey, inspection reports or other information on which the Group has relied or been provided) would have revealed all such conditions and requirements (including defects or deficiencies) in the Grange Road property. Subsequent discovery of any unknown conditions or requirements (including defects or deficiencies) may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's earnings, cash flows and prospects.

The Tenancy Agreement contains terms and conditions which, *inter alia*, restrict the use of the property and the right of LREIT to let out the space. The Government, as landlord, also has rights to re-enter the land on which the Grange Road property is located and terminate the Tenancy Agreement (without compensation) in the event LREIT, as tenant, fails to observe or perform the terms and conditions of the Tenancy Agreement.

Should the aforementioned events happen, the revenue of the Group will be adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The Singapore Property is affected by various government gazette notifications in connection with the operation of the mass rapid transit system, and parts of the Singapore Property are within a railway safety zone and are also affected by railway safety line, railway protection line and railway 1st reserve line

The land on which the Singapore Property is located is affected by Gazette No. 2356 dated 14 July 1988, Gazette No. 2509 dated 14 September 2000, Gazette No. 257 dated 28 January 2011, Gazette No. S428/2010 dated 3 August 2010 and Gazette No. S232/2011 dated 29 April 2011, which relate to various matters concerning the operation of the mass rapid transit system. In addition, certain parts of the Singapore Property are within the railway safety zone and any restricted activity being carried out on the railway safety zone shall be subject to the regulations under the Rapid Transit Systems (Railway Protection, Restricted Activities) Regulations. Such restricted activities include, *inter alia*, the use of any crane, piling equipment, excavator or any other mechanical equipment or vehicle, the storage of materials and the erection of temporary structures such as maintenance towers and hoardings or other similar temporary structures. If LREIT intends to carry out any restricted activity within the railway safety zone, the Land Transport Authority ("LTA") has the power to impose terms and conditions for, or to require the stoppage of, any restricted activity which, in the opinion of the LTA (a) has caused or is likely to cause damage to any part of the railway or railway premises, or (b) endangers or is likely to endanger the safety of any person travelling or being upon the railway. Further, given the proximity to the rapid transit system, LREIT will not be allowed to carry out any restricted activity within six metres of the railway and any person contravening such restriction shall be guilty of an offence. In addition, as the Singapore Property is affected by railway 1st reserve lines, any restricted activities must be carefully planned and carried out under close supervision and diligence to avoid damaging or affecting the mass rapid transit structures and the safety of railway operation. Any proposal for works within the 1st reserve must be submitted to the LTA for review and approval beforehand. These restrictions may affect the ability of LREIT to carry out any asset enhancement or other development or rectification works in respect of the Singapore Property. The attractiveness of the Singapore Property and its ability to command higher rents may in turn be reduced, which may affect LREIT's ability to fulfil its obligations under the Securities.

The Singapore Property is affected by lines of road reserves

The LTA safeguards land for road reserves to construct new roads or improve existing roads. Lines of road reserves indicate the extent of the safeguarded roads that affect a property and could be applicable when there is a development or redevelopment of the Singapore Property or as and when required by the relevant authorities. Where there is no intention to develop or redevelop the Singapore Property, LREIT need not take any immediate action. The government will acquire the land when it constructs or improves a road and at that time, any building protrusions into the road reserve will have to be removed by LREIT. Where there is intention to develop or redevelop the Singapore Property, any building protrusions into the road reserves will have to be removed upon development or redevelopment of the Singapore Property by LREIT. The LTA does not disclose when a particular road would be constructed or improved.

Any acquisition by the government of land in respect of road reserves or removal of building protrusions into the road reserves may affect the value of the Singapore Property, which in turn affects the Aggregate Leverage and the amount the Group may borrow.

The Group will be bound by pre-emption rights and restrictions which may restrict it from freely dealing with the Milan Property

The acquisition of the Milan Property under the Milan Property Call Option Agreement was not subject to pre-emption right due to the amendment letters of the lease agreement entered into by and between Sky Italia and the Milan Property Vendor (as defined herein) respectively on 19 April 2019 and 28 June 2019. Nonetheless, the Milan Property is bound by certain pre-emption rights, as described below, which applies to a future sale of the Milan Property.

Pursuant to the relevant lease agreement, the tenant, Sky Italia, has a contractual pre-emption right to purchase the Milan Property if the landlord intends to transfer the Milan Property to a third party (other than a company controlled by, controlling or under common control of, the landlord). The lessee is entitled to exercise the contractual pre-emption right to purchase the Milan Property on the same terms and conditions on which the landlord wishes to sell to other parties within 30 days of the date on which the landlord's pre-emption notice has been received by tenant. If the pre-emption right is exercised, the lessee shall pay the landlord the purchase consideration and execute the sale agreement or the deed of transfer within the following 30 days. Further, Sky Italia has also been granted a pre-emption right over the shares of any company controlled by, controlling or under common control of, the landlord to which the Milan Property has been transferred to or to which a contribution in kind (conferimento in natura) of the Milan Property has been made to (the "**Milan Property Transferee**") if the Milan Property would constitute the sole or main property of the Milan Property Transferee after such transfer or contribution in kind. In addition to the above, pursuant to Section 38 of the Tenancy Law no. 392/78 (Italy), a lessee carrying out activities involving direct contact with the public has a pre-emption right to the relevant property if the landlord intends to sell the relevant property during the term of the lease. The lessee is entitled to exercise the pre-emption right to purchase the property on the same terms and conditions on which the landlord wishes to sell to other parties within 60 days of the date on which the landlord's pre-emption notice has been received by the tenant. If the pre-emption right is exercised, the lessee shall pay the landlord the purchase consideration and execute the sale agreement or the deed of transfer within the following 30 days.

Further, under Section 40 of the Tenancy Law (Italy), a lessee carrying out activities involving direct contact with the public has a pre-emption right over a new lease of the Milan Property following the expiration of its existing lease agreement. Following the expiration of the existing lease agreement, the landlord must offer Sky Italia a new lease if Sky Italia matches the terms offered by the landlord. This affects the landlord's ability to negotiate with Sky Italia, to source and enter into lease agreements with new tenants with respect to such space or otherwise to capitalise on other sources of value in the Milan Property. Should the rent offered to Sky Italia be below the prevailing market rent at the time that the existing lease agreement expires due to the inability of the landlord to seek genuine offers from potential new tenants, LREIT may be unable to capture any potential market upside in respect of leasing of the Milan Property.

RISKS RELATING TO THE GROUP'S OPERATIONS

The LREIT Manager may not be able to successfully implement its investment strategy for the Group

There is no assurance that the LREIT Manager will be able to successfully implement its investment strategy, expand LREIT's portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired time frame.

The Group faces active competition in acquiring suitable properties. Even if the Group were able to successfully acquire properties or other investments, there is no assurance that the Group will achieve its intended return on such acquisitions or investments.

The real estate industry in which the Group operates is capital intensive and the Group may from time to time require significant amounts of capital for purposes such as acquisitions or redevelopment. Since the amount of borrowings that the Group can incur to finance acquisitions is limited by the borrowing limits imposed by the Property Funds Appendix, such acquisitions are likely to be largely dependent on the Group's ability to raise equity capital. Potential vendors may view negatively the time frame and lack of certainty associated with the raising of equity capital to fund any such purchase.

In the event that the LREIT Manager is not able to successfully implement its investment strategy for the Group or effectively compete against its competitors, the Group's business, financial condition and results of operations may be adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

LREIT's properties may be jointly owned with third parties, which may have an impact on the liquidity, value and management of the relevant properties

LREIT may be exposed to the ordinary risks relating to the partial and joint ownership of assets in the future. If so, the LREIT Manager will not have sole discretion to manage these properties through the partnership/property holding companies/trust/jointly owned properties. Under the relevant shareholders' agreements, partnership agreements, joint venture/owners agreements (as the case may be) relating to the partnership/property holding companies/trust/jointly owned properties that are not wholly owned by LREIT, certain matters, such as amending the joint venture agreements, trust deed, changing the business or equity structure, issuing securities, use of funds and borrowings, replacing the property manager and appointment of key personnel, may require a unanimous or majority shareholders'/partners' approval of the relevant property companies.

There is no assurance that such unanimous or majority approval from the shareholders/partners of the properties can be obtained. Should the relevant resolutions not be passed, this may adversely affect LREIT's financial condition and results of operations.

In addition, if the other shareholders/partners of the properties or the holding company of the properties are obliged to contribute additional capital or funds to the properties, but lack financial resources at the relevant time to meet these obligations, necessary capital or funds required for development or operations may be delayed or cancelled. This may adversely affect the Group's business, financial condition and results of operations, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

Any breach by the major tenants of their obligations under the lease agreements or a downturn in their businesses may have an adverse effect on the Group

In the event that any major tenants of the Group are unable to pay their rent or breach their obligations under the lease agreements, the Group's results of operations and financial condition may be adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial condition;
- the local economies in which they have their business operations;
- the ability of such major tenants to compete with its competitors;
- the performance of such major tenants' other businesses;
- in the instance where such major tenants have sub-leased the Properties, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

E-commerce may change the competitive landscape of conventional retail business

The e-commerce industry could pose a competitive threat to the Group's business as a significant proportion of LREIT's Gross Revenue is derived from conventional retail spending from the Singapore Property. In the event that the e-commerce industry in the Singapore market (and the markets in which the Group may acquire retail properties from time to time) expands at an unexpected pace, the Group's retail customer base may decrease and the business and prospects of the Group may be adversely affected. Similarly, in the event that the Group is unable to respond to the change in market conditions or customer preferences in the Singapore market (and in the markets in which the Group may acquire retail properties from time to time), or if the Group fails to successfully execute its business strategy, the Group's business, financial condition and results of operations may be adversely affected, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The amount the Group may borrow is limited, which may affect the operations of the Group

The Group is subject to the aggregate leverage (as defined in the Property Funds Appendix and construed in accordance with notices issued by and/or guidance from MAS from time to time, the “**Aggregate Leverage**”) limit. As at 31 December 2020 (the “**Latest Practicable Date**”), under the Property Funds Appendix, the Group is permitted to borrow up to 50.0% of the value of its deposited property (as defined in the Property Funds Appendix) at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). With effect from 1 January 2022, a real estate investment trust (“**REIT**”)’s Aggregate Leverage may exceed 45.0% but not more than 50.0%, subject to a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

As at 30 September 2020, the Group has in place total gross borrowings of approximately S\$555.4 million, and an Aggregate Leverage of approximately 35.6%.

The Group may, from time to time, require further debt financing to achieve its investment strategies and may find itself unable to achieve its investment strategies if this involves and requires debt financing in excess of the borrowing limits imposed by the Property Funds Appendix. In the event that the Group decides to incur additional borrowings in the future, the Group may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- having to miss out on attractive acquisition opportunities which may be available for only a limited period of time but for which debt financing in excess of the borrowing limits would have been required;
- an inability to fund capital expenditure requirements, refurbishments, renovation and improvements, asset enhancement initiatives and development works of the Group’s portfolio or for future acquisitions of properties;
- a decline in the value of the Deposited Property may, among other things, cause the borrowing limit to be exceeded, thus affecting the Group’s ability to make further borrowings; and
- cash flow shortages which may have an adverse impact on the Group’s ability to satisfy its existing debt obligations and/or LREIT’s obligations in respect of the Securities, that the Group and/or LREIT might otherwise be able to resolve by borrowing funds.

The Group may face risks associated with debt financing and the facilities and the debt covenants could limit or affect the Group’s operations

The Group may be subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing, and therefore its ability to fulfil its obligations under the Securities may be affected. The Group may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If the Group defaults under any of its present or future debt facilities, the lenders under these facilities may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided, and utilise the proceeds therefrom to repay the principal and interest under these facilities, which may result in a loss of income and asset value to the Group.

As at 30 September 2020, 100.0% of the Group’s properties are unencumbered. However, the Group may, in future, mortgage any of its properties to secure payment of its bank borrowings. If the Group is unable to meet interest or principal payments in respect of such borrowings, such properties may be foreclosed by creditors or creditors may require a forced sale of such properties. This may result in a loss of income and asset value to the Group. In an event of default on the Notes, enforcement event on the Perpetual Securities, or default under any other indebtedness or upon the Group’s bankruptcy, liquidation or reorganisation, any secured indebtedness of third party creditors to the properties would rank ahead of the Securities to the extent of the value of the properties securing their indebtedness. The holders of the Securities would only have a (in the case of Notes and Senior Perpetual Securities) senior unsecured claim against those assets to the extent any remain after satisfying the obligations under secured indebtedness.

There is also no assurance that the creditors will be able to realise the original purchase price or the current market value of the properties if they are divested under any enforcement action in the future. If the LREIT Manager wishes to dispose of any properties, it would (for so long as such properties are mortgaged) require the approval of the secured creditors. The need for such approval may restrict the Group's ability to freely dispose of its properties as there is no assurance that the approval would be obtained in time or at all.

In addition, under the present debt facilities of the Group (the "**Facilities**"), it is a change of control event if the LREIT Manager or the Singapore Property Manager ceases to be a subsidiary (directly or indirectly) of the Sponsor without the consent of the lenders under these Facilities and this may give rise to a mandatory prepayment event which may have a material adverse impact on the Group's financial condition if mandatory prepayment was required and no replacement debt could be obtained.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, LREIT may not be able to fulfil its obligations under the Securities.

The Group may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings. While the Group is currently not subject to covenants that may limit or otherwise adversely affect its operations, the terms of any refinancing undertaken in the future may contain such covenants and other covenants may also restrict the Group's ability to acquire properties or undertake capital expenditure and may require it to set aside funds for maintenance of, or require the Group to maintain, certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on LREIT's financial condition.

The Group is exposed to the risk of rising interest costs and the risk of changes in economic circumstances

The Group is charged interest at rates which may fluctuate according to market rates charged by commercial banks and its profitability may be adversely affected in the event that the interest expense arising from such debt financing is under-estimated. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of creditors to make commercial property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting the Group's cash flow and LREIT's ability to fulfil its obligations under the Securities. In a climate of rising interest rates, the costs of financing the Group's investments (including servicing its indebtedness) will increase and this will adversely affect the LREIT's ability to fulfil its obligations under the Securities. Whilst the Group has taken steps to manage this risk through its inherent interest rate risk management policies, this may nonetheless be insufficient.

Additionally, a proportion of the Group's expected cash flow may be required to be dedicated to the payment of interest on its borrowings, thereby reducing the funds available to the Group for use in its general business operations. Such indebtedness may also restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

Neither LREIT nor the LREIT Manager has a long established operating history

LREIT was constituted on 28 January 2019, and the LREIT Manager was incorporated on 21 January 2019. While the Lendlease Group was founded in 1958, neither LREIT (as a REIT) nor the LREIT Manager (as the manager of LREIT) has sufficient operating histories by which their past performance may be judged. There is no assurance that LREIT will be able to generate sufficient revenue from operations to fulfil its obligations under the Securities.

If the LREIT Manager's CMS Licence is cancelled or the authorisation of LREIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of LREIT will be adversely affected

The CMS Licence issued to the LREIT Manager is subject to, *inter alia*, the LREIT Manager's compliance with the conditions stipulated by the MAS. If the CMS Licence of the LREIT Manager is cancelled by the MAS, the operations of LREIT will be adversely affected, as the LREIT Manager would no longer be able to act as the manager of LREIT. LREIT would also have to expend time and resources searching for a replacement manager and the operations of LREIT may be adversely affected, which may in turn affect its ability to fulfil its obligations under the Securities.

LREIT was authorised as a collective investment scheme on 25 September 2019 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of LREIT is suspended, revoked or withdrawn, its operations will also be adversely affected, which may in turn affect its ability to fulfil its obligations under the Securities.

Future acquisitions may not yield the expected returns and integration and operations of these new acquisitions may result in disruptions to the Group's business and strain management resources

Future acquisitions may cause disruptions to the Group's operations and divert management's attention away from day-to-day operations. Newly acquired properties may require significant management attention that would otherwise be devoted to the Group's ongoing business. Notwithstanding pre-acquisition due diligence, the Group does not believe that it is possible to fully understand a property before it is owned and operated for an extended period of time.

In addition, the Group's acquisition growth strategy and asset selection process may not be successful and may not provide positive returns to LREIT. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to be achieved or may not be achieved at all. The Group's ability to successfully integrate and operate LREIT's properties are subject to the following risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment of value for tax purposes, which may result in higher than expected property tax payments;
- its tenant retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates and/or higher than expected tenant incentives.

Any inability to integrate and operate acquired properties to meet the Group's financial, operational and strategic expectations could have a material adverse effect on the Group, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The LREIT Manager, the relevant Asset Manager and the relevant Property Manager are or may be indirect wholly-owned subsidiaries of Lendlease Corporation. There may be potential conflicts of interest between LREIT and these entities

As at the Latest Practicable Date, the LREIT Manager as well as the Singapore Property Manager are part of the Sponsor Group. The Sponsor Group is engaged in the investment management, development and project management and construction businesses. The Sponsor or its subsidiaries may draw on its investment management experience to provide support to the Group through the LREIT Manager. Furthermore, the relevant Asset Managers and the other relevant Property Managers are or may be also wholly-owned by Lendlease Corporation. As a result, the strategy and activities of the Group may be influenced by the overall interests of the Sponsor Group.

Whilst the LREIT Manager has instituted procedures to deal with potential conflicts of interest, nonetheless, if these entities were to manage a property which competes with the Properties, there can be no assurance that these entities will not favour properties in the Sponsor Group's own property portfolio over those owned by LREIT when providing leasing and other asset management services to LREIT. The Sponsor Group may in future, also sponsor, manage or invest in other vehicles which may also compete directly with the Group. This could lead to lower occupancy rates and/or lower rental income for the properties as a whole and this could adversely affect LREIT's ability to fulfil its obligations.

The Group depends on certain key personnel and the loss of any key personnel may adversely affect its operations

The Group's performance depends, in part, upon the continued service and performance of the executive officers of the LREIT Manager, the Asset Managers, the Property Managers or any other person appointed to manage a property. These key personnel may leave the employment of the LREIT Manager, the relevant Asset Managers and Property Managers and/or any other person appointed to manage a property. If any of the above were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the business and operations of the LREIT Manager which may in turn impact the financial condition and the results of operations of the Group, and LREIT's ability to fulfil its obligations under the Securities.

The Group may from time to time be subject to legal proceedings and government proceedings

The Group may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of LREIT's properties. These disputes may lead to legal and/or other proceedings, and may cause the Group to suffer additional costs and delays. There can be no assurance that the Group will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operations or cash flow of the Group.

The Group is regulated by various government authorities and regulations. If any government authority believes that the Group or any of its tenants are not in compliance with the regulations, such government authority could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the Properties, enjoin future action or (in the case of the Group not being in compliance with the regulations), assess civil and/or criminal penalties against the Group, its officers or employees. Any such action by a government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of the Group, which may in turn affect LREIT's ability to fulfil its obligations under the Securities.

Laws, regulations and policies imposed by various government and regulatory authorities may adversely affect the Group

The Group's ownership, operation and rights in respect of the SPVs and LREIT's properties are subject to various laws and regulations (including tax laws and regulations) and policies of government and regulatory authorities in Singapore, Italy, and any future markets in which the Group may enter.

For example, these laws and regulations can impose limitations on the Group's operations and plans with respect to the SPVs and LREIT's properties. Compliance with, as well as failure to comply with, such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of the Group, which may in turn affect the Group's ability to fulfil its obligations under the Securities.

Further, the applicable laws, regulations (including tax laws and regulations) and government policies which the Group is subject to in Singapore, Italy, and any future markets in which the Group may enter, and the IFRS are subject to change. New laws, regulations (including tax laws and regulations) and government policies may also be introduced in these jurisdictions. As a result, the Group (including its financial statements) may be affected by these changes. There can be no assurance that such changes will not have a significant impact on the presentation of the Group's financial statements or on the Group's results of operations.

Changes in legislation, regulations (including tax laws and regulations) or government policies may also increase the cost of compliance with such laws, regulations or policies and may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. As a result, such changes may adversely affect LREIT's ability to fulfil its obligations under the Securities. There can be no assurance that any such changes to laws, regulations, government policies and accounting standards will not materially and adversely affect the business, financial condition and results of operations of the Group.

The Group's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments

The Group's principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets² located globally, which are used primarily for retail and/or office purposes, as well as real estate-related assets in connection with the foregoing, will subject the Group to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors (for example, unit trusts which invest in securities).

The renewal of leases in LREIT's properties will depend, in part, upon the success of the tenants. Any economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available space for properties used for such purposes. There can be no assurance that the tenants of LREIT's properties will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject LREIT's properties to periods of vacancy and/or costly refittings, during which the Group could experience reductions in rental income.

Such downturns may lead to a decline in occupancy for properties or real estate-related assets in the Group's portfolio. This will affect the Group's rental income from LREIT's properties, and/or lead to a decline in the capital value of the Group's portfolio, and/or on the results of operations and the financial condition of the Group and the ability of LREIT to fulfil its obligations under the Securities.

LREIT may not be able to control or exercise any influence over entities in which it acquires minority interests

The Group may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that the Group will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of the Group and the ability of LREIT to fulfil its obligations under the Securities.

The Group may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations

As at the Latest Practicable Date, the Group's primary foreign asset is in Italy (the Milan Property), and its revenue is received in Euros. The Group may invest in other countries outside Singapore and Italy in the future, and these foreign investments may be denominated in foreign currencies. The value of these foreign currencies (including Euros) against the Singapore dollar fluctuates and is affected by changes in these foreign countries and Singapore, and international political and economic conditions amongst many other factors. The Group's reporting currency is in Singapore dollars. Accordingly, any significant fluctuation in the exchange rate in which income is received and the Singapore dollar may have an adverse impact on the Group's results of operations and its Gross Revenue, when translated or converted into Singapore dollars.

Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units. In addition, the forecast and projected yields and yield growth of LREIT with regards the Milan Property and other future foreign investments are or may be calculated based on assumed exchange rates. As such, there can be no guarantee that LREIT will achieve such forecast and projected yields and yield growth should there be differences between the actual and assumed exchange rates. While the Group may, from time to time, undertake hedging measures to mitigate exchange rate fluctuations, such measures may not be effective in mitigating exchange rate fluctuations. (See "Risk Factors – The Group may engage in hedging transactions, which can limit gains and increase costs, and not offer full and effective protection against interest rate and exchange rate fluctuations" for further details.)

² A "stabilised income-producing real estate asset" means a real estate asset which meets the following criteria as at the date of the proposed offer: (i) achieving a minimum occupancy of at least 80.0%, (ii) achieved an average rental rate comparable to the market rental rate for similar assets as determined by the valuer commissioned for the latest valuation of the relevant asset, (iii) (if the asset is being acquired from the Lendlease Group) LREIT being satisfied that there are no material asset enhancement initiatives required within two years of the acquisition of such asset, and (iv) is suitable for acquisition by LREIT taking into account market conditions at the time of the proposed offer.

LREIT may also be subject to the imposition or tightening of exchange control or repatriation restrictions, and may encounter delays or difficulties in the receipt of its proceeds from its overseas investments, due to the existence of such restrictions in Italy and the other jurisdictions in which it operates in future.

The Group may engage in hedging transactions, which can limit gains and increase costs, and not offer full and effective protection against interest rate and exchange rate fluctuations

The Group may enter into hedging transactions to protect itself or its portfolio from, among others, the effects of interest rate on floating rate debt and currency exchange fluctuations. Hedging activities may include entering into foreign currency borrowings, entering into interest rate, foreign exchange or cross-currency interest rate swaps, forward foreign exchange contracts, interest rate or foreign exchange options and issuance of fixed rate debt.

These hedging activities may not have the desired beneficial impact on the results of operations or financial condition of the Group. No hedging activity can completely insulate the Group from risks associated with changes in interest rates and exchange rates, and changes in foreign exchange rates, for example, may negatively affect the Group's asset value. Moreover, interest rate or foreign currency hedging could fail to adequately protect the Group or adversely affect the Group because among others:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the Group's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. In the absence of hedge accounting, downward adjustments to fair value may reduce the NAV of the Group.

In addition, hedging activities involve transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of market volatility. As a result, the Group's financial condition and results of operations could potentially be affected by interest rate and exchange rate fluctuations, and this may in turn affect LREIT's ability to fulfil its obligations under the Securities.

The Group relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business

The Group relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. The Group relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although the Group will take steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of the Group's information systems could interrupt its operations, damage its reputation, subject the Group to liability claims or regulatory penalties, which could in turn affect LREIT's ability to fulfil its obligations under the Securities.

Investors may not be able to evaluate future projects or assets which LREIT may invest in, and will have to rely on the LREIT Manager's ability to select suitable future investments

This Offering Circular only describes the parameters which the LREIT Manager intends to use to identify projects which LREIT may invest in and the policies to be adopted in respect of the development of those investments. Investors must rely on the LREIT Manager to identify and acquire suitable future investment assets or projects.

There can be no assurance that the LREIT Manager will be able to implement its investment strategy successfully or that it will be able to expand LREIT's portfolio, or at any specified rate or to any specified size.

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate

Investments in real estate and therefore the income generated from LREIT's properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which the Group operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by the Group to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an over-supply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;
- inability of any of the Property Managers to provide or procure the provision of adequate maintenance and other services;
- defects affecting LREIT's properties which need to be rectified, or other required repair and maintenance of LREIT's properties, leading to unforeseen capital expenditure;

- increased operating costs, including real estate taxes;
- any defects or illegal or non-compliant structures that were not uncovered or not covered by physical inspection or due diligence review;
- management style and strategy of the LREIT Manager;
- the attractiveness of the Group's properties to tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and
- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of LREIT's properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of the Group's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Singapore and Italy, which may adversely affect the financial condition of the Group, and LREIT's ability to fulfil its obligations under the Securities.

Payment of management fees in cash by the Group to the LREIT Manager may have an adverse effect on the cash flow of the Group and LREIT's ability to fulfil its obligations under the Securities

The LREIT Manager is entitled to management fees as set out in the LREIT Trust Deed, which shall be paid to the LREIT Manager in the form of cash and/or Units (as the LREIT Manager may elect prior to each such payment) out of the Deposited Property and in such proportion as may be determined by the LREIT Manager.

If the LREIT Manager is required to pay a large amount of management fees in cash, the Group's cash flow, financial condition and/or results of operations as well as LREIT's ability to fulfil its obligations under the Securities may be adversely affected. The price of the Securities may be materially and adversely affected as a result.

The Group may be adversely affected by the illiquidity of real estate investments

The Group's investment strategy involves a higher level of risk, as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. The Group may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. These factors could have an adverse effect on the Group's financial condition and results of operations, and the ability of LREIT to fulfil its obligations under the Securities.

LREIT's ability to fulfil its obligations under the Securities may be adversely affected by increases in direct expenses and other operating expenses

LREIT's ability to fulfil its obligations under the Securities could be adversely affected if direct expenses and other operating expenses for which tenants are not responsible pursuant to the lease agreements increase, without a corresponding increase in revenue. Such operating expenses include, but are not limited to:

- compliance with laws, regulations or policies;
- direct or indirect tax policies, laws or regulations;
- sub-contracted service costs;

- labour costs;
- increases in the rate of inflation;
- increases in insurance premiums;
- costs arising from litigation claims; and
- repair and maintenance costs.

Risks Relating to the Securities Issued Under the Programme

The Securities may not be a suitable investment for all investors

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any applicable Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including where principal, interest or distribution is payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Modification and waivers

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority. The Trustee upon the request in writing by Securityholders holding not less than 10 per cent. of the principal amount of the Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Securityholders of that Series. However, the Trustee shall not be bound to take any proceedings against either Issuer or the Guarantor unless (a) it shall have been so directed by an Extraordinary Resolution of the Securityholders of such Securities or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of such Securities outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Securityholders to its satisfaction. Furthermore, there is a risk that the decision of the majority of holders of the Securities may be adverse to the interests of an individual Securityholder.

The Conditions also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Securityholders or the Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Securityholders as soon as practicable.

Singapore taxation

The Securities to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore Taxation”. However, there is no assurance that the conditions for “qualifying debt securities” will be met or that such Securities will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time. In addition, the tax concessions for qualifying debt securities may not be available if the Inland Revenue Authority of Singapore (“IRAS”) does not regard the Securities as debt securities for Singapore income tax purposes.

Application of Singaporean insolvency and related laws to LREIT may result in a material adverse effect on the Securityholders

There can be no assurance that LREIT will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. As of now, it is unclear whether the provisions of Singapore insolvency and related laws applicable to corporates can be applied to REITs. If Singapore insolvency and related laws applicable to corporates were to be applied to REITs, this could result in a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where LREIT is insolvent or close to insolvent and the LREIT Trustee undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the LREIT Trustee. It may also be possible that if a company related to the LREIT Trustee proposes a creditor scheme of arrangement and obtains an order for a moratorium, the LREIT Trustee may also seek a moratorium even if the LREIT Trustee is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the LREIT Trustee, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approves such a scheme. In respect of company-initiated creditor schemes of arrangement, there are cramdown provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Act 2018, No. 40 of 2018 (the “**IRD Act**”) came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company which commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition will not apply to any contract or agreement that is, or that is directly connected with, the Securities. However it may apply to related contracts that are not found to be directly connected with the Securities.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (1) Securities are legal investments for the potential investor, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

A change in the law which governs the Securities may adversely affect Securityholders

The Conditions of the Notes will be governed by English law. The Conditions of the Perpetual Securities will be governed by English law, except that the subordination provisions relating to Subordinated Perpetual Securities set out in Condition 3(b) of the Perpetual Securities applicable to the Issuer shall be governed by and construed in accordance with the laws of Singapore. No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law, as applicable, or administrative practice after the date of the date of issue of the relevant Tranche of Securities and any such change could adversely impact the value of any Securities affected by it.

The Securities are not secured

The Securities and Coupons of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities and the Coupons relating thereto) and unsecured obligations of the Issuer and shall at all times rank pari passu without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. The Subordinated Perpetual Securities and Coupons relating thereto constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank pari passu without any preference or priority among themselves, and pari passu with any Parity Obligations (as defined in the Trust Deed) of the Issuer.

Accordingly, on a winding-up or dissolution of the Issuer at any time while any Securities are outstanding, the Securityholders will not have recourse to any specific assets of the Issuer as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

Performance of contractual obligations

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the CDP Paying Agent, each Transfer Agent, the relevant Registrar and/or the relevant Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and the Couponholders.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities will be deposited with a Clearing System. Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive definitive Securities or Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Securities or Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its obligations under the Securities by making payments to or to the order of the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates (as the case may be).

Holders of beneficial interests in the Global Securities or Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities or Global Certificates will not have a direct right under the respective Global Securities or Global Certificates to take enforcement or other action or proceedings against the Issuer in the event of an Event of Default (as defined in the Terms and Conditions of the Notes) or, as the case may be, the Enforcement Event (as defined in the Terms and Conditions of the Perpetual Securities) under the relevant Securities but will have to rely upon their rights under the Trust Deed.

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate (“LIBOR”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments (“Benchmarks”), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Security referencing or linked to such Benchmark.

Regulation (EU) 2016/1011 (the “EU Benchmarks Regulation”) and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “UK Benchmarks Regulation”) was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and

the UK Benchmarks Regulation could have a material impact on any Securities linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of the LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the UK Financial Conduct Authority (“**FCA**”) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the UK Benchmarks Regulation (the “**FCA Announcements**”). The FCA Announcements indicated that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee, the Steering Committee for SOR Transition to SORA (the “**SC-STs**”) to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average (“**SORA**”). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark’s integrity and enhance market confidence in SORA. On 27 October 2020, the SC-STs announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR is set to be discontinued alongside LIBOR discontinuation after end-2021 and more specifically, all lenders and borrowers are to cease the issuance of SOR-linked loans and securities that mature after end-2021.

The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. It is not possible to predict with certainty whether, and to what extent, LIBOR, SIBOR or SOR will continue to be supported going forward. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest or distribution calculation provisions of the Conditions, or result in adverse consequences to holders of any Securities linked to such benchmark (including but not limited to floating rate Securities or Securities whose interest or distribution rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for Securities based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an Original Reference Rate (as defined in the Conditions) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for the Issuing and Paying Agent, the Calculation Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder or, as the case may be, Perpetual Securityholder using the Original Reference Rate. Such fallback arrangements include the possibility that the Rate of Interest or, as the case may be, Rate of Distribution could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in consultation with an Independent Adviser). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest or, as the case may be, Rate of Distribution. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Securities linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest or, as the case may be, Rate of Distribution) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest or, as the case may be, Rate of Distribution for a particular Interest Period or, as the case may be, Distribution Period may result in the Rate of Interest or, as the case may be, Rate of Distribution for the last preceding Interest Period or, as the case may be, Distribution Period being used. This may result in the effective application of a fixed rate for Floating Rate Note or Floating Rate Perpetual Securities or nullification of the reset mechanism for Fixed Rate Perpetual Securities (as applicable) based on the rate which was last observed on the relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

Securityholders should be aware that definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as specified in the applicable Pricing Supplement) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a definitive Security or Certificate in respect of such holding (should definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If definitive Securities or Certificates are issued, holders should be aware that definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to

any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest (in respect Notes) or distributions (in respect of Perpetual Securities) or to vote or attend meetings of Securityholders) in respect of such Securities.

The Issuer may be unable to pay interest or distribution on, or redeem, the Securities

On certain dates, including the occurrence of any early redemption event specified in the applicable Pricing Supplement or otherwise and at maturity of the Securities, the Issuer may, and at maturity, will, be required to pay interest or, as the case may be, distribution on, or redeem, all of the Securities. If such an event were to occur, the Issuer may not have sufficient cash on hand (whether due to a serious decline in net operating cash flows or otherwise) and may not be able to arrange financing to make such payment or redeem the Securities in time, or on acceptable terms, or at all. The ability to make interest or distribution payments or redeem the Securities in such event may also be limited by the terms of other debt instruments. Failure by the Issuer to pay interest or distribution on the Securities or to repay, repurchase or redeem the Securities when due would constitute an event of default or an enforcement event, as applicable, under the relevant Securities, which may also constitute a default under the terms of other indebtedness of the Group.

Further, the ability of the Issuer to make scheduled principal, distribution or interest payments on its indebtedness, including the Securities, and to fund its own growth aspirations, will depend on its future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as other factors discussed in this section "Risk Factors", many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Securities, or to fund its other liquidity needs, it may be forced to sell assets or attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

The Trustee may request that the Securityholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Notes and the taking of enforcement steps pursuant to Condition 11 of the Notes or, as the case may be, Condition 9(c) of the Perpetual Securities), the Trustee may (at its sole discretion) request the Securityholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any actions and/or steps and/or institutes proceedings on behalf of Securityholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions and/or steps can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take such actions and/or steps and/or institute such proceedings notwithstanding the provision of an indemnity and/or security and/or prefunding to it in breach of the terms of the Trust Deed constituting the Securities and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such actions and/or steps and/or institute such proceedings directly.

Enforcement against the LREIT Trustee is subject to limitations

Securityholders should note that the Securities are issued by the LREIT Trustee and not LREIT, as the latter is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders shall only have recourse to the assets of LREIT and not the personal assets of RBC Investor Services Trust Singapore Limited nor any other asset held by RBC Investor Services Trust Singapore Limited as trustee of any trust other than LREIT. Furthermore, Securityholders do not have direct access to the assets of LREIT but may only have recourse to such assets through the LREIT Trustee and if necessary seek to subrogate the LREIT Trustee's right of indemnity out of the assets of LREIT, and accordingly, any claim to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the LREIT Trustee's right of indemnity under the LREIT Trust Deed. Securityholders should also note that such right of indemnity of the LREIT Trustee may be lost by virtue of fraud, gross negligence, wilful default, breach of the LREIT Trust Deed or breach of trust.

In this regard, the Trust Deed, the Dealer Agreement, the Agency Agreement and the Securities (the “**Relevant Documents**”) provide that any liability of or indemnity given by the LREIT Trustee under the Relevant Documents is limited to the assets of LREIT and shall not extend to any personal assets of RBC Investor Services Trust Singapore Limited, or any assets held by RBC Investor Services Trust Singapore Limited as trustee of any trust other than LREIT. They also provide that the foregoing shall not restrict or prejudice the rights or remedies of any of the other parties to the Relevant Documents under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed.

Risks Relating to the Perpetual Securities

Perpetual Securities may be issued for which investors have no right to require redemption

The Issuer may issue Perpetual Securities under the Programme. The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the Terms and Conditions of the Perpetual Securities

If Distribution Deferral is specified in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part.

The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market price of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option on the date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the applicable Pricing Supplement at their principal amount (or such other Redemption Amount stated in the applicable Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to the date fixed for redemption. In addition, if specified on the applicable Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See “*Terms and Conditions of the Perpetual Securities – Redemption and Purchase*”.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Terms and Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Terms and Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Singapore tax treatment of Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as debt securities or that distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness by the IRAS for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Taxation – Singapore Taxation”) would apply to the Relevant Tranche of the Perpetual Securities. If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities or the distribution payments made under the

Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, in the event that IRAS does not regard the Relevant Tranche of the Perpetual Securities as debt securities or the distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness for the purposes of the ITA, payments in respect of the Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) may be subject to Singapore income tax in the same manner as distributions on ordinary units of Lendlease REIT, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10 per cent. or 17 per cent.) under Section 45G of the ITA on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of the Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

Risks Relating to the Structure of a Particular Issue of Securities

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Securities subject to optional redemption by the Issuer may have a lower market value than Securities that cannot be redeemed

Unless in the case of any particular Tranche of Securities the applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Securities due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Securities in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest or distribution rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest or distribution rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse floating rate Securities are typically more volatile than conventional floating rate debt

Inverse floating rate Securities have an interest or distribution rate equal to a fixed rate minus the LIBOR. The market values of such Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Securities are more volatile because an increase in the reference rate not only decreases the interest or distribution rate of the Securities, but may also reflect an increase in prevailing interest or distribution rates, which further adversely affects the market value of these Securities.

Securities carrying an interest or distribution rate which may be converted from fixed to floating interest or distribution rates and vice-versa, may have lower market values than other Securities

Fixed/floating rate Securities may bear interest or confer right to receive distributions at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest or distribution rate will affect the secondary market and the market value of such Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Securities may be less favourable than then prevailing spreads on comparable floating rate Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Securities.

The market prices of Securities issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of Securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks Relating to the Market Generally

Securities issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Securities issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Securities which is already issued). If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of LREIT. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at all or at their fair market value. Although an application has been made for the Securities issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. Unlisted series of Securities may also be issued pursuant to the Programme and Securities may also be listed on stock exchanges other than the SGX-ST. In addition, the market for investment grade, crossover grade and unrated debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

Exchange rate risks and exchange controls may result in investors receiving less interest, distribution or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified in the applicable Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Securities, (2) the Investor's Currency equivalent value of the principal payable on the Securities and (3) the Investor's Currency equivalent market value of the Securities.

Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest (in respect of Notes), no distributions (in respect of Perpetual Securities), as applicable, or principal.

The market value of the Securities may fluctuate

The price and trading volume of the Securities may be highly volatile. Trading prices and volume of the Securities are influenced by numerous factors, including the operating results, business and/or financial condition of the Group, political, economic, financial and any other factors that can affect the capital markets, the industry and/or the Group generally. Adverse economic developments, acts of war and health hazards in countries in which the Group operates in could have a material adverse effect on the Group's operations, operating results, business, financial position and performance which in turn result in large and sudden changes in the volume and price at which the Securities will trade. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Securities

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Securities is, to varying degrees, influenced by economic and market conditions in other markets. Although economic conditions are different in each country, investors' reaction to developments in one country could affect the securities markets and the securities of issuers in other countries, including Singapore. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Securities could be adversely affected.

Changes in market interest rates may adversely affect the value of fixed rate Securities

Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Securities.

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments (in respect of Notes) or the distribution payments (in respect of Perpetual Securities), as applicable, at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Securities may rise. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the applicable Pricing Supplement.

The Notes are issued by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT (“**LREIT**”) and in such capacity, the “**LREIT Trustee**”) (the “**Issuer**”) pursuant to the Trust Deed (as defined below).

The Notes are constituted by a trust deed dated 8 January 2021 (as amended and/or supplemented as at the date of issue of the Notes (the “**Issue Date**”) and from time to time thereafter, the “**Trust Deed**”) made between (1) the Issuer and (2) The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Securityholders (as defined below).

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 8 January 2021 (as amended and/or supplemented as at the Issue Date and from time to time thereafter, the “**Agency Agreement**”) made between (1) the Issuer, (2) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Notes cleared through Euroclear (as defined below) and Clearstream, Luxembourg (as defined below) (the “**Issuing and Paying Agent**”, which expression shall include any successor issuing and paying agent appointed from time to time in connection with the Notes), (3) The Bank of New York Mellon, Singapore Branch, as CDP paying agent in respect of Notes cleared through CDP (as defined below) (the “**CDP Paying Agent**”, which expression shall include any successor CDP paying agent appointed from time to time in connection with the Notes and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Notes cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch, as transfer agent in respect of Notes cleared through CDP (each a “**Transfer Agent**”, which expression shall include any successor transfer agent appointed from time to time in connection with the Notes and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar in respect of Notes cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch, as registrar in respect of Notes cleared through CDP (each in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Notes), (6) The Bank of New York Mellon, London Branch (where appointed as contemplated therein), as calculation agent in respect of Notes cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch (where appointed as contemplated therein), as calculation agent in respect of Notes cleared through CDP (each in such capacity, the “**Calculation Agent**”, which expression shall include any successor calculation agent appointed from time to time in connection with the Notes) and (7) the Trustee, as trustee in relation to the Notes. The Securityholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement (as defined in the Trust Deed), and are deemed to have notice of those provisions applicable to them of the Agency Agreement. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly.

Where the Notes are cleared through CDP, the Securityholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 8 January 2021 executed by the Issuer by way of deed poll (the “**CDP Deed of Covenant**”).

Copies of the Trust Deed, the CDP Deed of Covenant and the Agency Agreement are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) by the Securityholders and the Couponholders at the principal office of the Trustee for the time being (being as at the date of the Trust Deed at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Issuing and Paying Agent for the time being, upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

1 Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown thereon or on the Certificates.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note, a Zero Coupon Note, a combination of any of the foregoing or any other type of Note (depending upon the Interest Basis shown on its face), a combination of any of the foregoing or any other type of Note (depending upon the Redemption/Payment Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)), Coupons and Talons in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and shall be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (“**CDP**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or CDP as to the principal amount of such Notes standing to the account

of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expression “**Securityholder**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or CDP. For so long as any of the Notes is represented by a Global Security or a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

- (iii) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) CDP and/or (3) any other clearing system, “**Securityholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (iv) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2 No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) below and the terms of the Agency Agreement, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Securityholder following written request and proof of holding and identity satisfactory to the Registrar.

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of the Issuer's or Securityholders' option in respect of, or a partial redemption of, a holding of Registered Notes, represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(c)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment of any stamp, duty, tax or other governmental charges that may be imposed in relation to the registration, transfer, exercise of an option or partial redemption (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title and identity of the person making the application; and (iii) as the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Notes have been complied with).

(f) Closed Periods

No Securityholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(b), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3 Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4 Covenants

(a) Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of the Principal Subsidiaries of LREIT will create, or have outstanding, any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, other than a Permitted Security Interest, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Securityholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

In these Conditions:

“Permitted Security Interest” means:

- (A) any Security Interest existing as of the Issue Date;
- (B) any Security Interest on property or assets of an entity existing at such time the entity becomes a Principal Subsidiary of LREIT;
- (C) any Security Interest on (1) any assets at the time it is acquired by LREIT or any Principal Subsidiary of LREIT after the Issue Date or (2) any assets of any entity at the time LREIT or any Principal Subsidiary of LREIT acquires such entity after the Issue Date provided that, in each case (x) such Security Interest was existing at the time of such acquisition and shall not have been created in contemplation of or in connection with such acquisition and (y) the principal amount and maturity of such indebtedness is not increased;

- (D) any Security Interest securing indebtedness refunding or refinancing indebtedness secured by any Security Interest referred to in sub-paragraphs (A), (B), and (C) above of this definition, provided that the principal amount of such indebtedness is not increased;
- (E) any Security Interest over any present and future assets or revenues or any part thereof in connection with any asset-based financing (including, without limitation, a securitisation or project financing) where the primary source of payment of the obligations secured by such Security Interest is the assets or revenues subject to such Security Interest, without further recourse to the relevant obligor; and
- (F) any general lien in respect of any debt securities issued by a specified purposes company (*tokutei mokuteki kaisha* bonds) incorporated under the Asset Liquidation Law (*shisan no ryudouka ni kansuru houritsu*) of Japan.

“Principal Subsidiaries” means any subsidiary of LREIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of LREIT have been prepared, is at least 10 per cent. of the total assets of LREIT as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of LREIT or to LREIT itself (the **“transferee”**) then:

- (A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is LREIT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of LREIT prepared as at a date later than the date of the relevant transfer which show the total assets of the relevant subsidiary as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries) or the date of issue of a report by the Auditors (as defined in the Trust Deed) described below (whichever is earlier), based upon which such audited consolidated accounts or, as the case may be, Auditors’ report have been prepared, to be less than 10 per cent. of the total assets of LREIT, as shown by such audited consolidated accounts or, as the case may be, Auditors’ report. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

“Relevant Indebtedness” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other similar securities which in each case for the time being are, or are intended to be or capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market; and

“Security Interest” means any mortgage, charge, pledge, lien or other security interest; and

“Subsidiary” means in relation to any company or corporation, any company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation; or

- (ii) more than half of the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (iii) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

(b) Non-disposal

So long as any Note or Coupon remains outstanding, the Issuer will not, and will ensure that none of the Principal Subsidiaries of LREIT will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under this Condition 4(b), would have a material adverse effect on its ability to perform or comply with any of its payment or other material obligations under the Notes or the Trust Deed. For the purposes of this Condition 4(b), the following disposals shall not be taken into account:

- (i) disposals in the ordinary course of business or on normal commercial terms;
- (ii) any disposal or sale of assets from LREIT or any of its Subsidiaries to any other of its Subsidiaries or, as the case may be, LREIT;
- (iii) any disposal or sale of assets which are obsolete, excess or no longer required for the purpose of its business;
- (iv) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;
- (v) any exchange of assets for other assets of a similar nature and value and cash;
- (vi) any disposal or sale of assets for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or transfer of assets to a Subsidiary of LREIT; and
- (vii) any disposal which the Trustee or the Securityholders by way of an Extraordinary Resolution shall have agreed shall not be taken into account.

(c) Financial Covenant

In the Trust Deed, the Issuer has covenanted with the Trustee that so long as any Note or Coupon remains outstanding, it will ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage Limit as construed in accordance with the Property Funds Appendix, provided that if the threshold is exceeded, the Issuer shall not incur additional borrowings or enter into further deferred payment arrangements.

The financial covenant set out in this Condition 4(c) shall be calculated and interpreted in accordance with IFRS, as determined from the latest audited or, as the case may be, unaudited financial statements of LREIT, and having regard to the Property Funds Appendix.

In these Conditions:

“Consolidated Deposited Property” means the value of the properties of the Group, interpreted in accordance with the Property Funds Appendix;

“Consolidated Total Borrowings” means the aggregate of total borrowings and deferred payments of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its gearing ratio;

“Group” shall mean the LREIT and any of the Subsidiaries of LREIT taken as a whole;

“IFRS” means International Financial Reporting Standards;

“Property Funds Appendix” means appendix 6 to the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore in relation to real estate investment trusts.

5 (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation of that Fixed Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Fixed Rate Note and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (**“Interest Payment Date”**). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned

in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be) provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation of that Floating Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Floating Rate Note and subject to the provisions of the Trust Deed, payment of the principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified hereon;
- (B) the Designated Maturity is a period specified hereon; and
- (C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

(A) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined in accordance with the applicable Pricing Supplement.

(B) If the Relevant Screen Page is not available or if, sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an independent adviser appointed by it) shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer (or an independent adviser appointed by it) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the Interest Determination Date in question and notify such rates to the Calculation Agent. If two or more of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

- (C) If sub-paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer (or an independent adviser appointed by it) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered rates, the offered rate for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an independent adviser appointed by it) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).
- (iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR
- (A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a Benchmark as specified hereon or in any case such other Benchmark as specified hereon.

- (B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(II)(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:
- (I) in the case of Floating Rate Notes which are SIBOR Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11.00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other replacement page thereof or such other Relevant Screen Page);
- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Issuer (or an independent adviser appointed by it) will request the principal Singapore offices of each of the Reference Banks to provide the Issuer (or an independent adviser appointed by it) with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes and notify such rates to the Calculation Agent. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
- (cc) if on any Interest Determination Date, two but not all the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or an independent adviser appointed by it) at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means

they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

- (II) in the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period;
 - (bb) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body selected by the Issuer (or an independent adviser appointed by it) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or an independent adviser appointed by it) may select; and
 - (cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to (and at the request of) the Issuer (or an independent adviser appointed by it) at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them

by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, or if on such day one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and notified to the Calculation Agent, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

- (iv) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (v) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR, the Interest Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) **Rate of Interest — Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this Condition 5(II)(c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in this Condition 5(II)(c) as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in sub-paragraph (iv) below of this Condition 5(II)(c), be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

- (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
- (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above of this sub-paragraph (ii), the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent pursuant to the Agency Agreement that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
 - (1) notify the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Securityholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above of this Condition 5(II)(c), the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or SOR (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a).

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b) (mutatis mutandis) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) **Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means:

- (i) in the case of Notes denominated in Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore;
- (ii) in the case of Notes denominated in Euro, a day on which the TARGET System is operating;
- (iii) in the case of Notes denominated in Renminbi, (A) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in Hong Kong or such other location outside the People’s Republic of China as may have been agreed between the Issuer and the Issuing and Paying Agent prior to the issue of the Notes and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in Singapore; and
- (iv) in the case of Notes denominated in a currency other than Singapore dollars, Euro or Renminbi, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in the principal financial centre for that currency;

“**Calculation Amount**” means the amount specified as such in the applicable Pricing Supplement, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

- (vii) if “**Actual/Actual — ICMA**” is specified in the applicable Pricing Supplement,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“**Euro**” means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“**Interest Determination Date**” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified hereon;

“**LREIT Manager**” means Lendlease Global Commercial Trust Management Pte. Ltd., as manager of LREIT;

“**LREIT Trust Deed**” means the deed of trust dated 28 January 2019 entered into between the LREIT Manager and the LREIT Trustee constituting LREIT, as may be amended, varied, supplemented or restated from time to time;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“**Reference Banks**” means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“**Reference Rate**” means the rate specified as such hereon;

“**Relevant Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated;

“**Relevant Dealer**” means, in respect of any Variable Rate Note, the Dealer party to the Dealer Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Dealer Agreement;

“**Relevant Financial Centre**” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information

service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark;

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

“**Renminbi**” means the lawful currency for the time being of the People’s Republic of China;

“**Singapore dollars**” means the lawful currency for the time being of the Republic of Singapore; and

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) **Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls within the Specified Number of Months after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.
- (ii) In this Condition 5(III), the period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(h)).

(V) Calculations

(a) Margin, Maximum/Minimum Rates of Interest and Rounding

- (i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with Condition 5(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(b) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note. The determination of any rate or amount, and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and/or the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Securityholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(d) **Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(e) **Benchmark Discontinuation**

(i) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(V)(e)(ii) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(V)(e)(iii)) and any Benchmark Amendments (in accordance with Condition 5(V)(e)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(V)(e) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Securityholders or the Couponholders for any determination made by it, pursuant to this Condition 5(V)(e).

If (i) the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate in accordance with this Condition 5(V)(e)(i) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(V)(e)(iii)) and any Benchmark Amendments (in accordance with Condition 5(V)(e)(iv)), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the date which is five business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, the proviso in this Condition 5(v)(e)(i) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 5(V)(e).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(V)(e)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(V)(e)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(V)(e)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(V)(e)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(V)(e) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines:

- (A) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and
- (B) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(V)(e)(v) without any requirement for the consent or approval of the Trustee or the Securityholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent, where applicable, the Calculation Agent(s) of a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager pursuant to Condition 5(V)(e)(v), the Trustee and the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and/or these Conditions as may be required in order to give effect to this Condition. Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent(s), the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes.

In connection with any such variation in accordance with this Condition 5(V)(e)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(V)(e) will be notified promptly and at least five business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Paying Agents, the Calculation Agent(s) (if applicable) and, in accordance with Condition 16, the Securityholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager:

- (A) confirming: (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate, and (z) where applicable, any Adjustment Spread, and/or (xx) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(V)(e); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof and to accept the same without verification or investigation. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Issuing and Paying Agent and the Securityholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(V)(e)(i), 5(V)(e)(ii), 5(V)(e)(iii) and 5(V)(e)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(V)(e)(iii) will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(V)(e)(v) .

(vii) Definitions

As used in this Condition 5(V)(e):

“Adjustment Spread” means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) determines that no such spread is customarily applied) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) determines that no such industry standard is recognised or acknowledged the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines in accordance with Condition 5(V)(e)(ii) has replaced the Original Reference Rate in customary market usage in the local or international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 5(V)(e)(iv);

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent(s), the Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent(s) and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent(s) nor the Paying Agents shall have any responsibility for making such determination and shall have no obligation to monitor whether such an event has occurred;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by the Issuer at its own cost under Condition 5(V)(e)(i);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
 - (z) a group of the aforementioned central banks or other supervisory authorities; or
 - (xx) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount shown on its face on the Maturity Date (“**Redemption Amount**”) (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Securityholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below), together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

In the case of a partial redemption of the Notes, (i) in the case of Notes represented by Bearer Notes, the notice to Securityholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, and (ii) in the case of Notes represented by a Global Security or a Global Certificate, the Notes to be redeemed will be selected in accordance with the rules of the relevant clearing systems, in each case subject to compliance with any applicable laws or other relevant authority requirements. So long as the Notes are listed on any stock exchange, the Issuer shall comply with the rules of such stock exchange in relation to the publication of any redemption of such Notes.

(c) Redemption at the Option of Securityholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 30 nor more than 60 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the date or dates so provided at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below), together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an “**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Securityholders’ Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(d) **Redemption for Taxation Reasons**

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below), together with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee:

- (i) a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws.

The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 6(d) above without further enquiry and without liability to any Securityholder, Couponholder or any other person, in which event the same shall be conclusive and binding on the Securityholders and Couponholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

Upon the expiry of any such notice as is referred to in this Condition 6(d), the Issuer shall be bound to redeem all the Notes in accordance with this Condition 6(d).

References in this Condition 6(d) to "independent tax or legal advisers of recognised standing" are not intended to and shall not in the ordinary course exclude any of the Issuer's usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Notes.

(e) **Redemption for Cessation or Suspension of trading**

If, on any date, (A) the units of LREIT ("**Units**") cease to be traded on the Singapore Exchange Securities Trading Limited (the "SGX-ST") or (B) trading in the Units on the SGX-ST is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption which shall

be the date (or, if such date is not a business day, on the immediately preceding business day) falling 45 days after the relevant Effective Date. The Issuer shall, within seven business days of the relevant Effective Date, give notice to the Trustee, the Paying Agents and the Securityholders of the occurrence of either event specified in (A) or (B) above (provided that any failure by the Issuer to give such notice shall not prejudice any exercise of such option).

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) no later than the date falling 21 days after the relevant Effective Date.

No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e), "Effective Date" means (in the case of (A) above) the date of cessation of trading or (in the case of (B) above) the day immediately following the expiry of the seven day period.

The Trustee shall not be required to take any steps to ascertain whether any such cessation or suspension of trading of the Units or any event which could lead to the occurrence of such cessation or suspension of trading has occurred.

(f) **Redemption in the case of Minimum Outstanding Amount**

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Notes issued pursuant to Condition 14 and consolidated and forming a single series with the Notes).

Upon expiry of any such notice as is referred to in this Condition 6(f), the Issuer shall be bound to redeem all the Notes in accordance with this Condition 6(f).

(g) **Purchases**

The Issuer or any of the Subsidiaries of LREIT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is or are in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of the Subsidiaries of LREIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or the relevant Subsidiary of LREIT be held or resold. The Notes so purchased, while held by or on behalf of the Issuer or any of the Subsidiaries of LREIT, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for the purposes of calculating any quorum at meetings of the Securityholders or for the purposes of Conditions 10, 11 and 12.

For the purposes of these Conditions, "directive" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) **Early Redemption of Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(b) – Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the “**Amortised Face Amount**” (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of paragraph (iii) below of this Condition 6(h), the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b) – Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in paragraph (ii) above of this Condition 6(h), except that such paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).
- (iv) Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) **Cancellation**

All Notes purchased by or on behalf of the Issuer or any of the Subsidiaries of LREIT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 **Payments**

(a) **Principal and Interest in respect of Bearer Notes**

Payments of principal and interest (which shall include the Redemption Amount or the Early Redemption Amount as applicable) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be:

- (i) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency;
- (ii) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and

- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) **Principal and Interest in respect of Registered Notes**

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (x) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency;
 - (y) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
 - (z) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) **Payments subject to Law**

All payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agents, the Transfer Agents and the Registrars initially appointed by the Issuer and their specified offices are listed below. Each of the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and either Registrar and to appoint additional or other Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CDP Paying Agent in relation to Notes cleared through CDP, (v) a Registrar in relation to Registered Notes and (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Security(ies) are exchanged for definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Notice of any such change or any change of any specified office will promptly be given to the Securityholders in accordance with Condition 16.

Subject to the provisions of the Agency Agreement, the Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which all of the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee may mutually deem necessary or desirable, provided that in each case such amendment does not, in the opinion of each of the Issuer and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons. Any such amendment shall be binding on the holder of any Note or Coupon.

(e) **Unmatured Coupons and Unexchanged Talons**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes (during the Fixed Rate Period), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the applicable Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period), unexpired Coupons relating to such Note (and in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) **Non-business Days**

Subject as provided in the applicable Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) **Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes (in the case of Bearer Notes) or the Certificates representing the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Securityholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note or (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the applicable Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this Condition 7(h) shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8 Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) **Other connection:** by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in Singapore); or
- (b) **Presentation of more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions:

“Relevant Date” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Securityholders in accordance with Condition 16 that, upon further presentation of the Note (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “principal” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to **“principal”** and/or **“premium”** and/or **“Redemption Amounts”** and/or **“interest”** and/or **“Early Redemption Amounts”** shall be deemed to include any additional amounts which may be payable under these Conditions.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Securityholder, Receiptholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Securityholder, Receiptholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an **“Event of Default”**) shall have occurred and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay any principal, premium or interest payable under any of the Notes the default continues for a period of three business days in the case of principal and five business days in the case of interest; or

- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation referred to in Condition 10(a)) under the Trust Deed or any of the Notes and the default continues for the period of 30 days after notice from the Trustee to the Issuer requiring the same to be remedied; or
- (c)
 - (i) any Financial Indebtedness of the Issuer, LREIT or any of the Subsidiaries of LREIT for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described); or
 - (ii) any such Financial Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period,

provided that no Event of Default will occur under this Condition 10(c) unless and until the aggregate amount of the Financial Indebtedness in respect of which one or more of the events mentioned above in this Condition 10(c) has/have occurred equals or exceeds S\$20,000,000 or its equivalent in other currency or currencies; or

- (d) any of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts (or of a material type of), takes any proceeding under any law for the rescheduling, readjustment or deferment of all or a material part of its indebtedness (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a material part of (or of a material type of) the debts of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT; or
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any property, assets or revenues of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT in an aggregate amount exceeding S\$20,000,000, other than any such legal process which is being contested in good faith and on reasonable grounds or set aside or satisfied within 30 days; or
- (f) any Encumbrance or Encumbrances granted by the Issuer, LREIT or any of the Principal Subsidiaries of LREIT over any material part of the property, assets or revenues of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (g) any meeting is convened by the shareholders, unitholders, directors or other officers for the purpose of considering any resolution, any petition or originating summons is presented, or any order is made or any resolution is passed for the winding-up, termination, dissolution, receivership, judicial management or administration of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT (other than an application which is capable of being set aside, and is set aside, within 21 days of being made), or the Issuer, LREIT or any of the Principal Subsidiaries of LREIT shall apply or petition for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or a material part of its business or operations (in each case, except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Securityholders or (ii) in the case of a Principal Subsidiary of LREIT, whereby the undertaking and assets of the Principal Subsidiary of LREIT are transferred to or otherwise vested in another of the Principal Subsidiaries of LREIT or a real estate investment trust, property trust fund, joint venture, investment vehicle or similar entity established by or on behalf of LREIT or any of its related entities or (iii) in the case of a Principal Subsidiary of LREIT, where such winding-up, termination, dissolution, receivership, judicial management, administration or cessation does not involve insolvency and results in such Principal Subsidiary being able to pay all of its creditors in full); or

- (h) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of any part of the assets of the Issuer, LREIT or any of the Principal Subsidiaries of LREIT such that it prevents the Issuer or LREIT from performing its obligations under these Conditions, the Trust Deed or the Notes, or the Issuer or LREIT shall be prevented from exercising normal control over any material part of its properties or shall take any action that prevents or will prevent the Issuer or LREIT from performing its obligations under these Conditions, the Trust Deed or the Notes, or that the Issuer or LREIT shall be prevented from exercising normal control over any of its property; or
- (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time which is required to be taken, done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the relevant courts is not taken, done, fulfilled or performed; or
- (j) it is or will become unlawful for the Issuer to perform or comply with its payment or other material obligations under the Trust Deed or any of the Notes; or
- (k) the Trust Deed or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms (subject to equitable principles and insolvency laws affecting creditors' rights generally); or
- (l) any litigation, arbitration or administrative proceeding against the Issuer, LREIT or any of the Principal Subsidiaries of LREIT is current or pending which individually or in the aggregate (1) would restrain the entry into, the exercise of any of the rights under, and/ or the performance or enforcement of, or compliance with, any of the material obligations of the Issuer or LREIT under the Trust Deed or any of the Notes, or (2) has or would have a material adverse effect on the Issuer, LREIT or any of the Principal Subsidiaries of LREIT; or
- (m) the Issuer or any of the Principal Subsidiaries of LREIT is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; or
- (n) (i)(1) the LREIT Trustee resigns or is removed from the position of trustee for LREIT, and/ or (2) an order is made for an administrator, agent or similar officer of the LREIT Trustee to be appointed, and (ii) a replacement or substitute trustee of LREIT is not appointed in accordance with the terms of the LREIT Trust Deed and/or in accordance with the applicable law; or
- (o) the Issuer loses its right to be indemnified out of the assets of LREIT in respect of all liabilities, claims, demands and actions under or in connection with any of the Notes, the Trust Deed or the Agency Agreement; or
- (p) the LREIT Manager resigns or is removed as a manager of LREIT and a replacement or substitute manager is not appointed in accordance with the LREIT Trust Deed; or
- (q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events referred to in Condition 10(d) to Condition 10(g) (inclusive) and Condition (l) in relation to the Issuer, LREIT and any of the Principal Subsidiaries of LREIT.

As used in these Conditions:

"Encumbrance" means any mortgage, charge, lien, pledge or other security interest of the Issuer, LREIT or any of the Subsidiaries of LREIT;

“Financial Indebtedness” means (without double counting) any indebtedness in respect of:

- (i) moneys borrowed;
- (ii) any debenture, bond, note, loan stock or other debt security;
- (iii) any acceptance credit, bill-discounting or note purchase facility or, for the purposes of Condition 10(c) only, documentary credit facility, bonding line or surety bond facility;
- (iv) any deferred purchase price agreement in relation to any asset or service (excluding any such deferred purchase price agreement which provides for a deferred price of no more than 180 days, and excluding any other deferred purchase price agreement in respect of any asset or service entered into in the ordinary course of business);
- (v) any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
- (vi) any receivables sold or discounted (otherwise than on a non-recourse basis) primarily as a method of raising finance;
- (vii) for the purposes of Condition 10(c) only, the net amount of any currency swap or interest rate swap, cap or collar arrangements or any other derivative instrument;
- (viii) any amount raised under any other transaction having the commercial effect of a borrowing of money; or
- (ix) any guarantee, indemnity or similar assurance against financial loss of any person arising under an obligation falling within (i) to (vii) above;

11 Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may (but shall not be obliged to), at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit, in each case, to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such actions and/or steps and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Securityholders of such Notes or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of such Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Securityholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12 Meeting of Securityholders and Modifications

- (a) **Meetings of Securityholders:** The Trust Deed contains provisions for convening meetings of Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Securityholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders of the relevant Series, whether present or not

and on all relevant Couponholders, except that any Extraordinary Resolution proposed, inter alia, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

Any application of a Successor Rate, Alternative Rate, an Adjustment Spread or any rate determined in accordance with Condition 5(V)(e), as the case may be, and any related Benchmark Amendments shall not constitute a matter which is required to be approved by an Extraordinary Resolution.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

- (b) **Modification of the Trust Deed:** The Trustee may (but is not obliged to) agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Securityholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Securityholders or the Couponholders, to the substitution of the Issuer's successor in business, any Subsidiary of the Issuer or its successor in business, or a substitute or replacement trustee of LREIT as principal debtor under the Trust Deed and the Notes. An agreement by the Trustee pursuant to such provisions in the Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Notes, the Receipts, the Coupons and the Talons.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions and/or exercise of its rights, powers and/or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders or Couponholders.

13 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Securityholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest on them) and so that the same shall be consolidated and form a single Series with such Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single Series with the Notes.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or the Conditions in respect of the Notes and payment, repayment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, any Subsidiary of LREIT or any other person without accounting to the Securityholders or Couponholders for any profit resulting from such transactions.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless a Trust Officer has actual knowledge or express written notice to the contrary, the Trustee and any of the Agents shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be liable to any Securityholder or Couponholder, the Issuer or any other person for any loss, costs, charges, liabilities and expenses incurred or suffered by the Issuer or any such other person where the Trustee or such Agent is acting on the instructions or at the direction or the request of the Securityholders.

The Trustee shall be entitled to rely on any direction, request or resolution of Securityholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, these Conditions or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Securityholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction in the absence of any such directions from Securityholders.

Neither the Trustee nor any of the Agents shall be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor whether an Event of Default has occurred, or may occur and each of them shall be entitled to assume that no such event has occurred until a Trust Officer has actual knowledge or express written notice to the contrary. Neither the Trustee nor any of the Agents shall be responsible or liable to the Issuer, the Securityholders or any other person for any loss arising from any failure to do so.

The Trustee may rely without liability to Securityholders, Couponholders, the Issuer, LREIT or any other person on any opinion, advice, report or any information obtained from any legal adviser, valuer, accountant (including the auditors for the time being of the Group), surveyor, banker, broker, rating agency, auctioneer or other expert or other professional adviser selected by it, whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information. The Trustee and each of its directors, officers, employees and agents will not be responsible to anyone for any liability occasioned by so acting.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Securityholder or any other person shall rely on the Trustee in respect thereof.

16 Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if (a) published in a leading newspaper in the English language of general circulation in Singapore (it is expected that such publication will be made in *The Business Times*) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or CDP, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST (i) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP for communication by it to the Securityholders or (ii) in the case of CDP, the recorded delivery of the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Security or Global Certificate, except that if the Notes are listed on any stock exchange and the rules of such stock exchange so require, notice will in any event be published in accordance with the preceding paragraphs. Any such notice shall be deemed to have been given to the Securityholders on the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP or the date of despatch of such notice to the persons shown in the records maintained by CDP.

Notices to be given by any Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or such other Agent as may be specified in these Conditions. Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through Euroclear and/or

Clearstream, Luxembourg in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Securityholders are known to the Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

17 Acknowledgement

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith, the Trustee, the Securityholders and the Couponholders acknowledge and agree that RBC Investor Services Trust Singapore Limited ("**RBC**") has entered into the Trust Deed only in its capacity as trustee of LREIT and not in its personal capacity and all references to (in the case of Notes being issued by the Issuer) the Issuer or the LREIT Trustee in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith, RBC has assumed all obligations under the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith in its capacity as trustee of LREIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer or the LREIT Trustee under the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith is given by RBC only in its capacity as trustee of LREIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith is limited to the assets of LREIT over which RBC, in its capacity as trustee of LREIT, has recourse and shall not extend to any personal or other assets of RBC or any assets held by RBC as trustee of any other trust (other than LREIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer or the LREIT Trustee under the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith shall only be in connection with matters relating to LREIT (and shall not extend to any personal or other assets of RBC or the obligations of RBC in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Securityholders and the Couponholders under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.
- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith, it is hereby agreed that the obligations of the Issuer or the LREIT Trustee under the Trust Deed, the Notes, the Coupons these Conditions and any document in connection herewith or therewith will be solely the corporate obligations of RBC in its capacity as trustee of LREIT and there shall be no recourse against the shareholders, directors, officers or employees of RBC for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Securityholders and the Couponholders under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.
- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer or the LREIT Trustee whether in Singapore, England or elsewhere pursuant to the Trust Deed, the Notes, the Coupons, these Conditions and any document in connection herewith or therewith shall be brought against RBC in its capacity as trustee of LREIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Securityholders and the Couponholders under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.

- (d) The provisions of this Condition 17 shall apply, mutatis mutandis, to any notices, certificates or other documents which the Issuer or the LREIT Trustee issues under or pursuant to the Notes and any document in connection herewith or therewith as if expressly set out in such notices, certificates or documents and shall survive the termination or rescission of the Trust Deed or, as the case may be, redemption of the Notes or the Coupons.

18 Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that these Conditions expressly provide for such Act to apply to any of its terms.

19 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England, where applicable, to receive, for it and on its behalf, service of process in any Proceedings in England.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the applicable Pricing Supplement.*

The Perpetual Securities are issued by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT (“**LREIT**”) and in such capacity, the “**LREIT Trustee**”) (the “**Issuer**”) pursuant to the Trust Deed (as defined below).

The Perpetual Securities are constituted by a trust deed dated 8 January 2021 (as amended and/or supplemented as at the date of issue of the Perpetual Securities (the “**Issue Date**”) and from time to time thereafter, the “**Trust Deed**”) made between (1) the Issuer and (2) The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below).

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 8 January 2021 made between (1) the Issuer, (2) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Perpetual Securities cleared through Euroclear (as defined below) and Clearstream, Luxembourg (as defined below) (the “**Issuing and Paying Agent**”, which expression shall include any successor issuing and paying agent appointed from time to time in connection with the Perpetual Securities), (3) The Bank of New York Mellon, Singapore Branch, as CDP paying agent in respect of Perpetual Securities cleared through CDP (as defined below) (the “**CDP Paying Agent**”, which expression shall include any successor CDP paying agent appointed from time to time in connection with the Perpetual Securities and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Perpetual Securities cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch, as transfer agent in respect of Perpetual Securities cleared through CDP (each a “**Transfer Agent**”, which expression shall include any successor transfer agent appointed from time to time in connection with the Perpetual Securities and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar in respect of Perpetual Securities cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch, as registrar in respect of Perpetual Securities cleared through CDP (each in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Perpetual Securities), (6) The Bank of New York Mellon, London Branch, (where appointed as contemplated therein) as calculation agent in respect of Perpetual Securities cleared through Euroclear or Clearstream, Luxembourg and The Bank of New York Mellon, Singapore Branch, (where appointed as contemplated therein) as calculation agent in respect of Perpetual Securities cleared through CDP (each in such capacity, the “**Calculation Agent**”, which expression shall include any successor calculation agent appointed from time to time in connection with the Perpetual Securities) and (7) the Trustee, as trustee in relation to the Perpetual Securities (as amended and/or supplemented as at the Issue Date and from time to time thereafter, the “**Agency Agreement**”). The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further

Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement (as defined in the Trust Deed), and are deemed to have notice of those provisions applicable to them of the Agency Agreement. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Perpetual Securities to be held in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly.

Where the Perpetual Securities are cleared through CDP, the Perpetual Securityholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 8 January 2021 executed by the Issuer by way of deed poll (the “**CDP Deed of Covenant**”).

Copies of the Trust Deed, the CDP Deed of Covenant and the Agency Agreement are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) by the Perpetual Securityholders and the Couponholders at the principal office of the Trustee for the time being (being as at the date of the Trust Deed at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Issuing and Paying Agent for the time being, upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

1 Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown thereon or on the Certificates.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and shall be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (“**CDP**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or CDP as the holder of a particular principal amount of such Perpetual Securities

(in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or CDP as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expression "**Perpetual Securityholder**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or CDP. For so long as any of the Perpetual Securities is represented by a Global Security or a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Perpetual Security shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

- (iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) CDP and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2 No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

- (a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

- (b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below and the terms of the Agency Agreement, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder following written request and proof of holding and identity satisfactory to the Registrar.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the Perpetual Securityholder of any stamp, duty, tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title and identity of the person making the application; and (iii) as the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of the Securities have been complied with).

- (f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3 Status

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement).

The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of LREIT. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, “**Parity Obligation**” means:

- (i) any instrument or security (including without limitation any preference units in LREIT) issued, or entered into or guaranteed by the LREIT Trustee on behalf of LREIT (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the LREIT Trustee and/or, in the case of an instrument or security guaranteed by the LREIT Trustee, the issuer thereof; or

- (ii) as otherwise specified in the applicable Pricing Supplement.

(ii) **Ranking of claims on winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of LREIT, there shall be payable by the Issuer in respect of each Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the winding-up of LREIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of LREIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Notional Preferred Units**” and each, a “**Notional Preferred Unit**”) having an equal right to return of assets in the winding-up of LREIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the winding-up of LREIT, and so rank ahead of the holders of Junior Obligations (as defined in Condition 4(IV)(a)), but junior to the claims of all other present and future

creditors of LREIT (other than Parity Obligations), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such winding-up was an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Perpetual Security together with distributions (including any Arrears of Distribution and Additional Distribution Amounts) accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

In these Conditions, “**winding-up**” means bankruptcy, termination, winding-up, liquidation, receivership or similar proceedings in respect of LREIT.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the winding-up or administration of LREIT, the liquidator or, as appropriate, administrator of LREIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of LREIT) and accordingly any such discharge shall be deemed not to have taken place.

4 **Distribution and other Calculations**

(I) **Distribution on Fixed Rate Perpetual Securities**

(a) **Distribution Rate and Accrual**

Each Fixed Rate Perpetual Security confers a right to receive distribution on its Calculation Amount (as defined in Condition 4(II)(c)) from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) **Distribution Rate**

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
 - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
 - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate (as specified in the applicable Pricing Supplement).

(c) **Calculation of Reset Distribution Rate**

The Calculation Agent will, on the second business day prior to each Reset Date, calculate the applicable Reset Distribution Rate payable in respect of each Perpetual Security. The Calculation Agent will cause the applicable Reset Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(d) **Publication of Relevant Reset Distribution Rate**

The Issuer shall cause notice of the then applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) **Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from and including the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date (each a “**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).

If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a “**Distribution Period**”.

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation of that Floating Rate Perpetual Security if it is a Bearer Perpetual Security or, in the case of a Registered Perpetual Security, the Certificate representing that Floating Rate Perpetual Security and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) **Distribution Rate for Floating Rate Perpetual Securities:** The Distribution Rate in respect of Floating Rate Perpetual Securities for each Distribution Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(i) ISDA Determination for Floating Rate Perpetual Securities

Where ISDA Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Period shall be determined by the Calculation Agent as a rate equal to the

relevant ISDA Rate. For the purposes of this sub-paragraph (i), “**ISDA Rate**” for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified hereon;
- (B) the Designated Maturity is a period specified hereon; and
- (C) the relevant Reset Date is the first day of that Distribution Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is not specified as being SIBOR or SOR

- (A) Where Screen Rate Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Distribution Rate in respect of such Perpetual Securities will be determined in accordance with the applicable Pricing Supplement;

- (B) If the Relevant Screen Page is not available or if, sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an independent adviser appointed by it) shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each

of the Reference Banks, to provide the Issuer (or an independent adviser appointed by it) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the Distribution Determination Date in question and notify such rates to the Calculation Agent. If two or more of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered quotations, the Distribution Rate for such Distribution Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

- (C) If sub-paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Distribution Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer (or an independent adviser appointed by it) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the relevant Distribution Determination Date, deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered rates, the offered rate for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the relevant Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an independent adviser appointed by it) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the

relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period).

- (iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being SIBOR or SOR
 - (A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or SOR (in which case such Perpetual Security will be a Swap Rate Perpetual Security) confers a right to receive distribution at a floating rate determined by reference to a Benchmark as specified hereon or in any case such other Benchmark as specified hereon;
 - (B) The Distribution Rate payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4(II)(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:
 - (I) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
 - (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Distribution Rate for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11.00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other replacement page thereof or such other Relevant Screen Page);
 - (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Issuer (or an independent adviser appointed by it) will request the principal Singapore offices of each of the Reference Banks to provide the Issuer (or an independent adviser appointed by it) with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities and notify such rates to the Calculation Agent. The Distribution Rate for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;

- (cc) if on any Distribution Determination Date two but not all the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such quotations, the Distribution Rate for the relevant Distribution Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (dd) if on any Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotations, the Distribution Rate for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or an independent adviser appointed by it) at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period); and
- (II) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Distribution Rate for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period;

- (bb) if on any Distribution Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Distribution Rate for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body selected by the Issuer (or an independent adviser appointed by it) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or an independent adviser appointed by it) may select;
- (cc) if on any Distribution Determination Date such Calculation Agent is otherwise unable to determine the Distribution Rate under paragraphs (aa) and (bb) above, the Distribution Rate shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to (and at the request of) the Issuer (or an independent adviser appointed by it) at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate, or if on such day one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with such quotation, the Distribution Rate for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and notified to the Calculation Agent, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period).
- (iv) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Distribution Rate for such Distribution Period.

- (v) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR, the Distribution Rate in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.
- (vi) For the avoidance of doubt, in the event that the Distribution Rate in relation to any Distribution Period is less than zero, the Distribution Rate in relation to such Distribution Period shall be equal to zero.

(c) **Definitions**

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means:

- (i) in the case of Perpetual Securities denominated in Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore;
- (ii) in the case of Perpetual Securities denominated in Euro, a day on which the TARGET System is operating;
- (iii) in the case of Perpetual Securities denominated in Renminbi, (A) if cleared through Euroclear and Clearstream Luxembourg, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in Hong Kong or such other location outside the PRC as may have been agreed between the Issuer and the Issuing and Paying Agent prior to the issue of the Perpetual Securities and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in Singapore; and
- (iv) in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euro or Renminbi, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such in the applicable Pricing Supplement, or if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of distribution on any Perpetual Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period, the “Calculation Period”):

- (i) if **“Actual/Actual”** or **“Actual/Actual — ISDA”** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

- (iii) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

- (vii) if “**Actual/Actual — ICMA**” is specified in the applicable Pricing Supplement,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Distribution Payment Date(s); and

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“Distribution Commencement Date” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“Distribution Determination Date” means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“Distribution Rate” means the distribution rate payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon;

“Euro” means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time;

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified hereon;

“LREIT Manager” means Lendlease Global Commercial Trust Management Pte. Ltd., as manager of LREIT;

“LREIT Trust Deed” means the deed of trust dated 28 January 2019 entered into between the LREIT Manager and the LREIT Trustee constituting LREIT, as may be amended, varied, supplemented or restated from time to time;

“Offshore Renminbi Centre” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“Reference Banks” means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“Reference Rate” means the rate specified as such hereon;

“Relevant Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark;

“**Relevant Time**” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

“**Renminbi**” means the lawful currency for the time being of the People’s Republic of China;

“**Singapore dollars**” means the lawful currency for the time being of the Republic of Singapore; and

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) **Margin, Maximum/Minimum Distribution Rates and Rounding**

- (i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Distribution Periods), an adjustment shall be made to all Distribution Rates, in the case of (A), or the Distribution Rates for the specified Distribution Periods, in the case of (B), calculated in accordance with Condition 4(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Distribution Rate or Minimum Distribution Rate is specified hereon, then any Distribution Rate shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(b) **Determination of Distribution Rate and Calculation of Distribution Amounts**

The Calculation Agent will, as soon as reasonably practicable after the Relevant Time on each Distribution Determination Date determine the Distribution Rate and calculate the amount of distribution payable (the “**Distribution Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) **Notification**

The Calculation Agent will cause the Distribution Rate and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and/or the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, if so required by the

Issuer, the Calculation Agent will also cause the Distribution Rate and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Distribution Rate and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Distribution Rate and Distribution Amounts need to be made unless the Trustee requires otherwise.

(d) **Calculation Agent and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding (as defined in the Trust Deed), there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Distribution Rate for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(e) **Benchmark Discontinuation**

(i) Independent Adviser

Notwithstanding the provision above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Distribution Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(III)(e)(ii) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(III)(e)(iii)) and any Benchmark Amendments (in accordance with Condition 4(III)(e)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 4(III)(e) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Perpetual Securityholders or the Couponholders for any determination made by it, pursuant to this Condition 4(III)(e)(i).

If (aa) the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours; or (bb) the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate in accordance with this Condition 4(III)(e)(i) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(III)(e)(iii)) and any Benchmark Amendments (in accordance with Condition 4(III)(e)(iv)), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the date which is five business days prior to the relevant Distribution Determination Date, the Distribution Rate applicable to the next succeeding Distribution Period shall be equal to the Distribution Rate last

determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Distribution Rate shall be the initial Distribution Rate. Where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period. For the avoidance of doubt, the proviso in this Condition 4(III)(e)(i) shall apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 4(III)(e).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(III)(e)(iii)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(III)(e)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(III)(e)(iii)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(III)(e)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(m) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines:

(A) that amendments to these Conditions, the Trust Deed and/ or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and

(B) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(III)(e)(v) without any requirement for the consent or approval of the Trustee or the Perpetual Securityholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent, where applicable, the Calculation Agent(s) of a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager pursuant to Condition 4(III)(e)(v), the Trustee and the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and/or these Conditions as may be required in order to give effect to this Condition. The Perpetual Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent(s), the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(III)(e) (iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(III)(e) will be notified promptly and at least five business days prior to the relevant Distribution Determination Date by the Issuer to the Trustee, the Paying Agents, the Calculation Agent(s) (if applicable) and, in accordance with Condition 14, the Perpetual Securityholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager:

(A) confirming: (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate, and (z) where applicable, any Adjustment Spread, and/or (xx) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(III)(e); and

- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof and to accept the same without verification or investigation. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Issuing and Paying Agent and the Perpetual Securityholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

- (vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(III)(e)(i), 4(III)(e) (ii), 4(III)(e) (iii) and 4(III)(e) (iv), the Original Reference Rate and the fallback provisions provided for in Condition 4(III)(e)(iii) will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(III)(e)(v).

- (vii) Definitions

As used in this Condition 4(III)(e):

“Adjustment Spread” means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e) (i)) determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines that no such spread is customarily applied) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (D) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) determines that no such industry standard is recognised or acknowledged the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) determines in accordance with Condition 4(III)(e)(ii) has replaced the Original Reference Rate in customary market usage in the local or in international debt capital markets transactions for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

“Benchmark Amendments” has the meaning given to it in Condition 4(III)(e)(iv);

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent(s), the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder using the Original Reference Rate,

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent(s) and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent(s) nor the Paying Agents shall have any responsibility for making such determination and shall have no obligation to monitor whether such an event has occurred;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own cost under Condition 4(III)(e)(i);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Distribution Rate (or any component part thereof) on the Perpetual Securities;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
 - (z) a group of the aforementioned central banks or other supervisory authorities; or
 - (xx) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(e)(i)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(IV) Distribution Discretion

(a) Distribution Deferral

If Distribution Deferral is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an **“Deferral Election Notice”**) to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, any of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations; or
- (ii) any Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations for Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement (a “**Compulsory Distribution Payment Event**”).

In these Conditions, “**Junior Obligation**” means (1) any class of equity capital in LREIT and any instrument or security issued, entered into or guaranteed by the LREIT Trustee on behalf of LREIT, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of LREIT and (2) any instrument or security specified in the applicable Pricing Supplement.

Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer of the LREIT Manager or such successor manager of LREIT to be procured by the LREIT Trustee confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) **No Obligation to Pay**

If Distribution Deferral is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Non-Cumulative Deferral and Cumulative Deferral**

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) **Restrictions in the case of Non-Payment**

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and the LREIT Trustee shall procure that none of LREIT’s Subsidiaries shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations,

in each case other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions, “**Subsidiary**” means in relation to any company or corporation, any company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation; or
- (ii) more than half of the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (iii) which is a subsidiary of another subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

(e) **Satisfaction of Optional Distribution or Arrears of Distribution**

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (B) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or (if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement) the occurrence of a Compulsory Distribution Payment Event; and
 - (C) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a pro-rata basis.

(f) **No Default**

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

For the avoidance of doubt, nothing in this Condition 4(IV) shall restrict the payment of any fees to any party by way of issuance of units or payment of cash by LREIT.

5 Redemption and Purchase

(a) **No Fixed Redemption Date**

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) **Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Securityholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Perpetual Securities on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(b).

In the case of a partial redemption of the Perpetual Securities, (i) in the case of Perpetual Securities represented by definitive Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee and (ii) in the case of Perpetual Securities represented by a Global Security or a Global Certificate, the Perpetual Securities to be redeemed will be selected in accordance with the rules of the relevant clearing systems, in each case subject to compliance with any applicable laws or other relevant authority requirements. So long as the Perpetual Securities are listed on any stock exchange, the Issuer shall comply with the rules of such stock exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) **Redemption for Taxation Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount, (together with distribution (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or
 - (2) the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable on indebtedness and/or will not enjoy the tax concessions and exemptions available for "qualifying debt securities" under the ITA; or
- (ii) the Issuer satisfies the Trustee immediately prior to the giving of such notice that
 - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax as defined in Condition 7, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, or as a result of a position adopted by any political subdivision or any authority of or in Singapore having power to tax, which causes the Perpetual Securities not to qualify as "qualifying debt securities" for the purposes of the ITA, which position becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement and
 - (b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee:

- (i) a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) in the case of a redemption pursuant to Condition 5(c), an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such ruling, change or amendment to the laws.

The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 5(c) above without further enquiry and without liability to any Perpetual Securityholder, Couponholder or any other person, in which event the same shall be conclusive and binding on the Perpetual Securityholders and Couponholders. The Trustee shall be protected and shall have no liability to any Perpetual Securityholder or any other person for so accepting and relying on any such certificate and opinion.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(c).

(d) **Redemption for Accounting Reasons**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to International Financial Reporting Standards, as amended from time to time (the "IFRS") or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of LREIT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "**equity**" of LREIT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be protected and shall have no liability to any Perpetual Securityholder or any other person for so accepting and relying on any such certificate and opinion.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) **Redemption for Tax Deductibility**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption),

(i) if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;
- (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (3) any applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which was announced before the Issue Date,

payments by the Issuer, which would otherwise have been tax deductible to LREIT, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by LREIT for Singapore income tax purposes; or

(ii) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Issuer is not entitled to tax deductions for the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amount) made, as interest payments, in accordance with Section 14(1) of the ITA (including Section 14(1)(a) of the ITA).

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (1) a certificate, signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (2) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment to, interpretation or pronouncement in relation to the tax regime is due to take effect, or in the case of a notice of redemption pursuant to Condition 5(e)(ii), a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii).

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

References in this Condition 5(e) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Perpetual Securities.

(f) **Redemption in the case of Minimal Outstanding Amount**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Perpetual Securities issued pursuant to Condition 12 and consolidated and forming a single series with the Perpetual Securities).

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) **Redemption upon a Regulatory Event**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption), if as a result of any change in, or amendment to, the Property Funds Appendix (as defined below), or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities will count towards the Aggregate Leverage (as defined below) under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(g), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (i) a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager stating that the Issuer is entitled to effect such redemption and setting out the details of such circumstances; and
- (ii) an opinion of independent legal or any other professional advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect.

Upon the expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(g).

In this Condition 5(g), “**Aggregate Leverage**” means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix and “**Property Funds Appendix**” means appendix 6 to the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore in relation to real estate investment trusts.

(h) **Redemption upon a Ratings Event**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Payment Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of the Rating Agency (as defined below) specified hereon (or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to LREIT or the Perpetual Securities) and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency), provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Issuing and Paying Agent a certificate signed by the Chief Executive Officer and the Executive General Manager Finance of the LREIT Manager who are also Authorised Signatories of the LREIT Manager stating that the Issuer is entitled to effect such redemption and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

In this Condition 5(h), "**Rating Agencies**" means (a) Moody's Investors Service Inc., (b) Fitch, Ratings Inc., and/or (c) Standard & Poor's Rating Services, and their respective successors and "**Rating Agency**" means any one of them.

(i) **Redemption for Cessation or Suspension of trading**

If so provided hereon, in the event that (A) the units of LREIT ("**Units**") cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or (B) trading in the Units on the SGX-ST is suspended for more than seven consecutive days on which normal trading of securities is carried out, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, of earlier, the date falling 45 days after the Effective Date, at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption). The Issuer shall, within seven business days of the relevant Effective Date, give notice to the Trustee, the Paying Agents and the Perpetual Securityholders of the occurrence of either event specified in (A) or (B) above.

Upon the expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

In this Condition 5(i), "**Effective Date**" means (in the case of (A) above) the date of cessation of trading or (in the case of (B) above) the day immediately following the expiry of the seven day period.

(j) **Purchases**

The Issuer or any of the Subsidiaries of LREIT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is or are in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer or any of the Subsidiaries of LREIT may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or the relevant Subsidiary of LREIT be held or resold. The Perpetual Securities so purchased, while held by or on behalf of the Issuer or any of the Subsidiaries of LREIT, shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating any quorum at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(k) **Cancellation**

All Perpetual Securities purchased by or on behalf of the Issuer or any of the Subsidiaries of LREIT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Perpetual Securities shall be discharged.

6 Payments

(a) **Principal and Distribution in respect of Bearer Perpetual Securities**

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be:

- (i) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency;
- (ii) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) **Principal and Distribution in respect of Registered Perpetual Securities**

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made:
 - (x) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency;
 - (y) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
 - (z) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) **Payments subject to Law**

All payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agents, the Transfer Agents and the Registrars initially appointed by the Issuer and their specified offices are listed below. Each of the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Perpetual Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and either Registrar and to appoint additional or other Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent in relation to Registered Perpetual Securities, (iv) a CDP Paying Agent in relation to Perpetual Securities cleared through CDP, (v) a Registrar in relation to Registered Perpetual Securities and (vi) a Paying Agent in Singapore, where the Perpetual Securities may be presented or surrendered for payment or redemption, in the event that the Global Security(ies) are exchanged for definitive Perpetual Securities, for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

Notice of any such change or any change of any specified office will promptly be given to the Perpetual Securityholders in accordance with Condition 14.

Subject to the provisions of the Agency Agreement, the Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which all of the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee may mutually deem necessary or desirable, provided that in each case such amendment does not, in the opinion of each of the Issuer and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the holder of any Perpetual Security or Coupon.

(e) **Unmatured Coupons and Unexchanged Talons**

- (i) Upon the due date for redemption of Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities, such Perpetual Securities should be surrendered for payment together with all unexpired Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the applicable Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexpired Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unexpired Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) **Talons**

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) **Non-business Days**

Subject as provided in the applicable Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7 **Taxation**

Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and

the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) **Other connection:** by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) **Presentation of more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days or
- (c) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Security (or the Certificate representing it), or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of LREIT, and the LREIT Trustee may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10 per cent. or 17 per cent.) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

As used in these Conditions:

“Relevant Date” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to **“principal”** shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, **“distribution”** shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to **“principal”** and/or **“premium”** and/or **“Redemption Amounts”** and/or **“distribution”** shall be deemed to include any additional amounts which may be payable under these Conditions.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Securityholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Securityholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Perpetual Securities without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8 Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of distributions) from the appropriate Relevant Date in respect of them.

9 Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the winding-up of the Issuer or (ii) the Issuer fails to make payment of principal or distributions in respect of the Perpetual Securities when due and such failure continues for a period of more than three business days in the case of principal and five business days in the case of distributions, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any Arrears of Distribution and any Additional Distribution Amount), including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) **Entitlement of Trustee**

The Trustee shall not, and shall not be obliged to, take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) **Right of Perpetual Securityholders or Couponholder**

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) **Extent of Perpetual Securityholders' Remedy**

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

10 Meeting of Perpetual Securityholders and Modifications

- (a) **Meetings of Perpetual Securityholders:** The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, inter alia, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

Any application of a Successor Rate, Alternative Rate, an Adjustment Spread or any rate determined in accordance with Condition 4(III)(e), as the case may be, and any related Benchmark Amendments shall not constitute a matter which is required to be approved by an Extraordinary Resolution.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the applicable Pricing Supplement in relation to such Series.

- (b) **Modification of the Trust Deed:** The Trustee may (but is not obliged to) agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Perpetual Securities may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Perpetual Securityholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Perpetual Securityholders or the Couponholders, to the substitution of the Issuer's successor in business, any Subsidiary of the Issuer or its successor in business, or a substitute or replacement trustee of LREIT as principal debtor under the Trust Deed and the Perpetual Securities. An agreement by the Trustee pursuant to such provisions in the Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Perpetual Securities, the Receipts, the Coupons and the Talons.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions and/or exercise of its rights, powers and/or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

11 Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12 Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series in all respects (or in all respects except for the first payment of distribution on them) and so that the same shall be consolidated and form a single Series with such Perpetual Securities. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 12 and forming a single Series with the Perpetual Securities.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or the Conditions in respect of the Perpetual Securities and payment, repayment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, any Subsidiary of LREIT or any other person without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Perpetual Securities of the duties and obligations on their part expressed in respect of the same and, unless a Trust Officer has actual knowledge or express written notice to the contrary, the Trustee and any of the Agents shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be liable to any Perpetual Securityholder or Couponholder, the Issuer or any other person for any loss, costs, charges, liabilities and expenses incurred or suffered by the Issuer or any such other person where the Trustee or such Agent is acting on the instructions or at the direction or the request of the Perpetual Securityholders.

The Trustee shall be entitled to rely on any direction, request or resolution of Perpetual Securityholders given by holders of the requisite principal amount of Perpetual Securities outstanding or passed at a meeting of Perpetual Securityholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, these Conditions or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Perpetual Securityholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction in the absence of any such directions from Perpetual Securityholders.

Neither the Trustee nor any of the Agents shall be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions. Neither the Trustee nor any of the Agents shall be responsible or liable to the Issuer, the Perpetual Securityholders or any other person for any loss arising from any failure to do so.

The Trustee may rely without liability to Perpetual Securityholders, Couponholders, the Issuer, LREIT or any other person on any opinion, advice, report, or any information obtained from any legal adviser, valuer, accountant (including the auditors for the time being of the Group), surveyor, banker, broker, rating agency, auctioneer or other expert or other professional adviser selected by it, whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information. The Trustee and each of its directors, officers, employees and agents will not be responsible to anyone for any liability occasioned by so acting.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Perpetual Securityholder or any other person shall rely on the Trustee in respect thereof.

14 Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if (a) published in a leading newspaper in the English language of general circulation in Singapore (it is expected that such publication will be made in *The Business Times*) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or CDP, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST (i) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP for communication by it to the Perpetual Securityholders or (ii) in the case of CDP, the recorded delivery of the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Security or Global Certificate, except that if the Perpetual Securities are listed on any stock exchange and the rules of such stock exchange so require, notice will in any event be published in accordance with the preceding paragraphs. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP or the date of despatch of such notice to the persons shown in the records maintained by CDP.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates) or such other Agent as may be specified in these Conditions. Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through Euroclear, Clearstream, Luxembourg and/or CDP in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and Euroclear, Clearstream, Luxembourg and/or CDP may approve for this purpose.

Notwithstanding the other provisions of this Condition 14, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

15 Acknowledgement

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith, the Trustee, the Perpetual Securityholders and the Couponholders acknowledge and agree that RBC Investor Services Trust Singapore Limited ("**RBC**") has entered into the Trust Deed only in its capacity as trustee of LREIT and not in its personal capacity and all references to (in

the case of Perpetual Securities issued by the Issuer) the Issuer, or the LREIT Trustee in the Trust Deed, the Perpetual Securities and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith, RBC has assumed all obligations under the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith in its capacity as trustee of LREIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer or the LREIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith is given by RBC only in its capacity as trustee of LREIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith is limited to the assets of LREIT over which RBC, in its capacity as trustee of LREIT, has recourse and shall not extend to any personal or other assets of RBC or any assets held by RBC as trustee of any other trust (other than LREIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer or the LREIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith shall only be in connection with matters relating to LREIT (and shall not extend to any personal or other assets of RBC or the obligations of RBC in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.

- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith, it is hereby agreed that the obligations of the Issuer or the LREIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith will be solely the corporate obligations of RBC in its capacity as trustee of LREIT and there shall be no recourse against the shareholders, directors, officers or employees of RBC for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.
- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer or the LREIT Trustee whether in Singapore, England or elsewhere pursuant to the Trust Deed, the Perpetual Securities, the Coupons, these Conditions and any document in connection herewith or therewith shall be brought against RBC in its capacity as trustee of LREIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity, whether in respect of any gross negligence, fraud, wilful default, breach of trust or breach of the LREIT Trust Deed of/by the LREIT Trustee.
- (d) The provisions of this Condition 15 shall apply, *mutatis mutandis*, to any notices, certificates or other documents which the Issuer or the LREIT Trustee issues under or pursuant to the Perpetual Securities and any document in connection herewith or therewith as if expressly set out in such notices, certificates or documents and shall survive the termination or rescission of the Trust Deed or, as the case may be, redemption of the Perpetual Securities or the Coupons.

16 Contracts (Rights of Third Parties) Act

Without prejudice to Condition 9(e), no person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act 1999, except and to the extent (if any) that these Conditions expressly provide for such Act to apply to any of its terms.

17 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Perpetual Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in Condition 3(b) applicable to the Issuer shall be governed by and construed in accordance with the laws of Singapore.
- (b) **Jurisdiction:** The Courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons or Talons ("**Proceedings**") may be brought in such courts. Each of the Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England, where applicable, to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

Terms used in this section that are not otherwise defined shall have the meanings given to them in the “Terms and Conditions of the Notes” and the “Terms and Conditions of the Perpetual Securities” as applicable.

1 Initial Issue of Securities

Global Securities and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as defined hereinafter).

Upon the initial deposit of a Global Security with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), CDP or registration of Registered Securities in the name of (i) any nominee for the Common Depositary and/or (ii) CDP, the relevant clearing system will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Security represented by a Global Security or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Security or the holder of the underlying Registered Securities, as the case may be, and in relation to all other rights arising under the Global Securities or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Security or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Security or the holder of the underlying Registered Securities, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Securities

Each Temporary Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the applicable Pricing Supplement indicates that such Global Security is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Securities defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Security or, if so provided in the applicable Pricing Supplement, for Definitive Securities.

3.2 Permanent Global Securities

Each Permanent Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Securities:

- (i) if the Permanent Global Security is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the Permanent Global Security is held by or on behalf of CDP and (a) an event of default, enforcement event or analogous event entitling the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the relevant CDP application form made between the Issuer and CDP and no alternative clearing system is available.

In the event that a Global Security is exchanged for Definitive Securities, such Definitive Securities shall be issued in Denomination Amount(s) only. A Securityholder who holds a principal amount of less than the minimum Denomination Amount will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denominations Amount(s).

3.3 Global Certificates

If the Pricing Supplement states that the Securities are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Securities held in Euroclear or Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Securities represented by any Global Certificate pursuant to Condition 2(b) of the Notes (in the case of Notes) or Condition 2(b) of the Perpetual Securities (in the case of Perpetual Securities) may only be made:

- (i) if the Global Certificate is cleared through Euroclear and/or Clearstream, Luxembourg, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (iii) if the Global Certificate is cleared through CDP and:
 - (a) an event of default, enforcement event or analogous event entitling the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or
 - (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
 - (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

- (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the relevant CDP application form made between the Issuer and CDP and no alternative clearing system is available,

provided that, in the case of a transfer pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Securities

For so long as a Permanent Global Security is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Security will be exchangeable in part on one or more occasions for Definitive Securities if so provided in, and in accordance with, the relevant Conditions.

3.5 Delivery of Securities

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Security exchangeable for a Permanent Global Security, deliver, or procure the delivery of, a Permanent Global Security in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Security to reflect such exchange or (ii) in the case of a Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Securities. In this Offering Circular, "**Definitive Securities**" means, in relation to any Global Security, the definitive Bearer Securities for which such Global Security may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest that have not already been paid on the Global Security and a Talon). Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Security, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The Temporary Global Securities, Permanent Global Securities and Global Certificates contain provisions that apply to the Securities that they represent, some of which modify the effect of the terms and conditions of the Securities set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Security unless exchange for an interest in a Permanent Global Security or for Definitive Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be

made in respect of the Securities, surrender of that Global Security to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities.

All payments in respect of Securities represented by a Global Certificate (other than a Global Certificate held through CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

4.2 Meetings

The holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall (unless such Permanent Global Security or Global Certificate represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, the holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the relevant Currency of the Securities. All holders of Registered Securities are entitled to one vote in respect of each integral currency unit of the relevant Currency of the Securities comprising such Securityholder's holding, whether or not represented by a Global Certificate.

4.3 Cancellation

Cancellation of any Security represented by a Permanent Global Security that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such Permanent Global Security or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.4 Purchase

Securities represented by a Permanent Global Security may only be purchased by the Issuer or any Subsidiaries of LREIT if they are purchased together with the rights to receive all future payments of interest and distributions, as applicable, thereon.

4.5 Issuer's Option

Any option of the Issuer provided for in the Terms and Conditions of the Securities while such Securities are represented by a Permanent Global Security shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required.

In the event of a partial redemption of Securities of any Series, Securities will be redeemed *pro rata* and the Calculation Amount of the Securities shall be determined in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or CDP or any other clearing system (as the case may be) and the rights of account holders with a clearing system in respect of the Securities will be governed by the standard procedures of such clearing system.

4.6 Securityholders' Options

Any option of the Securityholders provided for in the Terms and Conditions of the Securities while such Securities are represented by a Permanent Global Security may be exercised by the holder of the Permanent Global Security giving notice to the Issuing and Paying Agent

within the time limits relating to the deposit of the Securities with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Securities in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Security, and stating the principal amount of the Securities in respect of which the option is exercised and at the same time presenting the Permanent Global Security to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

4.7 Trustee's Powers

In considering the interests of Securityholders while any Global Security is held on behalf of, or Registered Securities are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Security or Registered Securities and may consider such interests as if such accountholders were the holders of the Securities represented by such Global Security or Global Certificate.

4.8 Notices

So long as any Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held on behalf of:

- (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below of this paragraph 4.8), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate; or
- (ii) CDP, subject to the agreement of CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate.

USE OF PROCEEDS

The net proceeds arising from the issue of Securities under the Programme (after deducting issue expenses) will be used for the refinancing of existing borrowings, financing of potential acquisition and investment opportunities which the Group may pursue in the future as well as general working capital and capital expenditure requirements and the general corporate purposes of the Group, or as otherwise specified in the applicable Pricing Supplement in relation to a particular issuance of Securities under the Programme.

CAPITALISATION AND INDEBTEDNESS

As of 30 June 2020, LREIT had total unitholders' funds of S\$992,250,000 consisting of 1,171,795,224 Units in issue.

The table below sets forth the consolidated capitalisation of LREIT as at 30 June 2020. This table should be read in conjunction with the FY2020 Financial Statements and related notes appearing elsewhere in this Offering Circular.

	As at 30 June 2020
	<u>S\$'000</u>
Total Borrowings	545,319
Total Unitholders' Funds	992,250
Total capitalisation ⁽¹⁾	<u>1,537,569</u>

Note:

(1) Total capitalisation is calculated as the aggregate of total borrowings and total funds attributable to unitholders of LREIT.

There has been no material change in the capitalisation of the Group since 30 June 2020.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer is RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT). RBC Investor Services Trust Singapore Limited was incorporated under the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), on 4 July 1995. It is the trustee of Lendlease Global Commercial REIT and is licensed as a trust company under the Trust Companies Act, Chapter 336 of Singapore (“**Trust Companies Act**”). It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS.

REGISTERED OFFICE

The registered office of the Issuer is 8 Marina View, #26-01 Asia Square Tower 1, Singapore 018960.

CAPITAL

As at the date of this Offering Circular, the LREIT Trustee has a paid-up capital of S\$6,000,000.

DESCRIPTION OF LENDLEASE GLOBAL COMMERCIAL REIT

OVERVIEW

Lendlease Global Commercial REIT (“**LREIT**”) is a Singapore real estate investment trust which was established on 28 January 2019 with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets¹ located globally, which are used primarily for retail and/or office purposes, as well as real estate-related assets (including ownership of companies or other legal entities whose primary purpose is to hold or own real estate).

LREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 2 October 2019. In 2020, LREIT was included in the MCSI Singapore Small Cap Index, GPR APREA Investable REIT 100 Index, FTSE ST Small Cap Index and FTSE ST Singapore Shariah Index.

As at 30 June 2020, the portfolio of properties held by LREIT (the “**Portfolio**”) comprises a leasehold interest in 313@somerset, a retail property located in Singapore (the “**Singapore Property**”) as well as a freehold interest in Sky Complex, comprising three Grade-A² office buildings located in Milan (the “**Milan Property**”). The trustee of LREIT (the “**LREIT Trustee**”) holds the Singapore Property, whilst the Milan Property is held by the Lendlease Global Commercial Italy Fund (the “**Italy AIF**”). For more information on the structure of LREIT, please see “*Description of Lendlease Global Commercial REIT – Structure of LREIT*”. The Portfolio has a total net lettable area (“**NLA**”) of approximately 1.3 million square feet and an appraised value of approximately S\$1.4 billion as at 30 June 2020.

LREIT is managed by Lendlease Global Commercial Trust Management Pte. Ltd. (the “**LREIT Manager**”), an indirect wholly-owned subsidiary of Lendlease Corporation Limited (the “**Sponsor**”).

As at the Latest Practicable Date, LREIT has a market capitalisation of approximately S\$859.3 million.

DESCRIPTION OF ASSETS AND OPERATIONS OF LREIT

a) Locations of the Properties

The locations of the Properties allow them to benefit from the characteristics of their respective trade areas.

Singapore - 313@somerset

313@somerset is a retail mall which spans across eight retail levels, comprising three basement levels (basement 3 to basement 1) and five levels above ground (level 1 to 5). It is accessible from the Somerset MRT Station on basement 2 and level 1 and is connected to the adjacent retail mall of Orchard Gateway on levels 1 and 4.

313@somerset is situated along Orchard Road, a major shopping belt and tourist attraction in Singapore.

On 13 June 2020, the LREIT Manager announced that LREIT had won the tender to redevelop the Grange Road car park, which is adjacent to 313@somerset, into a new multi-functional event space. Set to be operational in the second quarter of 2022, the concept will provide an array of events and experiences for its visitors. The Grange Road car park ceased operations at the end of 2020, and redevelopment works are expected to commence shortly.

¹ A “stabilised income-producing real estate asset” means a real estate asset which meets the following criteria as at the date of the proposed offer: (i) achieving a minimum occupancy of at least 80.0%, (ii) achieved an average rental rate comparable to the market rental rate for similar assets as determined by the valuer commissioned for the latest valuation of the relevant asset, (iii) (if the asset is being acquired from the Lendlease Group) LREIT being satisfied that there are no material asset enhancement initiatives required within two years of the acquisition of such asset, and (iv) is suitable for acquisition by LREIT taking into account market conditions at the time of the proposed offer.

² An office building with floor plans more than 1,500 square metres and a structural grid of approximately 10 metres x 10 metres is considered as appropriate to be classified as a Grade A office building.

Milan - Sky Complex

Sky Complex, comprising three Grade-A office buildings, is located in the southeast area of the Milan Municipality. Sky Complex is located within the district of Milano Santa Giulia which is between the districts of Rogoredo and Taliedo. Milano Santa Giulia is an urban regeneration project comprising retail, residential, commercial office, and leisure spaces. A partnership was recently formed between the Lendlease Group and PSP Investments, a Canadian pension fund, to develop a €2.5 billion urban regeneration project in Milano Santa Giulia. Based on the Sponsor's preliminary plans, the project will deliver more than 2,500 residential units, 124,000 square metres of office space and 108,000 square metres of retail, leisure and entertainment areas.

Sky Complex is accessible via the Milan public transport system. The Rogoredo subway station is located about 150 metres away, providing access to the Yellow-MM3 line of the Milan Metro network and is served by multiple bus lines. The closest railway station is Milano Rogoredo which is also located about 150 metres away. The station is served by several regional and suburban lines and high-speed trains towards Bologna, Florence, Rome and Naples. Linate Airport is located about 7.5 kilometres away and is 10 minutes by car accessible from the San Donato exit of the Tangenziale Est (Milan ring-road) and 40 minutes by public transportation. Sky Complex is also accessible by car. It is close to the A1 Motorway – Autostrada del Sole (exit “San Donato Milanese”, about 1km distance) and the A51 East Milan Ring Road – Tangenziale Est di Milano (exit “Milano Rogoredo/San Donato Milanese”, about 1km distance).

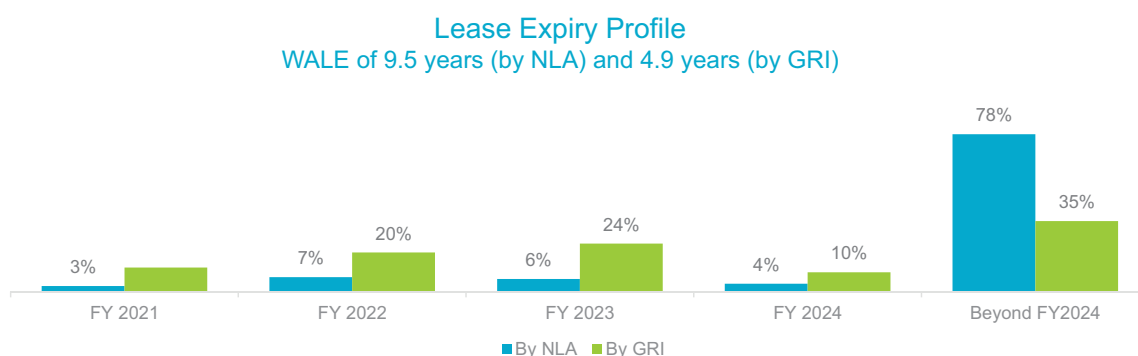
b) Occupancy Rates and Lease Expiry Profile

LREIT's Portfolio has a committed occupancy rate of 99.0% as at 30 September 2020. Since its completion, Sky Complex has been fully leased to Sky Italia, which is an Italian satellite television platform owned by Comcast Corporation.

As at 30 September 2020, LREIT's Portfolio has a weighted average lease to expiry (“WALE”) of 4.9 years by gross rental income (“GRI”) (for the month of September 2020) and 9.5 years by NLA (as at September 2020 and assuming that Sky Italia does not exercise its break option in 2026). In particular, Sky Italia is on a single lease with a 12 + 12 year lease term (subject to a break clause in 2026) which commenced in 2008.

The variation in lease expiries within LREIT's Portfolio results in no more than 7% by NLA (as at 30 September 2020) and 24% by GRI (for the month of September 2020) expiring in each financial year over the next four financial years ending 30 June 2024. In addition, approximately 78% of LREIT's leases by NLA will only expire beyond 2024. The chart below shows the lease expiry profile of LREIT's Portfolio as at 30 September 2020.

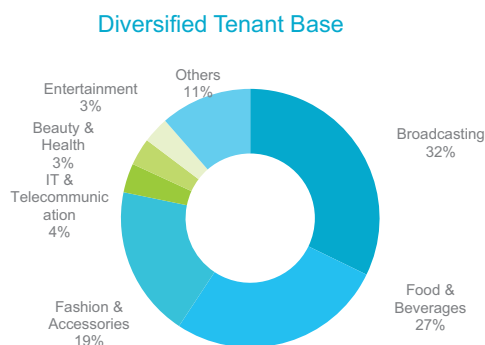
Lease Expiry Profile by NLA and GRI (as at 30 September 2020)



c) Diversified Tenant Base

LREIT's Portfolio has a committed tenant base of 143 tenants as at 30 June 2020. The trade sectors breakdown by GRI is shown below.

Gross Rental Income Breakdown by Trade Sector (as at 30 September 2020)



By trade sectors, the broadcasting sector contributed 32% to LREIT's GRI while the food & beverage and fashion sectors contributed 27% and 19%, respectively, to LREIT's GRI.

The top ten tenants contributed approximately 54% of the total GRI for the month of June 2020.

Top 10 Tenants of LREIT across the Singapore Property and Milan Property as at 30 June 2020

Note: LREIT compiles and discloses a list of its top 10 tenants on an annual basis only. Accordingly, the list of LREIT's top 10 tenants as of the date of this Offering Circular may not be as reflected in this list.

Ten Largest Tenants (by % of Gross Rent)	GRI
Sky Italia	30.3%
Food Republic	4.1%
Cotton On	3.4%
Zara	3.1%
Marche	2.8%
Sony	2.8%
Forever 21	2.2%
Hai Di Lao	1.9%
TEMT	1.7%
hotwind	1.5%

d) Lease Structure

The leases for the Singapore Property are typically structured around three years for specialty leases comprising base rent (including service charges) and turnover rents (calculated as a percentage of tenants' gross turnover). As at 30 June 2020, the Singapore Property had two major retail tenants which each occupy more than 15,000 square feet in the mall.

As at 30 June 2020, more than 90% of LREIT's Portfolio by NLA has a rental step-up provision embedded in their lease structures. These leases provide earnings growth as 78.1% of such leases have rental escalation pegged to the consumer price index variance with a fixed rate floor. The remaining 21.9% of LREIT's Portfolio comprises retail tenants, typically on three-year leases.

e) Management Team

The Board of Directors of the LREIT Manager comprises experienced personnel each with over 20 years' experience. Key staff members have experience and expertise in real estate investment, asset management, capital management and property management. Please refer to the section "Board of Directors and Executive Officers of the LREIT Manager" for more details.

f) Ability to Benefit From Relationships with the Sponsor Group

The Sponsor Group is an international property and infrastructure group with operations in Australia, Asia, Europe and the Americas, the Sponsor Group designs, develops, constructs, funds, owns, co-invests in, operates and manages property and infrastructure assets. The Sponsor Group also launched and managed Australia's first ever property trust, General Property Trust which was listed on the Australian Securities Exchange in 1971.

LREIT will continue to benefit from the Sponsor Group's network of relationships for future acquisition opportunities and have access to its network of retailers.

STRATEGIES

The LREIT Manager is committed to achieving long-term growth in distribution per unit ("DPU") and net asset ("NAV") per unit, while maintaining an appropriate capital structure. The LREIT Manager plans to achieve these objectives through the following three key strategies:

- **Asset management and enhancement strategy** – The LREIT Manager will manage LREIT's property portfolio to maintain and improve their operational performance, seeking to improve the cash flow and the value of the Properties. The LREIT Manager will also look to drive organic growth, encourage strong relationships with the tenants of the Properties, implement asset management strategies with the aim of ensuring continued relevance of the Properties and facilitate property enhancement opportunities.
- **Investments and acquisition growth strategy** – The LREIT Manager will seek to achieve portfolio growth through the acquisition of income-producing properties that fit within LREIT's investment strategy and to pursue opportunities for future income and capital growth. The LREIT Manager will continuously evaluate opportunities in key cities in which the Sponsor Group has a presence and take a considered approach in deciding whether LREIT should explore these opportunities.
- **Capital management strategy** – The LREIT Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions, secure diversified funding sources to access both financial institutions and capital markets, seek to optimise its cost of debt financing and utilise hedging strategies, where appropriate.

a) Asset Management and Enhancement Strategy

The LREIT Manager will manage the Properties to maintain and improve their operational performance, so as to optimise the cash flow and value of the Properties. The LREIT Manager will also look to drive organic growth by encouraging strong relationships with tenants by providing value-added property-related services. In addition, LREIT will benefit from the Sponsor's experience in asset management and asset enhancement.

Asset management strategies will also be implemented with the aim of ensuring the continued relevance of the Properties and to facilitate property enhancement opportunities.

Through such active asset management, the LREIT Manager seeks to maintain tenant retention and occupancy levels, a tenant mix and achieve rental growth, as well as reduce the costs associated with marketing and leasing space to new tenants.

Further, the LREIT Manager will seek returns from LREIT's property portfolio through some of, but not limited to, the following measures:

Maintaining and improving occupancy rates

The LREIT Manager will seek to maintain and improve the occupancy rates of future properties by working with the Property Managers to manage lease renewals effectively in order to reduce vacant periods due to either lease expiration or premature termination and to:

- work towards rental benchmarks established for each Property;
- engage in early renewal negotiations with tenants whose leases are about to expire;
- increase the overall marketability and profile of LREIT's portfolio of properties to increase the prospective tenant base;
- (in respect of the retail properties) implement asset management strategies to improve the resilience and relevance of the retail centres to shoppers;
- market current and impending vacancies to reduce vacant periods;
- monitor rental arrears to reduce defaults by tenants and other aspects of tenant performance;
- endeavour to incorporate contractual periodic rental step-up provisions in leases to provide an additional source of organic growth;
- search for new tenants from sectors currently under-represented in LREIT's portfolio of properties to pursue an diversified tenant mix;
- monitor and assess opportunities for spaces which are sub-optimal to redevelop or conduct asset enhancement works to suit prospective tenants' needs with a view to improving the marketability of such spaces; and
- understand and seek to satisfy the expansion needs of existing tenants.

The LREIT Manager will work with the Property Managers to initiate tenant retention initiatives to further strengthen tenant relationships. The LREIT Manager believes that such efforts will assist in contributing to tenant retention, reducing vacancy levels and reducing gaps in rental income, as well as the associated costs of securing new tenants.

Delivering services to tenants

The LREIT Manager intends to work with the Property Managers to ensure it continues to provide services to tenants through:

- providing quality asset management services to maintain retention rates;
- facilitating relocation or expansion of tenants according to their operational requirements; and
- being responsive to tenants' feedback and enquiries.

Implementing asset enhancement initiatives

The LREIT Manager will work closely with the Property Managers to improve the rental income and value of the portfolio by undertaking asset enhancement initiatives. To the extent possible and permitted by law and regulations, the LREIT Manager may:

- seek to rationalise the use of space, create more leasable area, identify sub-optimal and ancillary areas that can be converted for higher returns and improve building efficiency; and
- undertake retrofitting and refurbishments of LREIT's properties where necessary, to improve the interior and exterior signages, lighting and other aesthetic aspects of the properties to enhance their attractiveness and achievable rental rates.

The LREIT Manager will initiate asset enhancement initiatives subject to the improvements satisfying projected levels of feasibility and profitability.

Implementing marketing plans

The LREIT Manager intends to work with the Property Managers to develop customised marketing plans for each applicable Property. Each plan will focus on property-specific needs seeking to increase tenant interest and enhance the public profile and visibility with a view to increasing the value and appeal of the Properties and to maintain the long-term value of the Properties.

Continuing to manage operating costs

The LREIT Manager will work closely with the Property Managers to optimise the operational performance of the Singapore Property and the Milan Property, by reducing property operating expenses while maintaining the quality of services. The LREIT Manager intends to work closely with the Property Managers to manage and reduce the property operating expenses (without reducing the quality of maintenance and services).

Given LREIT's organic earnings growth potential, the LREIT Manager's initial strategy is to focus on optimising the operational performance of the Singapore Property and Milan Property.

b) Investments and Acquisition Growth Strategy

The LREIT Manager will seek to achieve portfolio growth by pursuing opportunities to acquire income-producing assets that align with LREIT's investment strategy, and pursue opportunities for future income and capital growth. In evaluating future acquisition opportunities, the LREIT Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile. The LREIT Manager will also continuously evaluate opportunities in cities in which the Sponsor Group has a presence and take a considered approach in deciding whether LREIT should explore these opportunities.

Investment criteria

In evaluating future acquisition opportunities for LREIT, the LREIT Manager, working with the Asset Managers, has put in place a process for the assessment of acquisition opportunities, which will focus primarily on the following investment criteria in relation to the property under consideration:

- **Yield requirements** – The LREIT Manager will seek to invest in income-producing properties, through the ability to increase the building's occupancy rate, renew existing leases to higher market rents at lease expiration, and from contractual rental increases in the tenants' leases.
- **Tenant mix and occupancy characteristics** – The LREIT Manager will seek to acquire properties with quality characteristics such as high occupancy rate, good tenant mix and healthy weighted average lease expiry profile, or properties with the potential to generate higher rentals and properties with potential for high tenant retention rates, relative to comparable properties in their respective micro-property markets. In addition, the LREIT Manager will evaluate the following prior to the acquisition of a property: (i) tenant credit quality in order to reduce the probability of collection losses, (ii) rental rates and occupancy trends to estimate rental income and occupancy rate going forward and (iii) the impact of the acquisition on the entire portfolio's tenant, business sector and lease expiry profiles.
- **Location** – LREIT will primarily focus on cities where the Lendlease Group already has a strong on-the-ground presence. Working with the Asset Managers, the LREIT Manager will assess each property's location and potential based on business growth in its market, as well as its impact on the overall geographic diversification of the portfolio. The LREIT Manager will evaluate potential acquisition targets for micro-market location and convenient access to major roads and public transportation. The LREIT Manager will also evaluate a range of location-related criteria including, but not necessarily limited to, ease of access, proximity and connectivity to major business, tourist and transportation hubs, visibility of premises from the surrounding catchment markets, and immediate presence and concentration of competitors.

- **Value-adding opportunities** – The LREIT Manager will seek to acquire properties with opportunities to increase occupancy rates and rental rates and enhance value through proactive property management. The potential to add value through selective renovation or other types of asset enhancement initiatives will also be assessed.
- **Building and facilities specification** – Working with the Property Managers, the LREIT Manager will endeavour to conduct thorough property due diligence and adhere to relevant specifications, with due consideration given to the size and age of the buildings and compliance with the relevant building and zoning regulations (including energy conservation, health and safety regulations). The LREIT Manager will rely on due diligence reports submitted by experts relating to the structural soundness of the building, repairs, maintenance, capital expenditure requirements and encroachment of site boundaries. In addition, the Sponsor's in-house expertise in the areas of sustainability, health and safety will help to provide additional capability in the due diligence process.

LREIT intends to hold the properties it acquires on a long-term basis. However, in the future, where the LREIT Manager considers that any property has reached a stage that offers limited scope for further growth, the LREIT Manager may recommend divesting a property and reinvesting the proceeds into properties that meet its investment criteria.

- **Ability to benefit from the Sponsor Group's Real Estate Investment and Management Experience**

Being an international property and infrastructure group with operations in Australia, Asia, Europe and the Americas, the Sponsor Group designs, develops, constructs, funds, owns, co-invests in, operates and manages property and infrastructure assets. The Sponsor Group also launched and managed Australia's first ever property trust, General Property Trust which was listed on the Australian Securities Exchange in 1971. The Sponsor Group's current strategy has been focused on becoming a leading international property and infrastructure group, growing its global development pipeline value (which is approaching A\$113 billion as at 30 June 2020), increasing its core construction backlog (which stands A\$14 billion¹ as at 30 June 2020) and growing its funds under management (which stands at A\$36 billion as at 30 June 2020). As such, the LREIT Manager will be able to benefit from the Sponsor Group's experience and track record in investing in real estate and managing property funds, thus assisting to identify investment opportunities.

In addition, LREIT will consider increasing its exposure to other cities in which the Sponsor Group operates in the future through the Sponsor Group's secured development pipeline either through the right of first refusal being granted by each of the Sponsor and Lendlease Trust (through its responsible entity Lendlease Responsible Entity Limited) if certain conditions are met, or through other potential acquisition opportunities which may be sourced from the Sponsor. LREIT will position itself to take full advantage of these acquisition opportunities.

c) **Capital Management Strategy**

The LREIT Manager will seek to manage LREIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix.

The LREIT Manager will also endeavour to:

- maintain a strong balance sheet with a gearing ratio of below 50% in accordance with the Property Funds Appendix;
- employ an appropriate mix of debt and equity instruments in financing acquisitions and asset enhancement initiatives;
- secure funding sources to access both financial institutions and capital markets;

¹ Backlog revenue refers to the unrecognised revenue which is already committed under existing agreements.

- optimise its cost of debt financing; and
- utilise interest rate and currency risk management strategies (including hedging) to reduce exposure to market volatility on its income, where appropriate.

The LREIT Manager will seek to achieve the above by pursuing the following strategies:

- **Capital structure strategy** – Within the borrowing limits set out in the Property Funds Appendix, the LREIT Manager will endeavour to use an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties. The LREIT Manager's capital management strategy involves adopting and maintaining aggregate leverage levels and debt maturity schedules, while maintaining flexibility in respect of future capital expenditures or acquisitions.

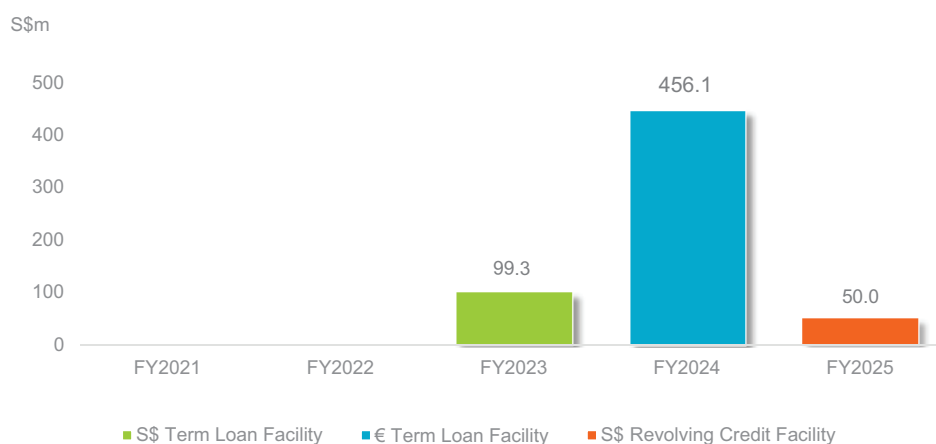
In the event that LREIT incurs any future borrowings, the LREIT Manager will periodically review LREIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in light of prevailing market conditions. The LREIT Manager will endeavour to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time.

As at 30 September 2020, LREIT's gross borrowings amounted to approximately S\$555.4 million, with debt funding from a syndicate of lenders and 100.0% of its debt being unsecured. It has a gearing ratio of 35.6 % of its Deposited Property, complying with the 50% aggregate leverage limit in the Property Funds Appendix.

As at 30 September 2020, LREIT's weighted average debt maturity was 2.8 years and the interest coverage ratio was 9.2 times, in accordance with the requirements in its debt facilities. The interest coverage ratio is 4.8 times, in accordance with the Property Funds Appendix.

The following chart illustrates the debt maturity profile of LREIT as at 3 November 2020¹:

Debt maturity profile



The LREIT Manager continues to maintain its targeted capital structure to ensure financial flexibility in accessing capital resources.

- **Risk management strategy** – LREIT will endeavour to utilise interest rate and currency risk management strategies, where appropriate. The LREIT Manager intends to adopt the following risk management policies: (i) distributable income will be hedged to a fixed exchange rate as soon as the amount has been earned from the underlying assets or can be reasonably estimated; and (ii) at least 50.0% of LREIT's borrowings will be hedged to a fixed interest rate.

¹ Conversion of € to S\$ is based on the foreign exchange rate of 1.601 as at 30 September 2020.

As at 30 September 2020, 100.0% of LREIT's interest rate risk is hedged to fixed rate debt through interest rate swaps and options. To mitigate foreign currency risks, LREIT has also substantially hedged its projected Euro-denominated income for FY2021 and FY2022. In addition, LREIT has also achieved a Euro natural hedge against its Euro capital investment in Sky Complex via a Euro term loan.

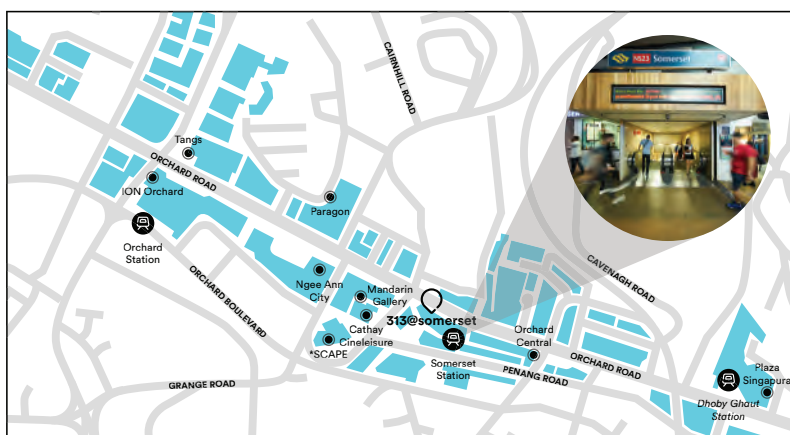
- **Other financing strategies** – The LREIT Manager will, in the future, consider other opportunities to raise additional equity capital for LREIT, for example, to finance acquisitions of properties. The decision to raise additional equity will also take into account the stated strategy of maintaining its targeted capital structure.

THE PROPERTIES

As at 30 September 2020, the Properties have a total NLA of 1.3 million square feet comprising 288,318 square feet of retail NLA and 985,967 square feet of office NLA.

Singapore - 313@somerset

313 Orchard Road, Singapore 238895



Key information on 313@somerset

The table below sets out a summary of selected information on 313@somerset as at 30 September 2020:

No. of buildings	1
Property Type	Retail
Title	99 year leasehold ¹
Purchase Consideration	S\$1,003.0 million
Acquisition Date	2 October 2019
Ownership	100.0%
NLA (square feet)	288,318
Occupancy	95.6% ²
FY2020 Net Property Income	S\$23.4 million
WALE by GRI	1.7 years
WALE by NLA	1.6 years

¹ From 21 November 2006 until 20 November 2105.

² Since 30 September 2020, LREIT has secured a new tenant that would improve the occupancy at 313@somerset to 98.0%.

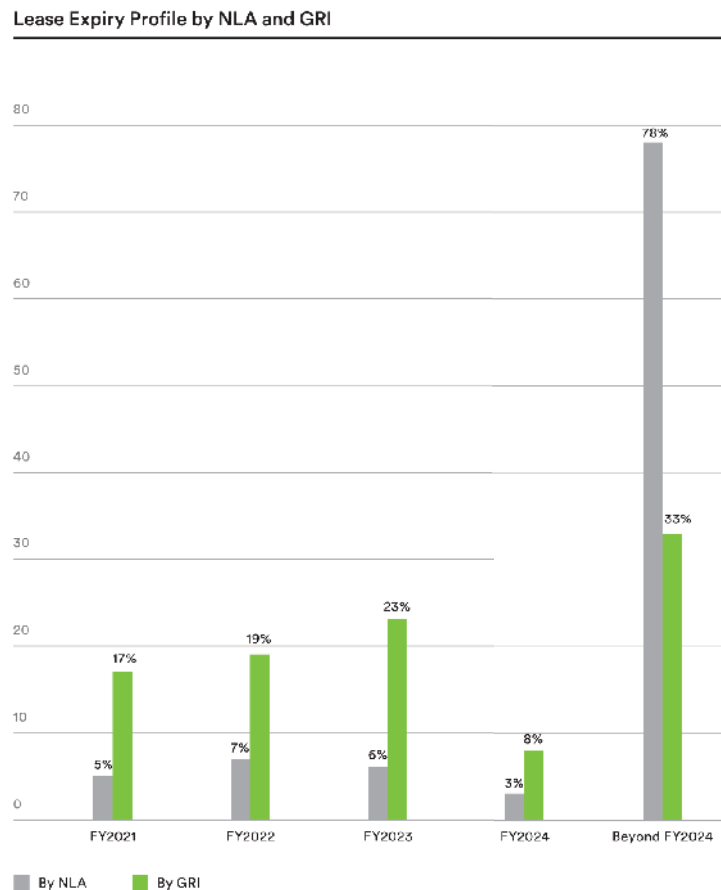
313@somerset is located between Somerset Road and Orchard Road. It is situated along Orchard Road, the major shopping belt and tourist attraction in Singapore. 313@somerset has direct access to Somerset MRT Station on basement 2 and is connected to the adjacent retail mall of Orchard Gateway on levels 1 and 4.

313@somerset is a retail mall which spans eight levels, comprising three basement levels (basement 3 to basement 1) and five levels above ground (level 1 to 5). There are 220 car parking lots located on levels 6 and 7. 313@somerset garnered the BCA Green Mark Platinum Award and 3R Awards 2017 (Shopping Mall Category), and in October 2019, attained the top spot for the third year running in the Asia Retail category of the Global Real Estate Sustainability Benchmark rankings. Its appraised value is S\$1,008.0 million as at 30 June 2020.

It has a total of 142 committed tenancies (as at 30 June 2020) with a focus on trade sectors of food and beverage (38% of GRI) and fashion and accessories (30% of GRI). Discovery Walk at the ground level houses a cluster of restaurants, bars and lounges while the upper floors house sporting goods stores selling athleisure, lifestyle accessories and branded footwear.

Lease expiry profile for 313@somerset by NLA and GRI (as at 30 June 2020)

The chart below illustrates the lease expiry profile of 313@somerset by NLA and GRI as at 30 June 2020.



On 13 June 2020, the LREIT Manager announced that LREIT had won the tender to redevelop the Grange Road car park, which is adjacent to 313@somerset, into a new multi-functional event space. The Grange Road car park ceased operations at the end of 2020, and redevelopment works are expected to commence shortly. This event space is expected to be operational in the second quarter of 2022.

Milan - Sky Complex

Via Monte Penice 7 and Via Luigi Russolo 9, 20138 Milan, Italy



Key information on Sky Complex

The table below sets out a summary of selected information on Sky Complex as at 30 September 2020:

No. of buildings	3
Property Type	Grade-A Office ¹
Title	Freehold
Purchase Consideration	€262.5 million
Acquisition Date	2 October 2019
Ownership	100.0%
NLA (square feet)	985,967
Occupancy	100.0%
FY2020 Net Property Income	S\$16.9 million
WALE by GRI	11.6 years
WALE by NLA	11.6 years

Sky Complex is located in the southeast area of the Milan Municipality, which is the main industrial, commercial and financial centre of Italy. Its appraised value is €277.7 million (S\$434.6 million²) as at 30 June 2020.

It is situated within the southern part of the district of Milano Santa Giulia which is located between the districts of Rogoredo and Taliedo. Milano Santa Giulia is an urban regeneration project with a total area of more than one million square metres comprising retail, residential, commercial office, and leisure spaces. About one third of the buildable area of the redevelopment scheme has been constructed.

Sky Complex is situated in the area flanked by Via Luigi Russolo on the northwest and Via Monte Penice on the southeast and is located within the Milan Periphery office submarket of Milan. The immediate surrounding area is characterised by the presence of residential buildings and small shops on the ground floors.

¹ Comprises office and television studios.

² Based on the €:S\$ exchange rate of €1:S\$1.565 as at 30 June 2020.

Sky Complex is accessible via public transport. The Rogoredo subway station is located about 150 metres away, providing access to Yellow-MM3 line of the Milan Metro network and served by multiple bus lines. The closest railway station is Milano Rogoredo, also located about 150 metres away. The station is served by several regional and suburban lines and high-speed trains towards Bologna, Florence, Rome and Naples.

Linate Airport is located about 7.5 kilometres from the buildings, and is 10 minutes by car accessible from the San Donato exit of the Tangenziale Est (Milan ring-road) and 40 minutes by public transportation. Sky Complex is also accessible by car. It is close to the A1 Motorway – Autostrada del Sole (exit “San Donato Milanese”, about 1km distance) and the A51 East Milan Ring Road – Tangenziale Est di Milano (exit “Milano Rogoredo/San Donato Milanese”, about 1km distance).

Sky Complex comprises three commercial office buildings with a total of 985,967 square feet (net lettable area) of office spaces, television studios and technical rooms, as well as an underground car park comprising 501 spaces. All three office buildings have Grade A¹ office building specifications and are equipped with facilities such as floating floors and suspended ceilings with integrated cable ducts.

Completed in 2008, buildings 1 and 2 are connected via a link, allowing for ease of access between the buildings. Building 3, completed in 2015, is the newest of the three buildings and has a LEED Gold Certification.

Sky Complex is 100.0% let to Sky Italia on a single lease on a 12 + 12 year lease term since 2008. As the tenant has waived the option to vacate the property on the first lease expiry, the next lease expiry is on 15 May 2032 with a break clause at the end of the eighteenth year with twelve months’ advance notice in 2026. The rent is subject to an annual increase of 75.0% of ISTAT’s index variation starting from the second year of lease. The lease agreement with Sky Italia may not be amended other than by means of an agreement in writing executed by the lessor and the tenant. The lease has a triple net lease structure (under which the tenant is generally responsible for the operating expenses of the property) which reduces operational costs and risks for the owner.

Sky Italia is an Italian satellite television platform owned by Comcast Corporation. As at the Latest Practicable Date, Comcast has investment-grade ratings from the major global credit rating agencies.

RECENT DEVELOPMENTS

Impact of COVID-19

Singapore

On 4 April 2020, the Singapore Multi-Ministry Taskforce announced an elevated set of safe distancing measures (locally referred to as “circuit breaker” measures) which started on 7 April 2020 and lasted to 1 June 2020. Under the “circuit breaker” measures, only businesses providing essential services were allowed to continue operating and residents were ordered to stay at home with a limited range of exceptions. As a result of the “circuit breaker” measures, the tenants of 313@somerset who were deemed to be non-essential businesses had to suspend their businesses. Examples of non-essential businesses include wellness and beauty product shops and consumer electronics retailers. These “circuit breaker” measures were gradually relaxed from 2 June 2020. Singapore entered phase two and phase three of its reopening plans on 19 June 2020 and 28 December 2020 respectively, as restriction measures were eased to allow a majority of economic activities to resume, subject to certain safe distancing measures. Retail activity has gradually resumed from June 2020 as most entertainment venues and retail outlets have reopened and dining-in at restaurants is allowed with group sizes limited to five persons. More than 95% of 313@somerset’s tenants have resumed operations, and tenant sales have also improved in tandem with the increased footfall. However, a return to pre-COVID-19 store-operations norms cannot be expected as long as safe distancing measures remain in place. Until the safe distancing measures are lifted, such measures will continue to weigh on shopper traffic and tenant sales in the short term.

¹ An office building with floor plans more than 1,500 square metres and a structural grid of approximately 10 metres x 10 metres is considered as appropriate to be classified as a Grade A office building.

On 7 April 2020, the Singapore government also passed the COVID-19 (Temporary Measures) Act 2020, No. 14 of 2020 (the “**COVID-19 Act**”) which, among other things, allows tenants to seek temporary relief from paying rent and other obligations under their leases, restricts the rights of landlords to take any court and insolvency proceedings in respect of a tenant’s non-performance of obligations and to exercise certain self-help remedies such as rights of re-entry or forfeiture under a lease, and obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. In addition, landlords are obliged to waive up to two months (for industrial/office properties) or four months (for qualifying commercial properties) of rent for small and medium-sized enterprises which are eligible prescribed tenant-occupiers. Such eligible prescribed tenant occupiers are also allowed to elect to defer payment of outstanding rent payable in equal instalments in accordance with a statutory repayment schedule. The Singapore government had in October 2020 extended the relief period under COVID-19 Act up to 19 November 2020.

Notably, it was announced in April 2020 that due to various measures introduced by the Singapore government to combat COVID-19, there will be an impact on 313@somerset’s contribution to LREIT’s distributable income from April 2020 onwards as compared against the profit and distribution forecast set out in the IPO Prospectus. The LREIT Manager withdrew the IPO profit and distribution forecast for the financial period ending 30 June 2020 and the profit and distribution projection for the financial year ending 30 June 2021 as set out in the IPO Prospectus, as it would no longer be a fair basis against which the actual performance of LREIT could be compared given the impact of COVID-19.

The LREIT Manager has been engaging with LREIT’s retail tenants at 313@somerset actively since the onset of the COVID-19 pandemic. Up to two months of rental relief were provided to eligible tenants and full savings from property tax rebate were also passed through to eligible tenants to help them tide over this period. In addition, LREIT has offered eligible tenants in 313@somerset to utilise part of their security deposit to offset rental payments and defer a certain amount of rent under the COVID-19 Act repayment scheme. Nevertheless, the overall retail sector and leasing demand remains subdued. Leasing activities are expected to remain challenging due to the soft demand resulting from the COVID-19 pandemic. In the coming quarters, the LREIT Manager expects this cautious stance to put pressure on occupancy and rental reversion for 313@somerset. While the LREIT Manager remains committed to provide appropriate assistance to ensure business continuity of its retail tenants, these rent relief measures have weighed down on LREIT’s performance.

On 1 October 2020, the LREIT Manager announced that LREIT acquired a 5.0% equity stake in Lendlease Asian Retail Investment Fund 3 Limited, which indirectly holds a 75.0% interest in Jem (an integrated office and retail development located in Jurong Gateway), from Lendlease International Pty Limited at a purchase consideration of approximately S\$45.0 million. Jem is situated next to the Jurong East 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 leased to the Ministry of National Development of Singapore.

On 1 October 2020, it was also announced that LREIT obtained a multi-currency revolving facility of up to an amount equivalent to S\$50,000,000 with a tenor of four years from DBS Bank Ltd., which will be used to finance LREIT’s general corporate funding purposes.

On 2 November 2020, it was announced that the Ministry of Law intends to introduce a Re-Align Framework to help eligible businesses that have been significantly impacted by COVID-19 renegotiate selected types of contracts with their counterparties to realign with current economic conditions and business objectives. The framework will provide eligible businesses with a basis to renegotiate such contracts and come to a mutual agreement. If the negotiations are unsuccessful, the contract may be terminated. For terminated contracts, businesses will remain liable for any outstanding debts and obligations, but will not be liable to pay penalties for early termination. This framework covers, *inter alia*, leases or licences for non-residential immovable property and contracts for sale and purchase of goods and services. The framework will apply retrospectively to contracts which are terminated on or after 2 November 2020. The framework is scheduled to commence on 15 January 2021. For more details on the Re-Align Framework, please refer to <https://www.mlaw.gov.sg/>.

Milan

According to the latest report by the Italian National Institute of Statistics¹ in October 2020, gross domestic product increased by 16.1% and 4.7%, quarter-on-quarter (“QoQ”) and year-on-year (“YoY”) respectively, in 3Q 2020. The QoQ uplift was due to an increase in both its external and internal trades. According to preliminary estimates, the Italian consumer price index for October 2020 was +0.2% month-on-month and -0.3% YoY.

The recovery in Italy was seen since May 2020. The latest data showed that industrial production and retail trade, in volume, have substantially reached their pre-Covid levels while confidence, exports and employment are still below their pre-crisis levels.

In the report, it was cited that consumer confidence has declined due to the uncertainties in economic and the future indices. The business confidence climate index, however, displayed a further improvement.

As of the Latest Practicable Date, no rental waiver has been granted to Sky Italia and it has made all its rental payments in a timely manner.

INSURANCE

The LREIT Manager believes that the Properties are insured in accordance with the industry practices in Singapore and Italy. The coverage, subject to local policy limitations, include fire accident, property damage by, *inter alia*, fire, storm, floods and civil commotion, terrorism, business interruption and public liability (including personal injury). There are no unusual excess or deductible payments required under such policies based on the Manager’s experience and understanding of industry practice. All insurance contracts are periodically reviewed by the LREIT Manager.

There are, however, certain types of risks that are not covered by such insurance policies, such as acts of war, fraudulent or dishonest acts, nuclear or radio-active contamination, contamination or other long-term environmental impairments.

(For more details, please see “*Risk Factors – Risks Relating to the Properties – LREIT may not be able to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds*”.)

STRUCTURE OF LREIT

The LREIT Manager has general powers of management over the assets of LREIT. The LREIT Manager’s main responsibility is to manage LREIT’s assets and liabilities. The LREIT Manager sets the strategic direction of LREIT and gives recommendations to the LREIT Trustee on the acquisition, divestment, development and/or enhancement of assets of LREIT in accordance with its stated investment strategy.

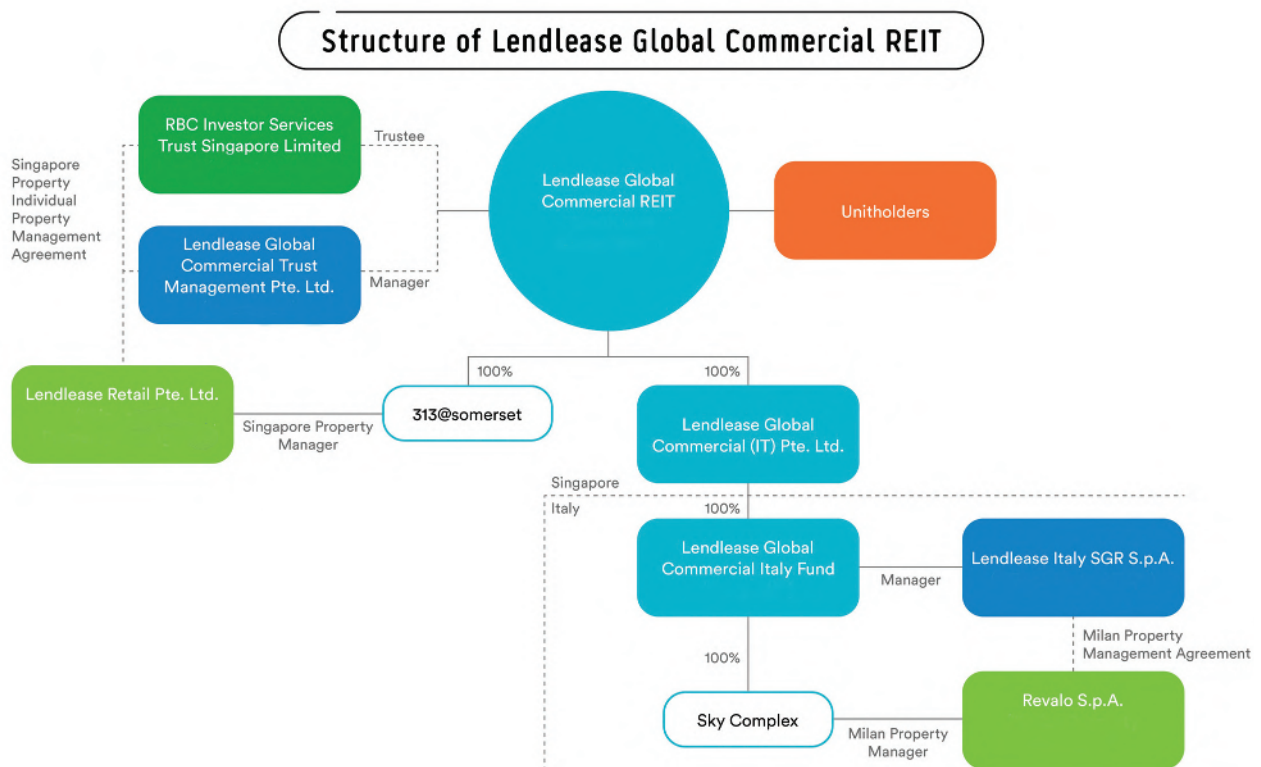
The Singapore Property Manager is a member of the Sponsor Group. It is responsible for providing property management, lease management, project management and marketing services in respect of any properties acquired by the LREIT Trustee in Singapore on behalf of LREIT (including the Singapore Property), whether such properties are directly or indirectly held, or wholly or partly owned by LREIT, subject to the overall management and supervision of the LREIT Manager.

The Italy AIF holds the Milan Property and is an alternative investment fund (“AIF”) managed by Lendlease Italy SGR S.p.A. in its capacity as the alternative investment fund manager (“AIF Manager”). The Italy AIF is constituted under the laws of Italy, and whose units are wholly-owned by LREIT (acting through the LREIT Manager) through its wholly-owned subsidiary, Lendlease Global Commercial (IT) Pte. Ltd., in its capacity as unitholder.

¹ Italian National Institute of Statistics. (2020). *Monthly Report on the Italian Economy (October 2020)*.

The AIF Manager has appointed the Milan Property Manager to provide property management services, building management services, project management services and construction supervision services to the Milan Property. The Milan Property Manager is a third party professional property manager that is unrelated to the Sponsor. It was acquired on 2 July 2020 by Revalo Holding Srl, as part of a larger management buyout led by the current CEO of the Milan Property Manager. The Milan Property Manager has assets under management of approximately €6.1 billion as at 30 June 2020.

The following diagram illustrates the relationship between, among others, LREIT, the LREIT Manager, the LREIT Trustee, the Singapore Property Manager, the Milan Property Manager and LREIT’s Unitholders as at the Latest Practicable Date:



On 3 December 2020, Lendlease Retail Pte. Ltd. was appointed as the development manager and property manager for the redevelopment of the Grange Road carpark in Singapore into a multi-functional event space. Please refer to the LREIT Manager’s SGX-ST announcement titled “Proposed Appointments in Connection with the Redevelopment of the Grange Road Car Park” released on 3 December 2020 for more details.

THE LREIT TRUSTEE

The Issuer is the trustee of LREIT. For more information on the Issuer, please see “*Description of the Issuer – Overview*”.

The LREIT Trustee acts as the trustee of LREIT and, in such capacity, holds the assets of LREIT on trust for the benefit of Unitholders, safeguards the rights and interests of the Unitholders and exercises all the powers of a trustee and the powers accompanying ownership of the properties in LREIT.

Powers, Duties and Obligations of the LREIT Trustee

The LREIT Trustee’s powers, duties and obligations are set out in the LREIT Trust Deed. The powers and duties of the LREIT Trustee include:

- acting as trustee of LREIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of LREIT with a Related Party of the LREIT Manager, the LREIT Trustee or LREIT are conducted on normal commercial terms, are not prejudicial to the interests of LREIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;
- holding the assets of LREIT on trust for the benefit of the Unitholders in accordance with the LREIT Trust Deed; and
- exercising all the powers of the LREIT Trustee and the powers that are incidental to the ownership of the assets of LREIT.

The LREIT Trustee has covenanted in the LREIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the LREIT Trustee may (on the recommendation of the LREIT Manager) and subject to the provisions of the LREIT Trust Deed, acquire or dispose of any real or personal property, borrow or encumber any asset.

The LREIT Trustee may, subject to the provisions of the LREIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers or service providers or such other persons, including a Related Party of the LREIT Manager on an arm’s length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any real estate assets and real estate-related assets.

Subject to the LREIT Trust Deed and the relevant laws, regulations and guidelines, the LREIT Manager may require the LREIT Trustee to borrow or raise money or guarantee any indebtedness for the purposes of LREIT, either on a secured or unsecured basis.

The LREIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the LREIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Take-Over Code, any tax ruling and all other relevant laws. It must retain LREIT’s assets, or cause LREIT’s assets to be retained, in safe custody and cause LREIT’s accounts to be audited. Pursuant to the LREIT Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any Related Party of the LREIT Trustee) in relation to the whole or any part of LREIT’s assets. It can appoint valuers to value the real estate assets and real estate-related assets of LREIT.

The LREIT Trustee is not personally liable to a Unitholder in connection with the office of the LREIT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the LREIT Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the LREIT Trustee shall be limited to the assets of LREIT over which the LREIT Trustee has recourse, provided that the LREIT Trustee has acted without fraud, gross negligence, wilful default, breach of the LREIT Trust Deed or breach of trust. The LREIT Trust Deed contains certain indemnities in favour of the LREIT Trustee under which it will be indemnified out of the assets of LREIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the LREIT Trustee

The LREIT Trustee may retire or be replaced under the following circumstances:

- The LREIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the LREIT Trust Deed).
- The LREIT Trustee may be removed by notice in writing to the LREIT Trustee by the LREIT Manager:
 - if the LREIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the LREIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the LREIT Trustee;
 - if the LREIT Trustee ceases to carry on business;
 - if the LREIT Trustee is in breach of any material obligation imposed on the LREIT Trustee by the LREIT Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the LREIT Manager, provided that at the end of 60 days, the cure period may be extended for such other period as may be agreed between the LREIT Manager and the LREIT Trustee;
 - if the Unitholders, by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the LREIT Trust Deed, and of which not less than 21 days' notice has been given to the LREIT Trustee and the LREIT Manager, shall so decide; or
 - if the MAS directs that the LREIT Trustee be removed.

THE LREIT MANAGER

Lendlease Global Commercial Trust Management Pte. Ltd. is the manager of LREIT. The LREIT Manager was incorporated in Singapore under the Companies Act on 21 January 2019. As at the date of this Offering Circular, the LREIT Manager has an issued and paid-up capital of S\$1,000,000. Its registered office is located at 2 Tanjong Katong Road, #05-01 PLQ 3, Paya Lebar Quarter, Singapore 437161.

The LREIT Manager has been issued a capital markets services licence ("**CMS Licence**") for REIT management pursuant to the SFA on 13 September 2019.

Shareholding

As at the Latest Practicable Date, the shareholder of the LREIT Manager is Lendlease Singapore Holdings Pty Limited, an indirect wholly owned subsidiary of the Sponsor, Lendlease Corporation Limited.

The Sponsor is part of the Lendlease Group, which comprises the Sponsor, Lendlease Trust and their subsidiaries. The Lendlease Group is an international property and infrastructure group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

The Lendlease Group focuses on an integrated approach across three business segments (development, construction and investments), which allows it to deliver major precincts, new communities and important civic and social infrastructure from conception to completion. This integrated approach also enables it to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles.

As at 30 June 2020, the Lendlease Group operates in four key regions across 17 gateway cities, with a development pipeline approaching A\$113 billion, a core construction backlog of A\$14 billion¹ and funds under management of A\$36 billion. It is a trusted investment manager to capital partners in property and infrastructure investments, and has a portfolio of 21 urbanisation projects across nine gateway cities, some of which include Barangaroo South (Sydney, Australia) and Milan Innovation District (Milan, Italy). In July 2019, the Lendlease Group secured a project to develop three mixed-use communities in the San Francisco Bay Area in conjunction with Google. The predominantly residential led scheme, with an end value of approximately A\$20.0 billion, will deliver more than 15,000 new homes over a 10-15 year timeframe. As at the Latest Practicable Date, the Lendlease Group has a market capitalisation of approximately A\$9.0 billion.

In Australia, Asia, Europe and the Americas, the Sponsor Group designs, develops, constructs, funds, owns, co-invests in, operates and manages property and infrastructure assets. The Sponsor Group also launched and managed Australia's first ever property trust, General Property Trust which was listed on the Australian Securities Exchange in 1971. The Sponsor Group's current strategy has been focused on becoming a leading international property and infrastructure group, growing its global development pipeline value which is approaching A\$113 billion as at 30 June 2020, increasing its core construction backlog (which stands at A\$14 billion² as at 30 June 2020) and growing its funds under management (which stands at A\$36 billion as at 30 June 2020). As such, the LREIT Manager will be able to benefit from the Sponsor Group's experience and track record in investing in real estate and managing property funds, thus assisting to identify investment opportunities.

Roles and Responsibilities of the LREIT Manager

The LREIT Manager has general powers of management over the assets of LREIT. The LREIT Manager's main responsibility is to manage LREIT's assets and liabilities for the benefit of Unitholders. The LREIT Manager will set the strategic direction of LREIT and give recommendations to the LREIT Trustee on the acquisition, divestment, development and/or enhancement of assets of LREIT in accordance with its stated investment strategy.

The LREIT Manager will provide, among others, the following services to LREIT:

- **Investment:** Formulating LREIT's investment strategy, including determining the location, sub-sector type and other characteristics of LREIT's property portfolio, overseeing negotiations and providing supervision in relation to investments of LREIT and making final recommendations to the LREIT Trustee.
- **Asset management:** Formulating LREIT's asset management strategy, including determining tenant mix, asset enhancement works and rationalising operation costs. Providing supervision in relation to asset management of LREIT and making final recommendations to the LREIT Trustee on material matters.
- **Capital management:** Formulating plans for equity and debt financing for LREIT's property acquisitions, distribution payments, expense payments and property maintenance payments, executing capital and financial risk management plans, negotiating with financiers and underwriters and making final recommendations to the LREIT Trustee.
- **Accounting:** Preparing accounts, financial reports and annual reports for LREIT on a consolidated basis.

¹ Backlog revenue refers to the unrecognised revenue which is already committed under existing agreements.

² Backlog revenue refers to the unrecognised revenue which is already committed under existing agreements.

- **Compliance:** Making all regulatory filings on behalf of LREIT, and using commercially reasonable efforts to assist LREIT in complying with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Take-Over Code, the LREIT Trust Deed, the CMS Licence, any tax ruling and all relevant contracts.
- **Investor relations:** Communicating and liaising with investors, analysts and the investment community.

The LREIT Manager has covenanted in the LREIT Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;
- ensure that LREIT's operations are carried on and conducted in a proper and efficient manner; and
- conduct all transactions with or for LREIT on an arm's length basis and on normal commercial terms.

The LREIT Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on Gross Revenue, capital expenditures, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to monitor the performance of LREIT's properties.

The LREIT Manager will also continue to monitor the development of the COVID-19 pandemic and has taken necessary precautionary measures at LREIT's assets in accordance with guidelines from local health authorities. Against the backdrop of a changing retail landscape, the LREIT Manager is also tapping on technology to open up new choices and experiences for shoppers, in delivering an omnichannel shopping experience.

The LREIT Manager will continue to improve the underlying performance of LREIT's assets, engage with tenants in meeting their space requirements and adopt capital and asset management strategies to reduce costs and noncore expenditures.

The LREIT Manager may require LREIT to borrow or may recommend that its subsidiaries borrow, (upon such terms and conditions as the LREIT Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the LREIT Manager considers that such borrowings are necessary or desirable including in order to enable LREIT to meet any liabilities or to finance the acquisition of any property. However, the LREIT Manager must not direct the LREIT Trustee, or such subsidiary, to incur a borrowing if to do so would mean that LREIT's total borrowings and deferred payments will exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

In the absence of fraud, gross negligence, wilful default or breach of the LREIT Trust Deed by the LREIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the LREIT Trust Deed. In addition, the LREIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as LREIT Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the LREIT Trust Deed by the LREIT Manager.

The LREIT Manager may, in managing LREIT and in carrying out and performing its duties and obligations under the LREIT Trust Deed, with the written consent of the LREIT Trustee, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the LREIT Trust Deed, provided always that the LREIT Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Retirement or Removal of the LREIT Manager

The LREIT Manager shall have the power to retire in favour of a corporation recommended by the LREIT Manager and approved by the LREIT Trustee to act as the manager of LREIT. Also, the LREIT Manager may be removed by notice given in writing by the LREIT Trustee if:

- the LREIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the LREIT Trustee) or if a receiver is appointed over its assets or a judicial manager is appointed in respect of the LREIT Manager;
- the LREIT Manager ceases to carry on business;
- the LREIT Manager is in breach of any material obligation imposed on the LREIT Manager by the LREIT Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the LREIT Trustee, provided that at the end of the 60 days, the cure period may be extended for such period as may be agreed between the LREIT Manager and the LREIT Trustee;
- the Unitholders by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened in accordance with the LREIT Trust Deed, with no Unitholder (including the LREIT Manager and its Related Parties) being disenfranchised, vote to remove the LREIT Manager;
- for good and sufficient reason the LREIT Trustee is of the opinion that the actions of the LREIT Manager harms the interests of the Unitholders, and so states in writing such reason and opinion, that a change of LREIT Manager is desirable in the interests of the Unitholders; or
- the MAS directs the LREIT Trustee to remove the LREIT Manager.

Where the LREIT Manager is removed on the basis that a change of the LREIT Manager is desirable in the interests of the Unitholders, the LREIT Manager has a right under the LREIT Trust Deed to refer the matter to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the LREIT Manager, the second of whom shall be appointed by the LREIT Trustee and the third of whom shall be appointed by the Chairman for the time being of the SGX-ST (failing which appointment, the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant to such arbitration proceedings shall be binding upon the LREIT Manager, the LREIT Trustee and all Unitholders.

Board of Directors and Executive Officers of the LREIT Manager

The Board of Directors of the LREIT Manager as at the date of this Offering Circular are:

Name	Position
Mr Anthony Peter Lombardo	Chairman and Non-Independent Non-Executive Director
Dr Tsui Kai Chong	Lead Independent Non-Executive Director
Mr Simon John Perrott	Independent Non-Executive Director
Mrs Lee Ai Ming	Independent Non-Executive Director
Ms Ng Hsueh Ling	Non-Independent Non-Executive Director

Experience and Expertise of the Board of Directors of the LREIT Manager

Information on the business and working experience of the directors of the LREIT Manager as at the date of this Offering Circular is set out below:

Chairman and Non-Independent Non-Executive Director, Anthony Peter Lombardo

Mr Lombardo is the Chief Executive Officer of Lendlease Asia Holdings Pte. Ltd. and he has held this position since 2016. As Chief Executive Officer, Asia, he is responsible for developing strategies for the growth of Lendlease business and operations in Asia.

Mr Lombardo was also already serving as the Non-Independent Non-Executive Director of the LREIT Manager, Chairman of the Board and a Member of the Audit and Risk Committee when LREIT was listed on the SGX-ST on 2 October 2019. Prior to this, he was Lendlease Corporation's Group Chief Financial Officer from 2011 to 2016, managing the financial matters for the Lendlease Group, and Group Head of Strategy/M&A between 2007 and 2011 in developing and driving group strategies. Before joining the Lendlease Group, he held various positions including Vice President of Strategy, Director of Business Development and Manager of Finance with General Electric International Inc, and Manager with KPMG Australian Services Pty Limited.

Mr Lombardo graduated with a Bachelor of Business, Accountancy from the Royal Melbourne Institute of Technology and is a Chartered Accountant with Chartered Accountants, Australia and New Zealand since 2000.

Lead Independent Non-Executive Director, Tsui Kai Chong

Dr Tsui Kai Chong is an Independent Non-Executive Director of the LREIT Manager and the Lead Independent Director. He is also the Chairman of the Audit and Risk Committee and a Member of the Nomination and Remuneration Committee.

He has been the Provost of the Singapore University of Social Sciences since 2005. Previously, Dr Tsui was the Vice Provost, Singapore Management University, where he was in charge of undergraduate and graduate programmes.

Dr Tsui is a non-executive director of the Intellectual Property Office of Singapore, a position he has held since 2015. He had previously served as a member of the boards of IP Academy, National Council of Social Service, Keppel Land Limited and was also chairman of the manager of Keppel REIT.

He received his Chartered Financial Analyst qualification in 1993. He holds a MPhil and PhD (Finance) from New York University.

Independent Non-Executive Director, Simon John Perrott

Mr Perrott is an Independent Non-Executive Director of the LREIT Manager. He is also a Member of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee.

He was previously the Chairman of CIMB Bank Australia from 2012 to 2014 and the Chairman of RBS Australia from 2009 to 2012. From 2002 to 2009, he held various roles in ABN AMRO Bank N.V. where his last held role was Co-Head of Banking. He is currently also an independent non-executive director of Lendlease Real Estate Investments Limited, a wholly-owned subsidiary of Lendlease Corporation, which holds an Australian financial services licence granted by the Australian Securities and Investments Commission and which is the fund manager of certain of Lendlease's funds. In addition, Mr Perrott is an independent non-executive director of Retirement Benefit Fund Pty Limited, which is the trustee for the Lendlease Retirement Benefit Fund, a non-profit organisation.

Mr Perrott holds a Bachelor of Science from the University of Melbourne and a Master of Business Administration from the University of New South Wales.

Independent Non-Executive Director, Lee Ai Ming

Mrs Lee is an Independent Non-Executive Director of the LREIT Manager. She is also the Chairman of the Nomination and Remuneration Committee and a Member of the Audit and Risk Committee.

She is currently a Senior Consultant with Dentons Rodyk & Davidson LLP. Prior to that, she was the Deputy Managing Partner of Dentons Rodyk & Davidson LLP (then known as Rodyk & Davidson LLP). She is currently also an independent director of Keppel Telecommunications & Transportation Ltd. and a board member of Temasek Life Sciences Laboratory. She has previously served on the boards of HTL International Holdings Pte. Ltd., Keppel Land Limited, Keppel REIT Management Limited (the manager of Keppel REIT) and the Agri-Food and Veterinary Authority as an independent director. She is also a Justice of the Peace, having been appointed in 2016.

Mrs Lee holds a Bachelor of Laws (Honours) from the University of Singapore (now known as the National University of Singapore).

Non-Independent Non-Executive Director, Ng Hsueh Ling

Ms Ng is a Non-Independent Non-Executive Director of the LREIT Manager. She is also a Member of the Nomination and Remuneration Committee.

She is the Managing Director, Singapore and Chief Investment Officer, Asia of Lendlease Investment Management Pte. Ltd. since 2017. She is responsible for developing, overseeing and inputting mid to long term strategies for the region's investments, products and services to drive growth for the Asia region's investment portfolio. As Managing Director, Singapore, she leads and directs all aspects of the country's operations, managing and monitoring standards of delivery and deployment of resources. She reviews and monitors the performance of investments to ensure fund and asset value growth and profit opportunities are compatible with Lendlease Investment Management Pte Ltd's objectives and acceptable risk standards.

Prior to joining the Lendlease Group, she was the Chief Executive Officer of Keppel REIT Management Limited, the manager of Keppel REIT, from 2009 to 2017, Chief Executive Officer, Korea & Japan and Senior Vice President of Fund Business Development and Real Estate Fund Management of Ascendas Pte. Ltd. from 2005 to 2009, Vice President of Real Estate Capital Management with CapitaLand Financial Ltd. from 2002 to 2005 and Vice President of Investment & Investment Sales with CapitaLand Commercial Ltd. from 2000 to 2001.

Ms Ng graduated with a Bachelor of Science (Estate Management) from the National University of Singapore. She is also a Fellow of the Singapore Institute of Surveyors and Valuers and a licensed appraiser for Lands and Buildings with the Inland Revenue Authority of Singapore.

Experience and Expertise of the Executive Officers of the LREIT Manager

Name	Position
Mr Kelvin Chow	Chief Executive Officer
Mr Joshua Liaw	Executive General Manager, Finance
Mr Victor Shen	Senior Finance Manager
Ms Julia Chew	Deputy Fund Manager
Ms Ling Bee Lin	Investor Relations Manager
Mr Mark Yong	Senior Analyst

Chief Executive Officer, Kelvin Chow

Mr Chow was appointed CEO of the LREIT Manager in 2019. He has over 27 years of experience in finance and accounting matters, tax and treasury and capital management, including more than 16 years of experience in direct real estate investments and fund management. Back in 2018 and prior to his appointment as CEO, Mr Chow was the Managing Director of Investment Management in Asia in Lendlease Investment Management Pte. Ltd. where he managed the overall performance of the Asia funds platform and asset management functions. Before joining the Lendlease Group, he was the Chief Financial Officer of various REITs where he played a vital role in overseeing each of the REIT company's financial activities.

Mr Chow holds a Master of Business Administration from Universitas 21 Global. He is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

Executive General Manager, Finance, Joshua Liaw

Mr Liaw was appointed Executive General Manager, Finance of the LREIT Manager in 2019. He has over 15 years of experience in real estate finance and banking. He was previously the General Manager, Finance Singapore of Lendlease Investment Management Pte. Ltd., where he was responsible for finance functions across Lendlease's operating businesses in Singapore. Mr Liaw joined the Lendlease Group as its Head of Treasury, Asia in 2014, where he was responsible for all debt capital management and treasury activities for the Asia region. Prior to joining Lendlease, he had ten years of banking experience as a real estate coverage banker in Standard Chartered Bank and Citibank.

Mr Liaw holds a Bachelor of Science in Economics (Summa Cum Laude) from the Singapore Management University and a Bachelor of Business in (Transport and Logistics Management) with Distinction from the Royal Melbourne Institute of Technology.

Senior Finance Manager, Victor Shen

Mr Shen joined the LREIT Manager as a Senior Finance Manager in November 2019. He has approximately 15 years of experience in financial reporting, consolidation and audit. Prior to joining the LREIT Manager, he was a Finance Manager with Mapletree Logistics Trust Management Ltd. responsible for its consolidation and reporting function.

Mr Shen holds a Bachelor of Business in Accountancy from the Singapore Institute of Management (RMIT University) and is a Certified Public Accountant with CPA Australia.

Deputy Fund Manager, Julia Chew

Ms Chew was appointed Deputy Fund Manager of the LREIT Manager in 2019. She was previously a Commercial Manager with Lendlease Retail Pte. Ltd. where she was responsible for optimising the returns of a key real estate development asset within the Lendlease Group portfolio. Prior to joining Lendlease Retail Pte. Ltd., Ms Chew was a Manager in the Group Strategic Investments department at CapitaLand Limited responsible for exploring and executing corporate finance initiatives.

Ms Chew holds a Bachelor of Business Management (Magna Cum Laude) from the Singapore Management University and is a Chartered Financial Analyst with the CFA Institute.

Investor Relations Manager, Ling Bee Lin

Ms Ling joined the LREIT Manager as an Investor Relations Manager in December 2019. She has approximately eight years of experience in investor relations and corporate communications. Prior to joining the LREIT Manager, she was handling investor relations and corporate communications at another business trust listed on the SGX-ST.

Ms Ling holds a Bachelor of Commerce Degree in Management and Hospitality & Tourism Management from Murdoch University.

Senior Analyst, Investment and Investor Relations, Mark Yong

Mr Yong was appointed Senior Analyst, Investments and Investor Relations of the LREIT Manager in 2019. He is responsible for evaluating and executing investment strategies for the REIT, in addition to providing support to the investor relations function. Prior to joining the LREIT Manager, Mr Yong was an Investment Analyst with Lendlease Investment Management Pte. Ltd, where he was involved in the management of private equity funds and investment mandates under Lendlease Investment Management Pte. Ltd.

Mr Yong holds a Bachelor of Science (Real Estate) with Honours (Highest Distinction) from the National University of Singapore.

THE SINGAPORE PROPERTY MANAGER

Lendlease Retail Pte. Ltd. is the property manager of the Singapore Property as well as any properties that are subsequently acquired by the LREIT Trustee on behalf of LREIT, whether such properties are directly or indirectly held by LREIT, or are wholly or partly owned by LREIT. The Singapore Property Manager was incorporated in Singapore under the Companies Act on 9 December 1998 and is a member of the Sponsor Group. Its registered office is located at 2 Tanjong Katong Road, #05-01 PLQ 3, Paya Lebar Quarter, Singapore 437161.

The services provided by the Singapore Property Manager for each property under its management include the following:

- preparing the annual property, marketing and capital expenditure budgets, including a business plan to achieve those objectives;

- preparing the annual leasing strategy for the leasing of the Property;
- planning for advertising and promotional programmes for the Property;
- providing accounting and administrative services including the maintenance of suitable books of accounts;
- ensuring the proper conduct, use and operation of the Property, including planning and supervising maintenance and repairs; and
- ensuring that insurances in relation to the tenants are reviewed annually.

THE AIF MANAGER

Lendlease Italy SGR S.p.A is the alternative investment fund manager of the Italy AIF, and is an indirectly and wholly-owned subsidiary of Lendlease Corporation. The AIF Manager is an Italian asset management company (società di gestione del risparmio), authorised to provide asset management services and enrolled at no. 184 in the Bank of Italy's Register of alternative investment fund managers established pursuant to Article 35 of the Legislative Decree no. 58 of 24 February 1998 of Italy.

THE MILAN PROPERTY MANAGER

Revalo S.p.A. has been appointed as the property manager for Sky Complex. The Milan Property Manager is a third party professional property manager that is unrelated to the Sponsor Group. It was acquired on 2 July 2020 by Revalo Holding Srl, as part of a larger management buyout led by the current CEO of the Milan Property Manager. The Milan Property Manager has assets under management of approximately €6.1 billion as at 30 June 2020.

The Milan Property Manager is responsible for the following services:

- property management services, including but not limited to, the collection of rents, management of rental agreements, managing insurance claims, the preparation and submission of proposed annual budgets for review and approval, accounting and administration services, and maintain a data room with relevant asset technical and management documentation;
- building management services comprising supervision and verification of building management and maintenance by the tenant, managing tenant requests and approvals required from the owner, including technical supervision through periodic building surveys to ensure lease compliance;
- project management services comprising the coordination and management of extra-ordinary maintenance works, refurbishment, retrofitting, addition and alteration or renovation works to the Milan Property; and
- construction supervision services comprising the management and monitoring of upgrading works performed by third parties.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Securities is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Securities should consult their own tax advisers concerning the application of tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Securities arising under the laws of any other taxing jurisdiction.

Singapore taxation

The statements made below are general in nature and are based on current tax laws in Singapore and administrative guidelines and circulars issued by the relevant authorities in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the Singapore tax authorities or the courts may later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentives(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders and prospective holders of the Securities are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership or disposal of the Securities, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers, Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, acquisition, ownership or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and/or that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax exemptions and concessions available to qualifying debt securities (provided that the other conditions for the qualifying debt securities scheme are satisfied). If the relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA or the distribution payments made under the relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax exemptions and concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the relevant Tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in

Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

“**prepayment fee**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

“**redemption premium**”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

“**break cost**”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “**prepayment fee**”, “**redemption premium**” and “**break cost**” in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, each of which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be qualifying debt securities (subject to further comments below) for the purposes of the ITA, to which the following tax treatment shall apply.

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Specified Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Specified Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA), is subject to tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
 - (a) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (b) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Specified Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the LREIT Manager, such Relevant Securities would not qualify as "qualifying debt securities"; and
- (B) even though a particular tranche of Relevant Securities are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of such Relevant Securities which are outstanding during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the LREIT Manager, Specified Income derived from such Relevant Securities held by:
 - (I) any related party of the Issuer or the LREIT Manager; or

- (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the LREIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for “qualifying debt securities” under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Securities without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA.

2. Taxation relating to payments on Perpetual Securities

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the “Hybrid Instruments e-Tax Guide”) which sets out the income tax treatment of hybrid instruments, including the factors that IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

- (a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;
- (b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

- (i) nature of interest acquired;
- (ii) investor’s right to participate in issuer’s business;
- (iii) voting rights conferred by the instrument;
- (iv) obligation to repay the principal amount;
- (v) payout;
- (vi) investor’s right to enforce payment;
- (vii) classification by other regulatory authority; and
- (viii) ranking for repayment in the event of liquidation or dissolution;

- (c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and
- (d) if a hybrid instrument issued by a company or a REIT (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

3. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, or accruing or derived from outside Singapore and received in or remitted into Singapore, and not otherwise exempt, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“FRS”) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“SFRS(I) 9”) (as the case may be) for Singapore income tax purposes, may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

4. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-tax guide entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

5. Estate Duty

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if

withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

Securityholders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg and CDP (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arrangers, the Trustee, any Agent or any Dealer or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other party to the Agency Agreement or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The applicable Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of amounts payable with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by any paying agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant Clearing System’s rules and procedures.

CDP

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the “**CDP System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or Global Certificate for persons holding the Securities in securities accounts with CDP (the “**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the CDP System may only be effected through securities sub-accounts held with corporate depositors (the “**Depository Agents**”). Depositors holding Securities in direct securities accounts with CDP, and who wish to trade Securities through the CDP System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest or distribution, as applicable, and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent in Singapore or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Book-Entry Ownership

Bearer Securities

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Securities. The Issuer may also apply to have Bearer Securities accepted for clearance through CDP. In respect of Bearer Securities, a Temporary Global Security and/or a Permanent Global Security will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg or with CDP. Transfers of interests in a Temporary Global Security or a Permanent Global Security will be made in accordance with the normal market debt securities operating procedures of CDP, Euroclear and Clearstream, Luxembourg. Each Global Security will have an International Securities Identification Number (an “**ISIN**”) and/or a Common Code. Investors in Securities of such Series may hold their interests in a Global Security through Euroclear or Clearstream, Luxembourg or CDP, as the case may be.

Registered Securities

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Securities to be represented by a Global Certificate. The Issuer may also apply to have Securities represented by a Global Certificate accepted for clearance through CDP. Each Global Certificate deposited with a common depository for, and registered in the name of, or a nominee of, Euroclear and/or Clearstream, Luxembourg and/or CDP will, where applicable, have an ISIN and/or a Common Code. Investors in Securities of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, Luxembourg or CDP, as the case may be.

Transfers of interests in Global Certificates within CDP, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system. In the case of Registered Securities to be cleared through CDP, Euroclear or Clearstream, Luxembourg, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules and regulations of the applicable clearing systems.

Individual Certificates

Registration of title to Registered Securities in a name other than a depository or its nominee for Euroclear and Clearstream, Luxembourg or CDP will be permitted only in the circumstances set forth in “*Summary of Provisions Relating to the Securities while in Global Form – Exchange*”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the relevant Registrar for completion, authentication and despatch to the relevant Securityholder(s). A person having an interest in a Global Certificate must provide the relevant Registrar with a written order containing instructions and such other information as the Issuer and the relevant Registrar may require to complete, execute and deliver such individual Certificates.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 8 January 2021 (the “**Dealer Agreement**”) between the Issuer, the Arrangers and the Permanent Dealers, the Securities will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Permanent Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of, and any continuing responsibilities relating to the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Subscription Agreement. The Issuer may also from time to time agree with the relevant Dealer(s) that it may pay certain third-party commissions (including, without limitation, rebates to private banks as specified in the applicable Subscription Agreement).

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Issuer.

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, any of the Dealers or their respective affiliates may purchase Securities for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Securities and/or other securities of the Issuer, LREIT or their respective Subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Securities to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Securities).

Each of the Dealers and its affiliates may also have performed certain investment banking and advisory services for the Issuer, LREIT and/or their respective subsidiaries or affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, LREIT and/or their respective subsidiaries or affiliates in the ordinary course of their business and receive fees for so acting. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

Selling Restrictions

United States

The Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell or deliver Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the relevant issue date, within the United States, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States. Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Union

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in

accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and, the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Securities to the public in the United Kingdom:

- (a) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus

has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Security means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Hong Kong

In relation to each Tranche of Securities issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”), and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUWP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident of Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Securities to which it relates or in a supplement to this Offering Circular.

Neither the Issuer, the LREIT Manager nor any Dealer makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Offering Circular, any other offering material, or any applicable Pricing Supplement, in all cases at its own expense.

FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES

The form of Pricing Supplement that will be issued in respect of each Tranche of Notes other than Perpetual Notes, subject only to the deletion of non-applicable provisions, is set out below:

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

Pricing Supplement dated [●]

RBC Investor Services Trust Singapore Limited (as trustee of Lendlease Global Commercial REIT)

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the S\$1,000,000,000 Multicurrency Debt Issuance Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 8 January 2021 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 8 January 2021. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|---|---|
| 1 | Issuer: | RBC Investor Services Trust Singapore Limited
(in its capacity as trustee of Lendlease Global Commercial REIT) |
| 2 | (i) Series Number: | [●] |
| | (ii) [Tranche Number:
(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)] | [●] |

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

3	Currency or Currencies:	[●]
4	Aggregate Principal Amount:	
	(i) Series:	[●]
	(ii) [Tranche:	[●]]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)]
	(ii) [Net Proceeds:	[Approximately] [●]]
6	(i) Denomination Amount:	[●] ¹
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue date/Not Applicable] (<i>N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.</i>)
8	Negative Pledge:	[Not Applicable/Condition 4(a) applies]
9	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] ²
10	Interest Basis:	[[●] per cent. Fixed Rate [[specify reference rate] +/- [●] per cent. Floating Rate] [Variable Rate] [Hybrid] [Zero Coupon] [Other (specify)] (further particulars specified below)
11	Redemption/Payment Basis:	[Redemption at par] [Other (specify)]
12	Redemption Amount (including early redemption):	[Denomination Amount/ [others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the Conditions]
13	Change of Interest or Redemption/ Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]

¹ If the Denomination Amount is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: "€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

² Note that Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.

- 14 Put/Call Options: [Redemption at the Option of the Issuer]
[Redemption at the Option of the Securityholders]
[Redemption for Taxation Reasons]
[Redemption for Cessation or Suspension of trading]
[Redemption in the case of Minimum Outstanding Amount]
[(further particulars specified below)]
- 15 Status of the Notes: Senior
- 16 Listing and admission to trading: [[●] (*specify*)/None]
- 17 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 18 Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Rate: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [*adjusted in accordance with [specify Business Day Convention]/[not adjusted]*]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount¹
- (iv) Initial Broken Amount: [●]
- (v) Final Broken Amount: [●]
- (vi) Day Count Fraction: [30/30E/360/Actual/Actual(ICMA/ISDA)/other]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 19 Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (i) Redemption Month [●]
- (ii) Specified Number of Months (Interest Period) [●]
- (iii) Specified Interest Payment Dates: [●]

¹ For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Notes, to the nearest CNY0.01, CNY0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Notes, to the nearest HK\$0.01, HK\$0.005 being rounded upwards".

- (iv) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (*give details*)]
- (v) Manner in which the Rate(s) of Interest
is/are to be determined: [Screen Rate Determination/ISDA
Determination/other (*give details*)]
- (vi) Party responsible for calculating
the Rate(s) of Interest and Interest
Amount(s) (if not the Calculation Agent): [●]
- (vii) Screen Rate Determination:
- Reference Rate: [●]
(*Either LIBOR, EURIBOR, HIBOR, CNH
HIBOR, SIBOR or SOR or other, although
additional information is required if other*)
 - Interest Determination Date(s): [●]
(*the day falling two Business Days in London
for the Currency prior to the first day of such
Interest Period if the Currency is not Sterling,
Euro or Hong Kong Dollars or first day of
each Interest Period if the Currency is Sterling
or Hong Kong Dollars or the day falling two
TARGET Business Days prior to the first day of
such Interest Period if the Currency is Euro*)
 - Relevant Screen Page: [●]
(*[In the case of EURIBOR, if not Reuters
Page EURIBOR 01 ensure it is a page which
shows a composite rate or amend the fallback
provisions appropriately]*)
- (viii) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: 2006 (if different to those set out in the
Conditions, please specify)
- (ix) Benchmark: [LIBOR, EURIBOR, HIBOR, CNH HIBOR,
SIBOR, Swap Rate or other benchmark]
- (x) Reference Banks: [Specify three]
- (xi) Relevant Time: [●]
- (xii) Relevant Financial Centre: [The financial centre most closely connected to
the Benchmark – specify if not Singapore]
- (xiii) Margin(s): [+/-][●] per cent. per annum

	(xiv) Minimum Rate of Interest:	[●] per cent. per annum
	(xv) Maximum Rate of Interest:	[●] per cent. per annum
	(xvi) Day Count Fraction:	[●]
	(xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
20	Variable Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Redemption Month:	[Month and year]
	(ii) Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period
	(iii) Day Count Fraction:	[●]
	(iv) Specified Number of Months (Interest Period):	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(vii) Benchmark:	[SIBOR, Swap Rate or other benchmark]
	(viii) Primary Source:	[Specify relevant screen page or "Reference Banks"]
	(ix) Reference Banks:	[Specify three]
	(x) Relevant Time:	[●]
	(xi) Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not Singapore]
	(xii) Spread:	[+/-] [●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[●] per cent. per annum
21	Hybrid Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Fixed Rate Period:	[●]
	(ii) Floating Rate Period:	[●]

(iii)	Maturity Date:	[●]
(iv)	Redemption Month:	[Month and year]
(v)	Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period
(vi)	Day Count Fraction:	[●]
(vii)	Interest Payment Date(s):	[●]
(viii)	Initial Broken Amount:	[●]
(ix)	Final Broken Amount:	[●]
(x)	Interest Rate:	[●] per cent. per annum
(xi)	Specified Number of Months (Interest Period):	[●]
(xii)	Specified Interest Payment Dates:	[●]
(xiii)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
(xiv)	Benchmark:	[SIBOR, SWAP RATE or other benchmark]
(xv)	Primary Source:	[specify relevant screen page or "Reference Banks"]
(xvi)	Relevant Time:	[●]
(xvii)	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not Singapore]
(xviii)	Reference Banks:	[specify three]
(xix)	Spread:	[+/-] [●] per cent. per annum
(xx)	Minimum Rate of Interest:	[●] per cent. per annum
(xxi)	Maximum Rate of Interest:	[●] per cent. per annum
(xxii)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during the Floating Rate Period, if different from those set out in the Conditions:	[●]
22	Zero Coupon Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub- paragraphs of this paragraph)</i>
(i)	Amortisation Yield:	[●] per cent. per annum

- (ii) Any other formula/basis of determining amount payable:
- (iii) Day Count Fraction:
- (iv) Any amount payable under Condition 7(h) (Default interest on the Notes):

PROVISIONS RELATING TO REDEMPTION

- 23 Redemption at the Option of the Issuer [Yes/No] [on [specify optional redemption dates]]
 - Issuer's Redemption Option Period (Condition 6(b)): [Specify maximum and minimum number of days for notice period] [Specify redemption in whole only or in whole or partial as notified by the Issuer]
- 24 Redemption at the Option of the Securityholders [Yes/No] [on [specify optional redemption dates]]
 - Securityholders' Redemption Option Period (Condition 6(c)): [Specify maximum and minimum number of days for notice period]
- 25 Redemption for Taxation Reasons [Yes/No]
 - [Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions]
- 26 Redemption for Cessation or Suspension of trading Yes
- 27 Redemption in the case of Minimum Outstanding Amount: [Yes/No]
 - [Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions]
- 28 Redemption Amount of each Note: per Calculation Amount
- 29 Early Redemption Amount per Calculation Amount payable on Zero Coupon Notes and/or the method of calculating the same (if different from that set out in the Conditions): / [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 30 Form of Notes: [Bearer Notes/Registered Notes]
 - [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 - [Temporary Global Note exchangeable for Definitive Notes on days' notice] *(For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof)*

[Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Definitive Notes]

- | | | |
|----|---|---|
| 31 | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, <i>give details</i>] |
| 32 | Redenomination, renominatisation and reconventioning provisions: | [Not Applicable/The provisions [annexed to this Pricing Supplement] apply] |
| 33 | Consolidation provisions: | [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply] |
| 34 | Private Banking Rebate: | [Applicable/Not Applicable] |
| 35 | Use of Proceeds: | [As per the Offering Circular/ <i>give details</i>] |
| 36 | Other terms or special conditions: | [Not Applicable/ <i>give details</i>] |

DISTRIBUTION

- | | | |
|----|---|--|
| 37 | (i) If syndicated, names of Managers: | [Not Applicable/ <i>give name</i>] |
| | (ii) Stabilising Manager (if any): | [Not Applicable/ <i>give name</i>] |
| 38 | If non-syndicated, name of Dealer: | [Not Applicable/ <i>give name</i>] |
| 39 | U.S. selling restrictions: | [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S. |
| 40 | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |
| 41 | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable] |
| 42 | Additional selling restrictions: | [Not Applicable/ <i>give details</i>] |
| 43 | Approved Jurisdictions (marketing in European Union member states only) | [Not Applicable]
[Belgium / France / Germany / Italy / Luxembourg / Netherlands / Portugal / Spain / Sweden / Switzerland / United Kingdom] |

OPERATIONAL INFORMATION

- 44 ISIN Code: [●]
- 45 Common Code: [●]
- 46 Legal Entity Identifier (LEI): [●]
- 47 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or CDP and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- 48 Delivery: Delivery [against/free of] payment
- 49 Additional Paying Agent(s) (if any): [Not Applicable/give name]

GENERAL

- 50 Applicable governing document: Trust Deed dated 8 January 2021
- 51 The aggregate principal amount of Notes in the Currency issued has been translated into S\$ at the rate specified, producing a sum of: [Not applicable/Exchange rate of Currency: S\$/S\$ equivalent: [●]]
- 52 In the case of Registered Notes, specify the location of the office of the Registrar if other than Luxembourg or Singapore: [●]
- 53 In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore: [●]
- 54 Ratings: The Notes to be issued are [unrated / expected to be rated [●]].
- 55 Governing Law: English law

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the S\$1,000,000,000 Multicurrency Debt Issuance Programme of Lendlease Global Commercial REIT.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Signed on behalf of RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (in its capacity as trustee of Lendlease Global Commercial REIT) as Issuer

By: _____
Duly authorised

Duly authorised

FORM OF PRICING SUPPLEMENT IN RELATION TO PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Perpetual Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Perpetual Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The Perpetual Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

Pricing Supplement dated [●]

RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT)

**Issue of [Aggregate Principal Amount of Tranche] [Title of Perpetual Securities]
under the S\$1,000,000,000 Multicurrency Debt Issuance Programme**

This document constitutes the Pricing Supplement relating to the issue of Perpetual Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated 8 January 2021 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with such Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated 8 January 2021. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[An advance tax ruling [will be / has been] [requested/obtained] from the Inland Revenue Authority of Singapore (“**IRAS**”) [to confirm/which confirms], amongst other things, [whether/that] the IRAS would regard the Perpetual Securities as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations and/or [whether/that] the distributions (including any Optional Distributions) will be regarded as interest payable on indebtedness and will enjoy the tax concessions and exemptions available for qualifying debt securities under the Income Tax Act, assuming that the other requisite conditions for the Perpetual Securities to be qualifying debt securities are satisfied.]

[There is no guarantee (i) that the IRAS will agree to provide the rulings sought or (ii) that the rulings issued will be in accordance with the rulings sought.]

[If the Perpetual Securities are not regarded as “debt securities” for the purposes of the Income Tax Act and/or the distributions (including any Optional Distributions) are not regarded as interest payable on indebtedness and/or the Perpetual Securityholders are not eligible for the tax concessions and exemptions available for qualifying debt securities under the Income Tax Act, the tax treatment for the Perpetual Securityholders may differ.]

No assurance, warranty or guarantee is given on the tax treatment for the Perpetual Securityholders in respect of the distributions payable to them (including any Optional Distributions). It is recommended that persons proposing to subscribe for or purchase the Perpetual Securities consult their own legal and other advisers before purchasing or acquiring the Perpetual Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Perpetual Securities.

¹ For any Perpetual Securities to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Perpetual Securities pursuant to Section 309B of the SFA prior to the launch of the offer.

[The following language applies if the IRAS regards the Perpetual Securities as “debt securities” for the purpose of Section 43N(4) of the Income Tax Act and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations and the Perpetual Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|--|--|
| 1 | Issuer: | RBC Investor Services Trust Singapore Limited
(in its capacity as trustee of Lendlease Global Commercial REIT) |
| 2 | (i) Series Number: | [●] |
| | [(ii) Tranche Number:
<i>(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Securities became fungible.)</i>] | [●] |
| 3 | Currency or Currencies: | [●] |
| 4 | Aggregate Principal Amount: | |
| | (i) Series: | [●] |
| | (ii) [Tranche: | [●]] |
| 5 | (i) Issue Price: | [●] per cent. of the Aggregate Nominal Amount
[plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |
| | (ii) Net Proceeds: | [Approximately] [●] |
| 6 | (i) Denomination Amount: | [●] ¹ |
| | (ii) Calculation Amount: | [●] |

¹ If the Denomination Amount is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: “€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000]”.

Perpetual Securities (including Perpetual Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

7	(i) Issue Date:	[●]
	(ii) Distribution Commencement Date:	[Specify/Issue date/Not Applicable]
	(iii) First Call Date:	[Specify/Not Applicable]
8	Maturity Date:	[Specify date or (for Floating Rate Perpetual Securities) Distribution Payment Date falling in or nearest to the relevant month and year] ¹
9	Distribution Basis:	[[●] per cent. Fixed Rate [[specify reference rate] +/- [●] per cent. Floating Rate] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Other (specify)]
11	Redemption Amount (including early redemption):	[Denomination Amount/ [others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the Conditions]
12	Put/Call Options:	[Redemption at the Option of the Issuer] [Redemption for Taxation Reasons] [Redemption for Accounting Reasons] [Redemption for Tax Deductibility] [Redemption in the case of Minimal Outstanding Amount] [Redemption upon a Regulatory Event] [Redemption upon a Ratings Event] [Redemption for Cessation or Suspension of Trading] [(further particulars specified below)]
13	Status of Perpetual Securities:	[Senior Perpetual Securities/Subordinated Perpetual Securities]
14	Parity Obligations (in addition to those specified in the Conditions)	[[●] / None]
15	Junior Obligations (in addition to those specified in the Conditions)	[[●] / None]
16	Listing and admission to trading:	[[●] (specify)/None]
17	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTION PAYABLE

18	Fixed Rate Perpetual Security Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(i) Distribution Rate[(s)]:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

¹ Note that Renminbi or Hong Kong Dollar denominated Fixed Rate Perpetual Securities where the Interest Payment Dates are subject to notification it will be necessary to use the second option.

- (ii) Distribution Payment Date(s): [●] in each year [*adjusted in accordance with [specify Business Day Convention]/[not adjusted]*]
 - (iii) Initial Broken Amount: [●]
 - (iv) Final Broken Amount: [●]
 - (v) Day Count Fraction: [30/30E/360/Actual/Actual(ICMA/ISDA)/other]
 - (vi) First Reset Date: [●]
 - (vii) Reset Date: [●]
 - (viii) Reset Distribution Rate: [●]
 - (ix) Initial Spread: [●]
 - (x) Reset Period: [●]
 - (xi) Step-Up Margin: [●]
 - (xii) Step-up Date: [●]
 - (xiii) Relevant Rate: [●]
 - (xiv) Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Securities: [Not Applicable/*give details*]
- 19 Floating Rate Perpetual Security Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Specified Number of Months (Distribution Period): [●]
 - (ii) Specified Distribution Payment Dates: [●]
 - (iii) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/*other (give details)*]
 - (iv) Manner in which the Distribution Rate(s) is/are to be determined: [Screen Rate Determination/ISDA
Determination/*other (give details)*]
 - (v) Party responsible for calculating the Distribution Rate(s) and Amount(s) (if not the Calculation Agent): [●]
 - (vi) Distribution Determination Date: [●] Business Days prior to the first day of each Distribution Period

- (vii) Screen Rate Determination:
- Reference Rate: *(Either LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR or other, although additional information is required if other)*
 - Distribution Determination Date(s): (the day falling two Business Days in London for the Currency prior to the first day of such Distribution Period if the Currency is not Sterling, Euro or Hong Kong Dollars or first day of each Distribution Period if the Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Distribution Period if the Currency is Euro)
 - Relevant Screen Page: *[(In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]*
- (viii) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
 - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (ix) Benchmark: [LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR, Swap Rate or other benchmark]
- (x) Reference Banks: [Specify three]
- (xi) Relevant Time:
- (xii) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark – specify if not Singapore]
- (xiii) Margin(s): per cent. per annum
- (xiv) Minimum Distribution Rate: per cent. per annum
- (xv) Maximum Distribution Rate: per cent. per annum
- (xvi) Day Count Fraction:
- (xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Perpetual Securities, if different from those set out in the Conditions:

- 20 Others:
- (i) Distribution Deferral: [Applicable / Not Applicable]
[If Applicable, specify Non-cumulative Deferral or Cumulative Deferral]
 - (ii) Dividend Stopper: [Applicable / Not Applicable]
 - (iii) Dividend Pusher and Reference Period: [Applicable. [●] months / Not Applicable]
 - (iv) Additional Distribution: [Applicable / Not Applicable]

PROVISIONS RELATING TO REDEMPTION

- 21 Redemption at the Option of the Issuer [Yes/No] [on [specify optional redemption dates]]
- Issuer's Redemption Option Period (Condition 5(b)) [Specify maximum and minimum number of days for notice period] [Specify redemption in whole only or in whole or partial as notified by the Issuer]
- 22 Redemption for Taxation Reasons [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 23 Redemption for Accounting Reasons [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 24 Redemption for Tax Deductibility [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 25 Redemption in the case of Minimal Outstanding Amount [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 26 Redemption upon a Regulatory Event [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 27 Redemption upon a Ratings Event [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]

- 28 Redemption for Cessation or Suspension of trading [Yes/No]
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 29 Redemption Amount of each Perpetual Security: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

- 30 Form of Perpetual Securities: [Bearer Perpetual Securities/Registered Perpetual Securities]
[Temporary Global Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities in the limited circumstances specified in the Permanent Global Security]
[Temporary Global Security exchangeable for Definitive Perpetual Securities on [●] days' notice] (*For this option to be available, such Perpetual Securities shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*)
[Permanent Global Security /Global Certificate exchangeable for Definitive Perpetual Securities in the limited circumstances specified in the permanent Global Security/Global Certificate]
(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Perpetual Securities in paragraph 6 includes language substantially to the following effect: "€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Perpetual Securities which is to be represented on issue by a temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities.)
[Definitive Perpetual Securities]
- 31 Talons for future Coupons to be attached to Definitive Perpetual Securities (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 32 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
- 33 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 34 Private Banking Rebate: [Applicable/Not Applicable]
- 35 Use of Proceeds: [As per the Offering Circular/give details]

36 Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

37 (i) If syndicated, names of Managers: [Not Applicable/*give name*]

(ii) Stabilising Manager (if any): [Not Applicable/*give name*]

38 If non-syndicated, name of Dealer: [Not Applicable/*give name*]

39 U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Perpetual Securities are being offered and sold only in accordance with Regulation S.

40 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

41 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

42 Additional selling restrictions: [Not Applicable/*give details*]

43 Approved Jurisdictions (marketing in European Union member states only) [Not Applicable]
[Belgium / France / Germany / Italy / Luxembourg / Netherlands / Portugal / Spain / Sweden / Switzerland / United Kingdom]

OPERATIONAL INFORMATION

44 ISIN Code: [●]

45 Common Code: [●]

46 Legal Entity Identifier (LEI) [●]

47 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or CDP and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

48 Delivery: Delivery [against/free of] payment

49 Additional Paying Agent(s) (if any): [Not Applicable/*give name*]

GENERAL

50 Applicable governing document: Trust Deed dated 8 January 2021

51 The aggregate principal amount of Perpetual Securities in the Currency issued has been translated into S\$ at the rate specified, producing a sum of: [Not applicable/Exchange rate of Currency: S\$/S\$ equivalent: [●]]

52 In the case of Registered Perpetual Securities, specify the location of the office of the Registrar if other than Luxembourg or Singapore: [●]

53 In the case of Bearer Perpetual Securities, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore: [●]

54 Ratings:

The Perpetual Securities to be issued are [unrated / expected to be rated [●]].

55 Governing Law:

English law, except that the subordination provisions set out in Condition 3(b) shall be governed by and construed in accordance with the laws of Singapore.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Perpetual Securities described herein pursuant to the S\$1,000,000,000 Multicurrency Debt Issuance Programme of Lendlease Global Commercial REIT.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Perpetual Securities or effect transactions with a view to supporting the market price of the Perpetual Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Perpetual Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Perpetual Securities and 60 days after the date of the allotment of the Perpetual Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Perpetual Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Perpetual Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (in its capacity as trustee of Lendlease Global Commercial REIT) as Issuer

By: _____
Duly authorised

Duly authorised

GENERAL INFORMATION

- (1) Application has been made for permission to deal in, and for quotation of, any Securities which are agreed at the time of issue to be listed on the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Securities is approved, and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of S\$200,000 or its equivalent in other specified currencies.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 27 June 2017, with variations made to its list of authorised signatories on 29 July 2020.
- (3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of LREIT or the Group since 30 June 2020 and no material adverse change in the prospects of LREIT or the Group since 30 June 2020.
- (4) Except as disclosed in this Offering Circular, there are no legal or arbitration proceedings pending or, so far as the Issuer and the LREIT Manager are aware, threatened against the Issuer, the LREIT Manager, LREIT or any member of the Group the outcome of which, in the opinion of the Issuer or the LREIT Manager, may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuer, the LREIT Manager or the Group, taken as a whole.
- (5) Each Bearer Security having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) The Securities may be accepted for clearance through Euroclear, Clearstream, Luxembourg and CDP. The relevant ISIN and common code in relation to the Securities of each Tranche will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Securities for clearance together with any further appropriate information.
- (7) The legal entity identifier ("LEI") is 2549002B9UHG224VCA80 in respect of the Issuer.
- (8) For so long as Securities may be issued pursuant to this Offering Circular, the following documents will be available, at all reasonable times during normal business hours (being between 9.00 a.m. and 3.00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection upon prior written request and satisfactory proof of holding and identity at the specified office of the Trustee (and in the case of the documents mentioned below in (iv) - (vi) so long as those are provided to the Trustee), as at the date of this Offering Circular, as set out at the end of this Offering Circular:
 - (i) the Trust Deed (which includes the form of the Global Securities, the definitive Bearer Securities, the Certificates, the Coupons and the Talons);
 - (ii) the Agency Agreement;
 - (iii) the LREIT Trust Deed;
 - (iv) the most recently published and publicly available annual report and published and publicly available audited consolidated financial statements of LREIT;

- (v) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Securities will only be available for inspection by a holder of any such Securities and such holder must produce evidence satisfactory to the Issuer or the Trustee as to its holding of Securities and identity); and
 - (vi) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular.
- (9) KPMG LLP has delivered a report on the consolidated financial statements of LREIT for the period ended 30 June 2020 (which is included only in F-2 to F-57 of this Offering Circular). KPMG LLP has given and has not withdrawn its written consent to the inclusion herein of (i) its name and (ii) the independent auditor's report on the consolidated financial statements of LREIT for the period ended 30 June 2020, in the form and context in which they appear in this Offering Circular, and reference to its names and such reports in the form and context which they appear in this Offering Circular.

INDEX TO FINANCIAL STATEMENTS

	Page
Audited Consolidated Financial Statements of the Group for the financial period ended 30 June 2020.....	F-2



**Lendlease Global Commercial REIT
and its subsidiaries**

**(constituted in the Republic of Singapore pursuant to
a trust deed dated 28 January 2019 (as amended))**

Financial statements
Period from 28 January 2019 (date of constitution) to
30 June 2020

Report of the Trustee

RBC Investor Service Trust Singapore Limited (the “Trustee”) is under a duty to take into custody and hold the assets of Lendlease Global Commercial REIT (“LREIT”) and its subsidiaries (collectively, the “Group”) in trust for the holders (“Unitholders”) of units in LREIT (the “units”). In accordance with the Securities and Future Act, Chapter 289 of Singapore, its subsidiary legislation, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited, the Trustee shall monitor the activities of Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the provisions of the Trust Deed constituting LREIT dated 28 January 2019, subsequently amended by the first amending and restating deed dated 10 September 2019 and the first supplemental deed dated 15 July 2020 (collectively, the “Trust Deed”) between the Trustee and the Manager in each accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the period covered by these financial statements, set out on pages FS1 to FS48, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
RBC Investor Service Trust Singapore Limited



Hoi Sau Kheng
Director



Farrah Begum Binte Abdul Salam
Senior Manager

Singapore
31 August 2020

Statement by the Manager

In the opinion of the directors of Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”), the accompanying financial statements of Lendlease Global Commercial REIT (“LREIT”) and its subsidiaries (the “Group”) set out on pages FS1 to FS48, comprising the statements of financial position and portfolio statements of the Group and LREIT as at 30 June 2020, and the statements of profit or loss and other comprehensive income, distribution statements, statements of movements in Unitholders’ funds of the Group and LREIT, and the consolidated statement of cash flows of the Group for the period from 28 January 2019 (date of constitution) to 30 June 2020, and the notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio statement of the Group and LREIT as at 30 June 2020, and the profit or loss and other comprehensive income, distributable income, movements in Unitholders’ funds of the Group and LREIT, and cash flows of the Group for the period ended in accordance with International Financial Reporting Standards and the provisions of the Trust Deed dated 28 January 2019 (as amended) and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and LREIT will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the Manager
Lendlease Global Commercial Trust Management Pte. Ltd.



Anthony Peter Lombardo
*Chairman and Non-Independent
Non-Executive Director*



Tsui Kai Chong
Independent Non-Executive Director

Singapore
31 August 2020



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Independent auditors' report **Unitholders of Lendlease Global Commercial REIT**

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 28 January 2019 (as amended))

We have audited the consolidated financial statements of Lendlease Global Commercial REIT ("LREIT") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of LREIT as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income, distribution statement and statement of movements in Unitholders' funds of LREIT for the period from 28 January 2019 (date of constitution) to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS48.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income, distribution statement and statement of movements in Unitholders' funds of LREIT present fairly, in all material respects, the consolidated financial position and consolidated portfolio statement of the Group and the financial position and portfolio statement of LREIT as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income, distribution statement and statement of movements in Unitholders' funds of LREIT for the period from 28 January 2019 (date of constitution) to 30 June 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of investment properties
(Refer to Note 4 to the financial statements)

Risk:

As at 30 June 2020, the Group owns a portfolio of investment properties comprising a leasehold interest in one retail mall located in Singapore (the “Singapore Property”) and a freehold interest in Sky Complex, comprising three office buildings located in Milan, Italy (the “Milan Property”).

These investment properties are stated at their fair values based on valuations performed by independent external valuers engaged by the Group. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. These valuations are highly sensitive to the key assumptions made, which may be subject to estimation uncertainties.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the Coronavirus Disease (“COVID-19”) pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response:

We assessed the Group’s process for the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuations reported by the external valuers. We evaluated the independence, objectivity and competency of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the appropriateness of the valuation methodologies applied against those applied by other valuers for similar property types, and the reasonableness of the key assumptions applied by the external valuers by benchmarking against industry data. Where the rates were outside the expected range, we undertook further procedures, held further discussions with the external valuers to understand the effects of additional factors considered in the valuations and corroborate with other evidence. We also discussed with Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”) and the external valuers to understand how they have considered the implications of COVID-19 and market uncertainty in the valuations.

Our findings:

The Group has a structured process in appointing and instructing external valuers, and in reviewing and accepting their valuation results. The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out the work.



In determining the fair values of the Group's investment properties, the external valuers have adopted the Capitalisation Approach and Discounted Cash Flow Analysis for the Singapore Property and Discounted Cash Flow Analysis for the Milan Property. The reported fair value of the Singapore property was derived based on an average of the two approaches. The valuation methodologies used were consistent with generally accepted market practices.

The key assumptions used in the valuations includes market rental growth, capitalisation rates, discount rates and terminal capitalisation rates. The assumptions are generally within the range of market data available as at 30 June 2020. Where the assumptions were outside the expected range, the additional factors considered by the external valuers were consistent with other corroborative evidence.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.



Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lee Chin Siang Barry.

A handwritten signature in black ink, appearing to read 'KPMG' followed by a stylized flourish.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 August 2020

Statements of Financial Position
As at 30 June 2020

	Note	Group 2020 S\$'000	LREIT 2020 S\$'000
Non-current assets			
Investment properties	4	1,442,598	1,008,000
Investment in subsidiaries	5	–	435,245
Trade and other receivables	6	12,845	–
Other non-current assets	7	1,012	1,012
Derivative financial instruments	8	149	149
		1,456,604	1,444,406
Current assets			
Cash and cash equivalents	9	83,678	60,664
Trade and other receivables	6	10,553	4,942
Other current assets	10	4,663	4,359
		98,894	69,965
Total assets		1,555,498	1,514,371
Current liabilities			
Trade and other payables	11	21,827	17,555
Derivative financial instruments	8	320	320
		22,147	17,875
Non-current liabilities			
Trade and other payables	11	7,999	7,999
Loans and borrowings	12	528,999	528,999
Derivative financial instruments	8	4,103	4,103
		541,101	541,101
Total liabilities		563,248	558,976
Net assets		992,250	955,395
Represented by:			
Unitholders' funds		992,250	955,395
Units issued at end of financial period ('000)	13	1,171,795	1,171,795
Net asset value per Unit attributable to Unitholders (S\$)		0.85	0.82

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income
Period from 28 January 2019 (date of constitution) to 30 June 2020

	Note	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Gross revenue	14	55,536	36,844
Property operating expenses	15	(15,247)	(13,434)
Net property income		40,289	23,410
Distribution income from a subsidiary		–	5,214
Manager's base fee	16	(2,850)	(2,850)
Manager's performance fee	17	(2,015)	(2,015)
Other management fee		(580)	–
Trustee's fee		(148)	(148)
Other trust expenses	18	(1,228)	(5,563)
Net foreign exchange loss	19	(10,999)	(10,999)
Net finance costs	20	(6,709)	(6,709)
Profit before tax and change in fair value		15,760	340
Net change in fair value of investment properties		(20,102)	(30,319)
Net change in fair value of derivative financial instruments		(4,274)	(4,274)
Loss before tax		(8,616)	(34,253)
Tax expense	21	–	–
Loss after tax		(8,616)	(34,253)
Other comprehensive income			
Items that is or may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiary		11,218	–
Total comprehensive income for the period		2,602	(34,253)
Earnings per unit (cents)			
Basic and diluted	22	(0.74)	(2.94)

The accompanying notes form an integral part of these financial statements.

Distribution Statements
Period from 28 January 2019 (date of constitution) to 30 June 2020

	Note	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Amount available for distribution to Unitholders at beginning of the period		—	—
Loss after tax		(8,616)	(34,253)
Net tax and other adjustments	A	44,288	69,925
Amount available for distribution to Unitholders from taxable income		35,672	35,672
Distribution to Unitholders during the period			
1.29 Singapore cents per unit for the period from 2 October 2019 – 31 December 2019		(15,067)	(15,067)
		(15,067)	(15,067)
Amount available for distribution to Unitholders at the end of the period		20,605	20,605

Please refer to note 3.12 for LREIT's distribution policy.

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Period from 28 January 2019 (date of constitution) to 30 June 2020

Note A – Net tax and other adjustments

	Group	LREIT
	Period from	Period from
	28 January	28 January
	2019 (date of	2019 (date of
	constitution)	constitution)
	to 30 June	to 30 June
	2020	2020
	S\$'000	S\$'000
Manager's base fees in units	2,850	2,850
Manager's performance fees in units	2,015	2,015
Property manager's fees in units	1,374	1,374
Net change in fair value of investment properties	20,102	30,319
Net change in fair value of derivative financial instruments	4,274	4,274
Amortisation of debt-related transaction costs	3,867	3,867
Temporary differences and other adjustments	(1,272)	3,226
Unrealised foreign exchange loss	11,078	11,078
Capital return – net overseas income not distributed to LREIT	–	10,922
	<u>44,288</u>	<u>69,925</u>

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds
Period from 28 January 2019 (date of constitution) to 30 June 2020

	Group	LREIT
	Period from	Period from
	28 January	28 January
	2019 (date of	2019 (date of
	constitution)	constitution)
	to 30 June	to 30 June
	2020	2020
	S\$'000	S\$'000
Balance at beginning of the period	–	–
Operations		
As at 28 January 2019 (date of constitution)		
Loss after tax	(8,616)	(34,253)
Foreign currency translation reserve		
As at 28 January 2019 (date of constitution)		
Translation differences relating to financial statements of foreign subsidiary	11,218	–
Unitholders' transactions		
As at 28 January 2019 (date of constitution)		
Issuance of new units on Listing Date	1,027,792	1,027,792
Issue expenses on Listing Date	(25,858)	(25,858)
Manager's base fee paid in units	1,883	1,883
Property Manager's fee paid in units	898	898
Distributions to Unitholders	(15,067)	(15,067)
Change in Unitholders' funds resulting from Unitholders' transactions	989,648	989,648
Total increase in Unitholders' funds	992,250	955,395
Balance at end of the period	992,250	955,395

* less than S\$1,000.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements
As at 30 June 2020

Description of property	Location	Term of land lease	Remaining term of land lease		Occupancy rate ¹ %	Group carrying value ² S\$'000	Group percentage of total Unitholders' funds %	LREIT carrying value ² S\$'000	LREIT percentage of total Unitholders' funds %
			(years)	Existing use					
2020									
<u>Group and LREIT</u>									
Investment property in Singapore									
313@somerset	313 Orchard Road, Singapore 238895	99 years	85.4	Retail	97.8%	1,008,000	101.6	1,008,000	105.5
Other assets and liabilities of LREIT (net)								(52,605)	(5.5)
Total Unitholders' funds of LREIT								<u>955,395</u>	<u>100.0</u>
<u>Group</u>									
Investment property in Italy									
Sky Complex ³	Via Monte Penice 7 and Via Luigi Russolo 9, Postal Code 20138, Milan, Italy	Freehold	N.A.	Commercial	100%	434,598	43.8		
Investment properties, at valuation (note 4)								<u>1,442,598</u>	<u>145.4</u>
Other assets and liabilities of the Group (net)								<u>(450,348)</u>	<u>(45.4)</u>
Total Unitholders' funds of the Group								<u>992,250</u>	<u>100.0</u>

¹ The occupancy rates shown are on committed basis.

² The carrying value of investment properties are stated at valuation.

³ As at 30 June 2020, the property was valued at EUR 277.7 million (equivalent to approximately S\$434.6 million).

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 30 June 2020

As at 30 June 2020, the investment property in Singapore was valued by CBRE Pte. Ltd. and the investment property in Milan was valued by Savills Advisory Services Limited.

The Manager believes that the independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuation of the Singapore property was based on capitalisation method and discounted cash flow analysis. The valuation of the Milan property was based on discounted cash flow analysis. Refer to note 4 of the financial statements for details of the valuation techniques.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Period from 28 January 2019 (date of constitution) to 30 June 2020

	Notes	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Cash flows from operating activities		
Loss after tax		(8,616)
Adjustments for:		
Manager's fees paid/ payable in units		4,865
Property manager's fees paid/ payable in units		1,374
Finance income	20	(531)
Interest expense	20	3,373
Amortisation of debt-related transaction costs	20	3,867
Net unrealised foreign exchange loss		11,078
Net change in the fair value on investment properties	4	20,102
Net change in the fair value of on derivatives financial instruments		4,274
Operating income before working capital changes		<u>39,786</u>
Changes in:		
Trade and other receivables		(22,942)
Trade and other payables		25,197
Other current assets		(4,663)
Other non-current assets		(1,012)
Net cash generated from operating activities		<u>36,366</u>
Cash flows from investing activities		
Interest received		531
Acquisition of investment properties ¹	4	(1,451,542)
Capital expenditure on investment properties		(233)
Net cash used in investing activities		<u>(1,451,244)</u>
Cash flows from financing activities		
Proceeds from issuance of new units		1,027,792
Payment of issue costs		(25,858)
Payment of financing expenses		(20,187)
Proceeds from loans and borrowings		534,237
Distribution to unitholders		(15,067)
Interest paid		(2,593)
Net cash generated from financing activities		<u>1,498,324</u>
Net increase in cash and cash equivalents		83,446
Cash and cash equivalents at 28 January 2019 (date of constitution)		—
Effect of exchange rate changes on balances held in foreign currency		232
Cash and cash equivalents at 30 June 2020	9	<u>83,678</u>

¹ This relates to the acquisition of a 99-year leasehold interest in the Singapore Property and a freehold interest in the Milan Property.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)
Period from 28 January 2019 (date of constitution) to 30 June 2020

Significant non-cash transactions

There were the following significant non-cash transactions:

- (i) During the financial period ended 30 June 2020, LREIT issued an aggregate of 2,742,736 new units amounting to S\$1.9 million as payment for the base fee element of the Manager's management base fees.
- (ii) During the financial period ended 30 June 2020, LREIT issued an aggregate of 8,548,000 new units amounting to S\$7.5 million as payment for the acquisition fee element of the Manager's management fees.
- (iii) During the financial period ended 30 June 2020, LREIT issued an aggregate of 1,106,488 new units amounting to S\$0.9 million as payment for the property manager's management fee.

Refer to note 13 of the financial statements.

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 31 August 2020.

1 General

Lendlease Global Commercial REIT (“LREIT”) is a Singapore-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 28 January 2019, subsequently amended by the first amending and restating deed dated 10 September 2019 and the first supplemental deed dated 15 July 2020 (collectively, the “Trust Deed”), entered into between RBC Investor Services Trust Singapore Limited (the “Trustee”) and Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the LREIT held by it or through and its subsidiaries in trust for the holders (“Unitholders”) of units in LREIT (the “units”).

The LREIT was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 2 October 2019 (the “Listing Date”) and the LREIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337.

The consolidated financial statements relate to LREIT and its subsidiaries (the “Group”).

The principal activity of LREIT relates to investment strategy of investing, directly or indirectly, in a portfolio of stabilised income-producing real estate assets located globally that are used primarily for retail and/or office purposes as well as real estate-related assets in connection with the foregoing. The principal activities of the subsidiaries are set out in note 5.

LREIT has entered into several service agreements in relation to the management of LREIT and its property operations. The fee structures of these services are summarised below.

1.1 Trustee’s fees

The Trustee’s fees shall not exceed 0.015% per annum of the value of all the assets of LREIT (Deposited Property), excluding out-of-pocket expenses and goods and services tax in accordance with the Trust Deed.

The Trustee’s fee is accrued and payable out of the value of the Deposited Property on a monthly basis, in arrears.

1.2 Manager’s fees

The Manager is entitled to receive base fee, performance fee, acquisition fee, divestment fee, and development management fee, respectively as follow:

Base fee

The Manager is entitled to receive a base fee of 0.3% per annum of the value of the Deposited Property.

The base fee is payable in the form of cash and/or units as the Manager may elect.

Performance fee

The Manager is entitled to receive a performance fee of 5.0% per annum of the net property income.

The performance fee is payable in the form of cash and/or units as the Manager may elect.

Acquisition and divestment fee

The Manager is entitled to receive following fees:

- (a) an acquisition fee at the rate of 1.0% for acquisitions of each of the acquisition price of any real estate purchased, the underlying value of real estate which is taken into account when computing the acquisition price payable (purchased) and the acquisition price of any investment purchased by LREIT.
- (b) a divestment fee at the rate of 0.5% of the sale price of any real estate sold or divested, the underlying value of real estate which is taken into account when computing the sale price receivable (sold or divested) and the sale price of any investment sold or divested by LREIT.

The acquisition and divestment fees are payable in the form of cash and/or units as the Manager may elect, such election to be made prior to the payment of the fee.

Development management fee

The Manager is entitled to receive a development management fee equivalent to 3.0% of the total project costs incurred in a development project undertaken on behalf of LREIT.

1.3 Property management fee

Property management fee are payable to the Property Manager for each property of the Group under its management:

Singapore

The property management fee for the Singapore Property is charged based on the following formula:

$F = F1 + F2$, where

$F1 = 1.85\%$ of GR; and

$F2 = 1.85\%$ of $(GR - OE - F1)$

and:

GR = Gross receipts for the Financial Year which refers to all income accruing or resulting from the operation of the Singapore Property for the relevant Financial Year or part thereof, including but not limited to rental income (including turnover rent), rental premiums, licence fees, service charges, advertising and promotion fees and other sums due from tenants, licensees and concessionaires and other income or revenue earned from all rights of occupation or use of the Singapore Property and the proceeds of any payment under any insurance policy against loss of rent or other income arising from the operation of the Singapore Property.

OE = Operating expenses for that Financial Year which refers to all costs and expenses incurred in the operation, maintenance, management, repair and cleaning of the Property.

The Singapore Property Manager is also entitled to receive leasing fees in respect of each new lease, renewal of an existing lease or relocation of an existing lease negotiated by the Singapore Property Manager. The leasing fee is equivalent to 80% of one month's base rent, one month's service charge and one month's advertising and promotion fee (if any), payable by the tenant under the lease. The leasing fee will be subject to review every three years to be in line with market rates as may be agreed by the Manager, the Trustee and the Singapore Property Manager.

Where tenancy design review services are required for a new lease, renewal of existing lease, relocation of an existing lease or any licence or concession, a fixed tenancy design review fee of S\$6,000 per tenancy, subject to annual increase by a percentage which reflects the percentage increase in the Consumer Price Index in Singapore during the 12 month period prior to that date plus 1%.

Italy

The fees for the Milan Property are charged based on the following, as applicable:

- (i) a property management and building management fee of 0.95% per annum of the Gross Rental Income of the Milan Property, subject to a minimum sum of €90,000;
- (ii) a project management fee of:
 - (a) 5.0% of the cost of the maintenance works (the "Milan Property Project Cost") if the Milan Property Project Cost is €200,000 or below;
 - (b) 3.9% of the Milan Property Project Cost subject to a minimum project management fee of €10,000 if the Milan Property Project Cost is above €200,000 and below €2.0 million; or
 - (c) 3.2% of the Milan Property Project Cost subject to a minimum project management fee of €78,000 if the Milan Property Project Cost is €2.0 million or above.
- (iii) a construction supervision fee of:
 - (a) 3.0% of the cost of the applicable construction project (the "Milan Property Construction Cost") if Milan Property Construction Cost is €200,000 or below;
 - (b) 2.5% of the Milan Property Construction Cost subject to a minimum construction supervision fee of €6,000 if the Milan Property Construction Cost is above €200,000 and below €2.0 million; or
 - (c) 2.0% of the Milan Property Construction Cost subject to a minimum construction supervision fee of €50,000 if the Milan Property Construction Cost is €2.0 million or above.

1.4 Other management fee

Italy management fee

The Alternative Investment Fund (“AIF”) Manager is entitled to a management fee comprising a base fee of 0.175% per annum of the Value of the AIF Assets.

The Manager may appoint, or the Trustee or any entity which is held by LREIT (whether wholly or partially) may, at the recommendation of the Manager appoint asset managers, investment managers or any other entities to provide asset management services or investment management services in respect of any asset of LREIT from time to time and the Management Fee payable to the Manager will be reduced by the amount of any fees payable to such entities for asset management, acquisition, divestment or development management services. For the avoidance of doubt, this includes the fees payable to the AIF Manager.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties, derivative financial instruments and certain financial assets and liabilities, which are stated at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars (“S\$”), which is the functional currency of LREIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements and estimates made in applying the Group’s accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 4 – investment properties.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Manager has overall responsibility for the appointment of external valuers, where necessary, and all significant fair value measurements and reports directly to the Board of Directors of the Manager.

When measuring the fair value of an asset or a liability, the Manager uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4: Investment properties;
- Note 8: Derivatives financial instruments; and
- Note 27: Fair value of assets and liabilities.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Business combinations and property acquisitions

At the time of acquisition, the Group considers whether each acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Manager considers whether significant processes such as strategic management and operational processes, are acquired.

Where significant processes are acquired, the acquisition is considered an acquisition of business and accounted for as stated above. Where the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by LREIT

Investment in subsidiaries in LREIT's statement of financial position are stated at cost less accumulated impairment losses.

3.2 Foreign currencies

Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the “functional currency”).

Transactions in foreign currencies are translated to the respective functional currencies of the Group’s entities at the exchange rate at the date of the transactions. The functional currencies of the Group’s entities are Singapore dollars (“S\$”) and Euro (“€”). Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currencies at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at average exchange rates for the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve. However, if the foreign operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests (“NCI”). When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

3.3 Investment property

Investment properties are properties held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Transaction costs shall be included in the initial measurement.

Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in the following events:

- (i) in such manner and frequency as required under the CIS Code issued by MAS; and
- (ii) at least once in each period of twelve months following the acquisition of each real estate property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.4 Financial instruments

(a) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, the Group classifies its non-derivative financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Non-derivative financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(f) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group has not designated its derivative financial instruments as hedging instruments in qualifying hedging relationships.

3.5 Impairment

(a) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a breach of contract such as a default or being more than 90 days past due; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(b) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflow of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Leases

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group leases out its investment properties. The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.7 Unitholders' funds

Unitholders' funds represent mainly the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental cost, directly attributable to the issuance, offering and placement of units in LREIT are deducted directly against Unitholders' funds.

3.8 Distribution income

Distribution income is recognised in profit or loss on the date that the Group's or LREIT's right to receive payment is established.

3.9 Finance income and cost

Finance income comprises interest income which is recognised using the effective interest method.

Finance costs comprise interest expense on borrowings, including amortisation of transaction costs which are recognised in profit or loss using the effective interest method over the period for which the borrowings are granted.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

3.10 Grant income

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as a deduction to the related expenses on a systematic basis in the same periods in which the expenses are recognised.

3.11 Income tax expense

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience with tax authorities. The assessment of these factors relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Group has obtained tax rulings from the Inland Revenue Authority of Singapore (“IRAS”) in relation to Singapore income tax treatment of certain income from properties located overseas.

Tax Transparency Treatment

The IRAS has granted tax transparency treatment to LREIT in respect of certain taxable income (“Specified Taxable Income”). Broadly, subject to meeting the terms and conditions that the Trustee and the Manager have undertaken to comply with for purposes of the application for the tax transparency treatment, which includes a distribution of at least 90% of the Specified Taxable Income of LREIT, LREIT is not subject to tax on the Specified Taxable Income distributed to the Unitholders in the same period in which the Specified Taxable Income was derived. In this regard, for Specified Taxable Income of LREIT relating to the financial period ended 30 June 2020, the period for making distributions to meet the 90% requirement has been extended to 31 December 2021. Instead, the Trustee and the Manager would deduct income tax at the prevailing corporate tax rate (currently at 17%) from distributions made to Unitholders out of such Specified Taxable Income, except:

- (i) where the beneficial owners are Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax;
- (ii) where the beneficial owners are Qualifying Foreign Non-Individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions made on or before 31 December 2025; or
- (iii) where the beneficial owners are Qualifying Non-Resident Funds, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10% for distributions during the period 1 July 2019 to 31 December 2025.

A “Qualifying Unitholder” is a Unitholder who is:

- an individual;
- a company incorporated and tax resident in Singapore;
- a Singapore branch of a company incorporated outside Singapore;
- a body of persons other than a company or a partnership, registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club or a trade industry association);
- an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- a real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment (but only in respect of Specified Taxable Income distributions made on or before 31 December 2025).

A Qualifying Foreign Non-Individual Unitholder is a person other than an individual who is not resident in Singapore for Singapore income tax purposes and who:

- does not have a permanent establishment in Singapore; or
- carries on an operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire units of LREIT are not obtained from that operation.

A Qualifying Non-resident Fund is a non-resident fund that qualifies for tax exemption under Section 13CA, 13X or 13Y of the Income Tax Act (Cap.134) and who:

- does not have a permanent establishment in Singapore (other than a fund manager in Singapore); or
- carries on an operation through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that qualifying fund to acquire units of LREIT are not obtained from that operation.

The tax transparency treatment does not apply to gains or profits from the disposal of any properties such as immovable properties and shares that are determined by the IRAS to be revenue gains chargeable to tax and income derived by LREIT but not distributed to the Unitholders in the same period in which the income is derived.

Where tax transparency treatment does not apply to any gains, profits or income, such gains, profits or income will be subject to tax at the level of the Trustee. Distribution made out of the after-tax amount will not be subject to any deduction of tax at source nor further tax in the hands of Unitholders. Where the disposal gains are regarded as capital in nature, they will not be subject to tax at the level of the Trustee and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

Foreign-sourced Income Tax Exemption

Pursuant to the Foreign-sourced Income Tax Exemption granted by the IRAS and subject to the meeting of certain conditions, the distributions received from Lendlease Global Commercial Italy Fund by LREIT's wholly-owned subsidiary, Lendlease Global Commercial (IT) Pte. Ltd., will be exempt from Singapore income tax. The dividends paid out by Lendlease Global Commercial (IT) Pte. Ltd. are exempt from Singapore income tax in the hands of LREIT.

Any distributions made by LREIT to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders.

3.12 Distribution policy

LREIT's distribution policy is to distribute at least 90% of its adjusted net cashflow from operations for each financial year. The actual level of distribution will be determined at the Manager's discretion.

LREIT makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Under the Trust Deed, the Manager shall pay distributions no later than 90 days after the end of each distribution period.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Makers ("CODMs") which comprise mainly the Board of Directors including the Chief Executive Officer ("CEO") of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise foreign exchange gain/loss, interest and other income, borrowing costs, trust expenses and income tax expense.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, investment properties and investment property under development.

3.14 New accounting standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 28 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new IFRSs, interpretations and amendments to IFRSs are not expected to have a significant impact on the Group's consolidated financial statements and LREIT's statement of financial position.

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business* (Amendments to IFRS 3)
- *Definition of Material* (Amendments to IAS 1 and IAS 8)

4 Investment properties

	Group 2020 S\$'000	LREIT 2020 S\$'000
At 28 January 2019	–	–
Acquisitions (including acquisition costs) ¹	1,451,542	1,037,695
Capital expenditure	624	624
Currency translation differences	10,534	–
Net change in fair value of investment properties	(20,102)	(30,319)
At 30 June 2020	1,442,598	1,008,000

¹ This relates to the acquisition of a 99-year leasehold interest in the Singapore Property and a freehold interest in the Milan Property.

For the Singapore Property, there was a revision of permissible plot ratio from 4.9+ to 5.6 under the 2019 Urban Redevelopment Authority Master Plan, resulting in a potential increase of up to 1,008 square metres of gross floor area based on the current gross floor area. The Manager is planning for Asset Enhancement Initiatives to deploy the additional area.

Sensitivity Analysis

In consideration of the impact of COVID-19 on the leasing environment, key valuation assumptions such as vacancy assumptions, renewal probability and market rental growth rates has been made in relation to the Singapore Property.

As at the reporting date, corresponding changes to the vacancy assumption, renewal probability and market rental growth rates would have increased/(decreased) the Group's and LREIT's financial assets by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group S\$'000	LREIT S\$'000
2020		
Increase in vacancy allowance by one month for the first two years	(1,000)	(1,000)
Decrease in vacancy allowance by one month for the first two years	1,000	1,000
Decrease in renewal probability by 5% points for the first two years	(1,000)	(1,000)
Increase in renewal probability by 5% points for the first two years	1,000	1,000
Decrease in market rental growth rates by 1% point for the first two years	(8,000)	(8,000)
Increase in market rental growth rates by 1% point for the first two years	<u>8,000</u>	<u>8,000</u>

Measurement of fair value

(i) Fair value hierarchy

Investment properties are stated at fair value as at 30 June 2020 are based on the valuations performed by independent professional valuers, CBRE Pte Ltd. and Savills Advisory Services Limited.

The fair value measurement for investment properties has been categorised as Level 3 fair values based on inputs to the valuation techniques used (see note 2.4).

(ii) Valuation techniques

The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market rental growth rates, market-corroborated discount rate, terminal capitalisation rate and capitalisation rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions and the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The external valuers have considered valuation techniques including the income capitalisation method and discounted cash flow analysis in arriving at the open market value as at the reporting date. The external valuers have considered all available information as at 30 June 2020 relating to COVID-19 and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

The discounted cash flow analysis involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow analysis requires the external valuers to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted against anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised at an appropriate investment yield. Thereafter, various adjustments including assumed vacancy allowance are made, where appropriate, for the capitalisation method.

(iii) *Key unobservable inputs*

The following table shows the key unobservable inputs used in the valuation models:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	<ul style="list-style-type: none"> • Discount rate of 6.00% to 6.75% 	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	<ul style="list-style-type: none"> • Terminal capitalisation rate of 4.40% to 5.25% 	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
	<ul style="list-style-type: none"> • 10-year average market rental growth rate of 2.80% 	The estimated fair value would increase (decrease) if 10-year average market rental growth rate was higher (lower).
Capitalisation method	<ul style="list-style-type: none"> • Capitalisation rate of 4.25% 	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).

5 Investment in subsidiaries

	LREIT 2020 S\$'000
Unquoted equity, at cost	435,245

Details of the subsidiaries directly or indirectly held by LREIT is as follow:

Name of subsidiaries	Principal place of business/Country of incorporation	Ownership interest held by LREIT 2020 %
Lendlease Global Commercial (IT) Pte. Ltd. ¹	Singapore	100
Lendlease Global Commercial Italy Fund ²	Italy	100

¹ Audited by KPMG LLP Singapore.

² Audited by Deloitte & Touche S.p.A.

Lendlease Global Commercial (IT) Pte. Ltd.

Lendlease Global Commercial (IT) Pte. Ltd., a wholly-owned subsidiary, was incorporated on 15 February 2019. Its principal activity is that of an investment holding company.

Lendlease Global Commercial Italy Fund

Lendlease Global Commercial Italy Fund, a wholly-owned fund, was incorporated on 2 July 2019. Its principal activity is to acquire and hold Italian property-related investments.

6 Trade and other receivables

	Note	Group 2020 S\$'000	LREIT 2020 S\$'000
Current			
Trade receivables		1,772	1,772
Impairment losses		(116)	(116)
Net trade receivables		1,656	1,656
Non-trade receivables due from the Property Manager	(a)	117	117
Grant receivables	(b)	1,302	1,302
Net VAT/GST receivables	(c)	6,461	850
Other receivables		1,017	1,017
		10,553	4,942
Non-current			
Net VAT/GST receivables	(c)	12,845	–

(a) The non-trade receivables due from the Property Manager are recharges which are unsecured, interest-free and repayable on demand.

- (b) Grant receivables relate to the Singapore government cash grant announced in the Fortitude Budget.
- (c) Net VAT/GST receivables relate to value-added tax (“VAT”) and goods and services tax (“GST”) to be claimed from the relevant tax authorities.

The Group’s and LREIT’s exposures to credit and currency risks for trade and other receivables, are disclosed in note 26.

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the period are as follows:

	Group	LREIT
	S\$’000	S\$’000
As at date of constitution	–	–
Impairment losses during the period	116	116
As at 30 June 2020	116	116

The Manager believes that no allowance for impairment losses is necessary in respect of the remaining trade receivables as majority of the balances are not past due and the rest of these balances mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers’ guarantees or cash security deposits.

7 Other non-current assets

	Group	LREIT
	2020	2020
	S\$’000	S\$’000
Prepaid lease incentives	1,012	1,012

8 Derivative financial instruments

	Group	LREIT
	2020	2020
	S\$’000	S\$’000
Non-current asset		
Foreign currency forward contract	149	149
Current liability		
Foreign currency forward contracts	320	320
Non-current liabilities		
Foreign currency forward contract	61	61
Interest rate derivatives ¹	4,042	4,042
	4,103	4,103

¹ Includes interest rate swap and options.

(i) *Foreign currency forward contracts*

The Group uses foreign currency forward contracts to manage its exposure to foreign currency fluctuation arising from contracts entered into with banks dominated in foreign currency by contracting the currency rate forward for expected foreign currency payment or receipt in future.

As at 30 June 2020, the Group had foreign currency forward contracts with tenors from less than one year to two years with total notional amount of €27,535,000 (equivalent to approximately S\$43,092,000). Under the contracts, the Group contracted to pay fixed rate for Euro to receive Singapore Dollar. The contracted exchange rates ranging from 1.54 to 1.61.

(ii) *Interest rate derivatives*

The Group uses interest rate derivatives to manage the exposure to interest rate movements on floating rate interest-bearing term loans by hedging the interest expense on a portion of interest-bearing borrowings from floating rates to fixed rates.

As at 30 June 2020, the Group had interest rate swap and options with tenor of three to four years with total notional amount of S\$198,594,000 and €285,000,000 (equivalent to approximately S\$466,022,000). Under the interest rate swap and options contract, the Group contracted to pay fixed interest rates of 0.06% to 1.64% and €30,500 quarterly and receives interest at three-month Singapore Dollar swap offer rate (“SOR”) or Euro Interbank Offer Rate (“EURIBOR”).

9 Cash and cash equivalents

	Group 2020 S\$'000	LREIT 2020 S\$'000
Cash at banks and on hand	46,678	23,664
Fixed deposit with financial institution	37,000	37,000
	<u>83,678</u>	<u>60,664</u>

The weighted average effective interest rate relating to fixed deposit for the period from 28 January 2019 (date of constitution) to 30 June 2020 for the Group and LREIT is 1.26% per annum, respectively.

10 Other current assets

	Group 2020 S\$'000	LREIT 2020 S\$'000
Deposits	528	528
Prepayments	2,913	2,609
Prepaid lease incentives	957	957
Others	265	265
	<u>4,663</u>	<u>4,359</u>

Prepayments mainly relate to grant receivable for the property tax rebate which has been passed down to tenants during the financial period.

11 Trade and other payables

	Group 2020 S\$'000	LREIT 2020 S\$'000
Current		
Trade payables	1,117	904
Trade amount due to:		
- the Manager	2,982	2,982
- the Property Manager	1,741	1,741
- the Trustee	66	66
Non-trade payables due to the Property Manager	99	99
Accrued operating expenses	3,310	3,301
Rental received in advance	4,758	1,459
Deposits	4,320	4,320
Interest payable	780	780
Grant payables	1,302	1,302
Other payables	1,352	601
	<u>21,827</u>	<u>17,555</u>
Non-current		
Deposits	<u>7,999</u>	<u>7,999</u>

The non-trade payables due to the Property Manager are recharges which are unsecured, interest-free and repayable on demand.

Grant payables relate to the Singapore government cash grant announced in the Fortitude Budget to be transferred to tenants as related rental rebates.

The Group's and LREIT's exposures to liquidity and currency risks related to trade and other payables are disclosed in note 26.

12 Loans and borrowings

	Group 2020 S\$'000	LREIT 2020 S\$'000
Non-current		
Unsecured interest-bearing term loans	545,319	545,319
Less: Unamortised transaction costs	(16,320)	(16,320)
	<u>528,999</u>	<u>528,999</u>

The contractual terms of the Group's and LREIT's borrowings, which are measured at amortised cost are disclosed below. The Group's and LREIT's exposures to interest rate, currency and liquidity risks are disclosed in note 26.

Terms and debt repayment schedule

Terms and conditions of the interest-bearing borrowings are as follows:

	Nominal interest rate %	Date of maturity	Group and LREIT	
			Face value S\$'000	Carrying amount S\$'000
2020				
SGD floating rate term loan	3 months SOR + margin	2 October 2022	99,297	97,348
EUR floating rate term loan	3 months EURIBOR + margin	2 October 2023	446,022	431,651
			545,319	528,999

Reconciliation of changes in liabilities arising from financing activities

	At 28 January 2019 (date of constitution) S\$'000	Financing cash flows		Non-cash changes		At 30 June 2020 S\$'000
		Proceeds from loans and borrowings S\$'000	Payment of interest and financing expenses S\$'000	Borrowing costs expensed S\$'000	Foreign exchange movement S\$'000	
Unsecured interest- bearing term loans	–	534,237	(20,187)	3,867	11,082	528,999
Interest payable	–	–	(2,593)	3,373	–	780
	–	534,237	(22,780)	7,240	11,082	529,779

13 Units in issue

	Note	Group and LREIT 2020 No. of units '000
Units issued:		
Units issued at the date of constitution		*
Issue of new units:		
Units issued at listing date	(a)	1,167,946
Units issued as payment of Manager's base fees	(b)	2,743
Units issued as payment of property management fees	(c)	1,106
At the end of the financial period		1,171,795
Units to be issued:		
Manager's base fees		1,320
Manager's performance fees		2,750
Property management fees ¹		649
Issued and issuable units at end of the financial period		1,176,514

¹ Estimated based on the 10-day volume weighted average price as at 30 June 2020.

* less than 1,000.

- (a) On listing date, LREIT issued 1,167,945,997 new units at an issue price of S\$0.88.
- (b) During the financial period ended 30 June 2020, there were the following issuances of units to the Manager:
- (i) 1,026,807 new units on 6 March 2020 at an issue price of S\$0.9261 per unit as payment of the base fee of the Manager's management fees incurred for the period from 2 October 2019 to 31 December 2019; and
- (ii) 1,715,929 new units on 5 June 2020 at an issue price of S\$0.5433 per unit as payment of the base fee of the Manager's management fees incurred for the period from 1 January 2020 to 31 March 2020.

The issue price for management fees paid in units was determined based on the volume weighted average price for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days immediately preceding (and, for the avoidance of doubt, including) the end date of the relevant period in which the fees accrued.

- (c) During the financial period ended 30 June 2020, there were the following issuances of units to the Property Manager:
- (i) 507,572 new units on 6 March 2020 at an issue price of S\$0.9261 per unit as payment for property management service provided by the Property Manager in respect of the Singapore property for the period from 2 October 2019 to 31 December 2019; and
- (ii) 598,916 new units on 5 June 2020 at an issue price of S\$0.7150 per unit as payment for property management service provided by the Property Manager in respect of the Singapore property for the period from 1 January 2020 to 31 March 2020.

The issue price for property management fees paid in units was determined based on the higher of (i) the volume weighted average price for a unit for all trades on the SGX-ST in the ordinary course of trading for the last 10 business days immediately preceding (and, for the avoidance of doubt, including) the end date of the relevant period in which the fees accrued and (ii) the closing price on the date of issuance of the units in payment of such property management fee.

14 Gross revenue

	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Rental income	52,600	33,924
Turnover rent	905	905
Other property income	2,031	2,015
	<u>55,536</u>	<u>36,844</u>

Turnover rent is contingent rent derived from operating leases.

15 Property operating expenses

	Group	LREIT
	Period from 28 January 2019 (date of constitution) to 30 June 2020	Period from 28 January 2019 (date of constitution) to 30 June 2020
	S\$'000	S\$'000
Property maintenance expenses	2,873	2,856
Property management fees	1,551	1,374
Property management reimbursements ¹	1,286	1,286
Property related tax	5,302	3,801
Marketing	1,775	1,775
Utilities	1,090	1,090
Others ²	1,370	1,252
	15,247	13,434

¹ Relates to reimbursement of staff costs paid/payable to the Property Manager.

² Other expenses comprise grant income and grant expense of approximately S\$4,653,000 respectively.

16 Manager's base fee

	Group	LREIT
	Period from 28 January 2019 (date of constitution) to 30 June 2020	Period from 28 January 2019 (date of constitution) to 30 June 2020
	S\$'000	S\$'000
Paid/payable in units	2,850	2,850

17 Manager's performance fee

	Group	LREIT
	Period from 28 January 2019 (date of constitution) to 30 June 2020	Period from 28 January 2019 (date of constitution) to 30 June 2020
	S\$'000	S\$'000
Payable in units	2,015	2,015

18 Other trust expenses

	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Auditor's remuneration		
– audit fees	214	139
– non-audit fees	74	74
Valuation fees	103	79
Consultancy and other professional fees	11	6
Other expenses	826	5,265
	<u>1,228</u>	<u>5,563</u>

Other expenses of LREIT mainly relate to acquisition cost of approximately S\$4,515,000 relating to the Milan Property.

19 Net foreign exchange loss

	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Realised foreign exchange gain	(79)	(79)
Unrealised foreign exchange loss	11,078	11,078
	<u>10,999</u>	<u>10,999</u>

20 Net finance costs

	Group Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000	LREIT Period from 28 January 2019 (date of constitution) to 30 June 2020 S\$'000
Finance income		
Interest income	531	531
Finance expenses		
Interest expense on bank borrowings	(3,373)	(3,373)
Amortisation of debt-related transaction cost	(3,867)	(3,867)
Total finance expenses	<u>(7,240)</u>	<u>(7,240)</u>
Net finance cost	<u>(6,709)</u>	<u>(6,709)</u>

21 Tax expense

	Group	LREIT
	Period from	Period from
	28 January	28 January
	2019 (date of	2019 (date of
	constitution)	constitution)
	to 30 June	to 30 June
	2020	2020
	S\$'000	S\$'000
Current tax expense	—	—
Reconciliation of effective tax rate		
Loss before tax	(8,616)	(34,253)
Tax using Singapore tax rate of 17%	(1,465)	(5,823)
Income not subject to tax	(976)	(976)
Non-tax deductible items	5,866	10,224
Others	(13)	(13)
Tax transparency	(3,412)	(3,412)
	—	—

22 Earnings per unit

Basic earnings per unit is calculated by dividing the total loss for the financial period after tax, before distribution, by the weighted average number of units issued during the financial period.

	Group	LREIT
	2020	2020
	S\$'000	S\$'000
Loss after tax attributable to Unitholders	(8,616)	(34,253)
Basic and diluted earnings per unit		
Weighted average number of units during the financial period ('000)	1,164,558	1,164,558
Basic earnings per unit (cents)	(0.74)	(2.94)

Diluted earnings per unit is the same as basic earnings per unit as there is no potential dilutive units during the financial period.

23 Lease

The Group leases out its investment properties (see note 4). The Group has classified these leases as operating leases.

The Group leases out its investment property to tenants with lease tenures of 1 to 12 years, with an option to renew at negotiated terms. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from investment property recognised by the Group and LREIT for the period ended 30 June 2020 was S\$52,600,000 and S\$33,924,000 respectively.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group S\$'000	LREIT S\$'000
2020 – Operating leases under IFRS 16		
Less than one year	74,358	48,853
One to two years	61,980	36,475
Two to three years	43,702	18,197
Three to four years	30,377	4,872
Four to five years	26,710	1,205
More than five years	178,535	–
Total	<u>415,662</u>	<u>109,602</u>

24 Capital commitments

At 30 June 2020, the Group had no capital expenditure contracted but not provided for in the financial statements.

25 Related parties

In addition to the related party information disclosed elsewhere in the financial statements, significant related party transactions which were carried out in the normal course of business on terms agreed between the parties during the financial period were as follows:

	Group 2020 S\$'000	LREIT 2020 S\$'000
Trustee fees paid and payable to Trustee	148	148
Manager's fees paid and payable to the Manager	4,865	4,865
Property management fees paid and payable to the Property Manager	1,374	1,374
Property management reimbursements paid and payable to the Property Manager	1,286	1,286
Leasing commission paid and payable to the Property Manager	1,088	1,088
Tenancy design review fees paid and payable to the Property Manager	47	47
	<u>47</u>	<u>47</u>

26 Financial risk management

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager of LREIT continually monitors LREIT's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and LREIT's activities.

The Manager of LREIT continually monitors LREIT's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by LREIT.

On 16 April 2020, the MAS announced that the aggregate leverage limit for Singapore REITs ("S-REIT") will be raised from 45% to 50% with immediate effect. In its public consultation last year, the MAS had proposed for S-REITs to have a new minimum interest coverage ratio ("ICR") of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%). However, the MAS has deferred the new ICR requirement to 1 January 2022 in light of the current COVID-19 pandemic situation. As at 30 June 2020, the Group's aggregate leverage was 35.1% with an ICR of 9.0 times in accordance with the requirements in the interest-bearing term loan facilities and ICR of 4.6 times¹ in accordance with the Appendix 6 of the CIS Code issued by MAS (the "Property Funds Appendix"). The Group had complied with the Aggregate Leverage limit during the financial period.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Trade receivables

Credit evaluations are performed by the Manager before lease agreements are entered into with the lessees. Rental deposits as a multiple of monthly rent are received either in cash or bank guarantees to reduce credit risk. The Manager also monitors the amount owing by the lessees on an ongoing basis.

At 30 June 2020, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statements of financial position.

Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants and credit policy of obtaining security deposits, banker's guarantees or other forms of collateral from tenants. These tenants comprise retailers engaged in a wide variety of consumer trades. Due to these factors, the Manager believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

¹ As defined in Appendix 6 of the CIS Code ("Property Funds Appendix") (last revised on 16 April 2020)

Expected credit loss assessment for individual tenants

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a very large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off based on actual credit loss experience.

The aging of trade receivables at the reporting date was:

	Group		LREIT	
	Gross S\$'000	Impairment loss S\$'000	Gross S\$'000	Impairment loss S\$'000
2020				
Past due 1 – 30 days	1,519	(38)	1,519	(38)
Past due 31 – 90 days	218	(70)	218	(70)
Past due more than 90 days	35	(8)	35	(8)
	1,772	(116)	1,772	(116)

Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The ECL on cash and cash equivalents is negligible.

Derivative financial instruments

Transactions involving derivative financial instruments are entered only with bank counterparties that are regulated.

Other receivables

The Group assesses on a forward-looking basis the ECLs associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk of these counterparties has not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 30 June 2020.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its debt maturity profile and operating cash flows to ensure that refinancing, repayment and funding needs are met. As part of liquidity management, the Group invests primarily in bank deposits and finances its operations through the use of mid to long term financing transactions.

The Group manages their operating cash flows and the availability of funding so as to ensure that all funding needs are met. Funds from capital calls are obtained when necessary to meet its working capital requirements.

Exposure to liquidity risk

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, at amortised cost, including contractual interest payments and excluding the impact of netting agreements.

	Carrying amount S\$'000	Cash flows			
		Contractual cash flows S\$'000	Within 1 year S\$'000	Between 1 to 5 years S\$'000	After 5 years S\$'000
Group					
30 June 2020					
Non-derivative financial liabilities					
Unsecured interest-bearing term loans	528,999	(554,690)	(3,250)	(551,440)	–
Trade and other payables ¹	22,986	(22,986)	(14,987)	(7,992)	(7)
Derivative financial (asset)/liabilities, at fair value					
Interest rate derivatives (net-settled)	4,042	(4,325)	(1,394)	(2,931)	–
Forward currency exchange contracts (gross-settled)	381	–	–	–	–
- (outflow)	–	(32,293)	(21,495)	(10,798)	–
- inflow	–	32,108	21,263	10,845	–
Forward currency exchange contract (gross-settled)	(149)	–	–	–	–
- (outflow)	–	(10,798)	–	(10,798)	–
- inflow	–	11,095	–	11,095	–
	556,259	(581,889)	(19,863)	(562,019)	(7)

LREIT
30 June 2020

Non-derivative financial liabilities					
Unsecured interest-bearing term loans	528,999	(554,690)	(3,250)	(551,440)	–
Trade and other payables ¹	22,013	(22,013)	(14,014)	(7,992)	(7)
Derivative financial (asset)/liabilities, at fair value					
Interest rate derivatives (net-settled)	4,042	(4,325)	(1,394)	(2,931)	–
Forward currency exchange contracts (gross-settled)	381	–	–	–	–
- (outflow)	–	(32,293)	(21,495)	(10,798)	–
- inflow	–	32,108	21,263	10,845	–
Forward currency exchange contract (gross-settled)	(149)	–	–	–	–
- (outflow)	–	(10,798)	–	(10,798)	–
- inflow	–	11,095	–	11,095	–
	555,286	(580,916)	(18,890)	(562,019)	(7)

¹ Excludes interest payable, rental received in advance and grant payables.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings, where feasible. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group also uses derivative financial instruments such as interest rate derivatives and forward currency exchange contracts to minimise its exposure to interest rate volatility, where feasible. These derivative financial instruments are classified as derivative asset or liability on the statements of financial position.

The Group's exposure to interest rate risk for changes in interest rates relates mainly to the interest-bearing financial assets and financial liabilities.

	Notional amount Group and LREIT 2020 S\$'000
Fixed rate instruments	
Interest rate derivatives	(545,319)
Variable rate instruments	
Unsecured interest-bearing term loan	(545,319)
Interest rate derivatives	545,319
	-

Sensitivity analysis

The Group does not account for any fixed rate instruments at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the statement of profit or loss and other comprehensive income.

For the variable rate financial liabilities and the derivative financial instruments, there is no net exposure to interest rate risk. This analysis assumes that all other variables remain constant.

Foreign currency risk

The Group's exposure to foreign currency risk relates to transactions that are denominated in currencies other than the respective functional currencies of the Group's entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country where its property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

In relation to its overseas investments in its foreign subsidiary whose net assets are exposed to currency translation risks and which is held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve, in net assets attributable to Unitholders. These translation differences are reviewed and monitored on a regular basis.

As at 30 June 2020, the Group's and LREIT's exposure to foreign currencies in relation to financial assets and liabilities was as follows:

	Euro	
	Group	LREIT
	2020	2020
	S\$'000	S\$'000
Cash and cash equivalents	23,055	56
Trade and other payables ¹	(959)	–
Derivative financial instruments	(932)	(932)
Loans and borrowings	(431,651)	(431,651)
Net exposure	(410,487)	(432,527)

¹ Excludes rental received in advance.

Sensitivity analysis

At the reporting date, a 5% strengthening/weakening of the Euro, as indicated below, against the Singapore dollar at the reporting date would have increased/(decreased) total profit or loss by the amounts shown below for the Group's and LREIT's financial assets and financial liabilities. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group	LREIT
	S\$'000	S\$'000
2020		
5% strengthening	(20,524)	(21,626)
5% weakening	20,524	21,626

27 Fair value of assets and liabilities

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments:

(i) Derivative financial instruments

Interest rate derivatives are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate and forward rate curves.

The fair value of the foreign currency forward contracts is determined using quoted forward exchange rates at the reporting date and present value calculation based on high credit quality yield curves in the respective currencies.

(ii) Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. The carrying amounts of loans and borrowings approximate their fair value as these loans and borrowings are interest-bearing at floating rates and reprice at an interval of one to twelve months.

(iii) Financial instruments that are not measured at fair value

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include loans and borrowings.

Interest rates used in determining fair values

The weighted average interest rates used to discount estimated cash flows, where applicable, are based on forward rates as at 30 June 2020 plus a credit spread, and are as follows:

	Group	LREIT
	2020	2020
	%	%
Unsecured interest-bearing term loans	0.52	0.52

(iv) Financial instruments for which fair value is equal to the carrying value

These financial instruments include cash and cash equivalents, trade and other receivables, other current assets, other non-current assets and trade and other payables. The carrying amounts of these financial instruments are approximations of their fair values because they are either short term in nature or effect of discounting is immaterial.

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2020

Group

Financial assets not measured at fair value

Note	At amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Fair value			Total S\$'000
					Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	
6	2,790	-	-	2,790	-	-	-	2,790
7	1,012	-	-	1,012	-	-	-	1,012
9	83,678	-	-	83,678	-	-	-	83,678
10	1,222	-	-	1,222	-	-	-	1,222
	<u>88,702</u>	<u>-</u>	<u>-</u>	<u>88,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,702</u>

Financial assets measured at fair value

Derivative financial asset

8	-	149	-	149	-	149	-	149
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Financial liabilities not measured at fair value

11	-	-	(23,766)	(23,766)	-	-	-	(23,766)
12	-	-	(528,999)	(528,999)	-	(548,449)	-	(548,449)
	<u>-</u>	<u>-</u>	<u>(552,765)</u>	<u>(552,765)</u>	<u>-</u>	<u>(548,449)</u>	<u>-</u>	<u>(548,449)</u>

Financial liabilities measured at fair value

Derivative financial liabilities

8	-	(4,423)	-	(4,423)	-	(4,423)	-	(4,423)
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Note	Carrying amount			Fair value				
	At amortised cost S\$'000	FVTPL S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 June 2020								
Trust								
Financial assets not measured at fair value								
6	2,790	-	-	2,790	-	-	-	2,790
7	1,012	-	-	1,012	-	-	-	1,012
9	60,664	-	-	60,664	-	-	-	60,664
10	1,222	-	-	1,222	-	-	-	1,222
	<u>65,688</u>	<u>-</u>	<u>-</u>	<u>65,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,688</u>
Financial assets measured at fair value								
8	-	149	-	149	-	149	-	149
Derivative financial asset								
Financial liabilities not measured at fair value								
11	-	-	(22,793)	(22,793)	-	-	-	(22,793)
12	-	-	(528,999)	(528,999)	-	(548,449)	-	(548,449)
	<u>-</u>	<u>-</u>	<u>(551,792)</u>	<u>(551,792)</u>	<u>-</u>	<u>(548,449)</u>	<u>-</u>	<u>(548,449)</u>
Financial liabilities measured at fair value								
8	-	(4,423)	-	(4,423)	-	(4,423)	-	(4,423)
Derivative financial liabilities								

¹ Excludes grant receivables and net VAT/GST receivables.

² Excludes deposits and prepayments.

³ Excludes rental received in advance and grant payables.

28 Operating segment

For segment reporting purpose, the primary segment is by geography and it comprises Singapore and Italy. The Group's reportable operating segments are as follow:

- (i) Singapore – leasing of property retail mall in Singapore.
- (ii) Italy – leasing of Sky Complex, comprising three office buildings in Milan, Italy.

Segment information is presented in respect of the Group's geographical segments. The operations of each of the Group's geographical segments are separately managed because of different economic and regulatory environments in which they operate in. For the purpose of making resource allocation and the assessment of segment performance, the Group's CODMs have focused on its investment properties. For each of the reporting segments, the Manager reviews internal management reports on a monthly basis. This forms the basis of identifying the operating segments of the Group under IFRS 8 *Operating Segments*.

	Singapore S\$'000	Italy S\$'000	Total S\$'000
For the period from 28 January 2019 to 30 June 2020			
Revenue			
Gross revenue	36,844	18,692	55,536
Properties operating expenses	(13,434)	(1,813)	(15,247)
Total segment net property income	23,410	16,879	40,289
Segment expense			
Manager's base fees	(2,424)	(426)	(2,850)
Manager's performance fees	(1,171)	(844)	(2,015)
Other management fee	–	(580)	(580)
Trustee's fee	(104)	(44)	(148)
Other trust expenses	(1,049)	(179)	(1,228)
Net foreign exchange loss	(10,999)	–	(10,999)
Finance income	531	–	531
Finance cost	(2,054)	(5,186)	(7,240)
Total segment expense	(17,270)	(7,259)	(24,529)
Fair value gains of investment properties	(30,319)	10,217	(20,102)
Fair value gains of derivative financial instruments	(4,274)	–	(4,274)
Segment loss	(28,453)	19,837	(8,616)
Segment assets	1,079,126	476,372	1,555,498
Segment liabilities	558,976	4,272	563,248

29 Financial ratios

	Group 2020 %
Expenses to weighted average net assets ¹	
- Expense ratio excluding performance-related fee	0.70
- Expense ratio including performance-related fee	0.50
 Portfolio turnover rate ²	 —

¹ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs, changes in fair value of financial derivatives, investment properties and foreign exchange gains/(losses).

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

30 Comparative information

No comparative figures have been presented as this is the first set of financial statements prepared for the Group and LREIT since the date of constitution.

31 Subsequent events

On 11 August 2020, the Manager announced a distribution of 1.758 Singapore cents per Unit, amounting to approximately S\$20.6 million in respect of the period from 1 January 2020 to 30 June 2020.

Given the unprecedented COVID-19 situation, the Manager will continue to monitor the situation and take the appropriate measures to deal with the implications of COVID-19 in accordance with guidelines, regulations and legislations provided by the authorities in the respective countries that the Group operates in and will take the necessary actions to ensure the long-term sustainability of the Group.

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