CIRCULAR DATED 2 JULY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

LENDLEASE GLOBAL COMMERCIAL REIT

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

managed by

LENDLEASE GLOBAL COMMERCIAL TRUST MANAGEMENT PTE. LTD.

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN LENDLEASE JEM PARTNERS FUND LIMITED AND LENDLEASE ASIAN RETAIL INVESTMENT FUND 3 LIMITED, BOTH OF WHICH HOLD INTERESTS IN JEM, AS AN INTERESTED PERSON TRANSACTION

IMPORTANT DATES AND TIMES FOR UNITHOLDERS	
Last date and time for pre-registration, pre-submission of questions for Extraordinary General Meeting ("EGM"), and lodgement of Proxy Forms	**Friday, 23 July 2021 at 1.00 p.m.**
Date and time of EGM to be held by way of electronic means	**Monday, 26 July 2021 at 1.00 p.m.**

Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee of the Manager and to the Trustee

Deloitte & Touche Corporate Finance Pte Ltd

(Incorporation in the Republic of Singapore)
Company Registration Number: 200200144N

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any of statements or opinions made or reports contained in this circular to holders of units in Lendlease Global Commercial REIT ("**LREIT**", and the units in LREIT, "**Units**", and the holders of Units, "**Unitholders**") dated 2 July 2021 (this "**Circular**"). If you are in any doubt about its contents or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units, you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and the Proxy Form) may be accessed at LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/, and are also available on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements.

DBS Bank Ltd. is the sole financial adviser and issue manager for the initial public offering of LREIT (the "**Offering**"). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. were the joint global coordinators, bookrunners and underwriters for the Offering.

Jem

Jem has established itself as a dominant retail mall in the West of Singapore ("West Region") and is one of Jurong Gateway's best performing retail and office mixed-use assets.

Jem is an integrated office and retail asset located in the heart of Jurong Gateway, second central business district and one of Singapore's designated regional centres and commercial hubs. It enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library.

One of the largest suburban malls in Singapore with retail space across six levels, Jem also comprises 12 levels of office space which has been fully leased to the Ministry of National Development of Singapore (MND). Anchor tenants within the retail space include FairPrice Xtra (a hypermarket), Cathay Cineplexes and Don Don Donki. Other major retail tenants include H&M, Koufu, Uniqlo and Courts. On 29 April 2021, IKEA has also opened its small concept store in Jem – the very first in Southeast Asia.

Jem is the first mixed-use asset in Singapore to be awarded the Green Mark Platinum version 4 and received the Building and Construction Authority's Universal Design Mark Gold Plus Design Award. In the 2020 Global Real Estate Sustainability Benchmark (GRESB) rankings under the Asia Retail (Non-Listed) category[1], Jem was ranked first and achieved the Regional Sector Leader status for strong leadership in sustainability.

Summary of selected information on Jem (as at 31 March 2021 unless otherwise stated)	
Gross Floor Area	**1,164,336 sq ft**
Net Lettable Area	**892,148 sq ft**
Title	**99 years leasehold***
Committed Occupancy	**99.7%**
Valuation (as at 30 April 2021)	**JLL: S$2,085 million** **CBRE: S$2,061 million**
Agreed Property Value	**S$2,077 million**
Net Property Income Yield on Agreed Property Value (Forecasted for the financial year ending 30 June 2021)	**3.9%**

*Commencing from 27 September 2010

[1] First and second place rankings obtained while Jem was held under Lendlease Jem Partners Fund Limited and Lendlease Asian Retail Investment Fund 3 Limited respectively.

Proposed Acquisition, as an interested person transaction

On 7 June 2021, the Trustee had entered into share purchase agreements:

1. to acquire a 53.0% interest in Lendlease Jem Partners Fund Limited from third party vendors for S$159.1 million; and
2. to acquire a 5.0% to 19.8% interest in Lendlease Asian Retail Investment Fund 3 Limited ("ARIF3") from Lendlease International Pty Limited[2] and/or one or more of the other existing shareholders[3] of ARIF3 who are not related to LREIT for S$45.0 million (for 5.0% of the total issued share capital in ARIF3 (the "ARIF3 Share Capital")) to S$178.2 million[4] (for 19.8% of the ARIF3 Share Capital).

Upon completion of the proposed acquisition, LREIT will hold an effective indirect interest of up to 31.8% in Jem.

Key Highlights of the Proposed Acquisition[5]

- ✓ **Accretive DPU** up 3.6%
- ✓ NAV per unit remains neutral at S$0.85
- ✓ Gearing ratio improved to 33.8%
- ✓ Office component is 100% leased to a Singapore government ministry with a **long WALE of approximately 24 years**, providing strong stable cash flow
- ✓ Exposure in the **resilient suburban retail** segment will be increased significantly by 13.9%[6]
- ✓ Increased **strategic pre-emptive rights** in the funds

Total Acquisition Cost

The estimated total cost of the proposed acquisition will be up to S$347.1 million, comprising:

a. Purchase consideration of up to S$337.3 million[7];

b. Acquisition fee[8] payable to the Manager of up to S$3.4 million[9]; and

c. Other fees and expenses of up to S$6.4 million

Method of Financing

The Manager intends to fund approximately 40% of this acquisition through debt facilities, and the remaining funding through its existing cash balance, including proceeds from issuance of the perpetual securities[10] and/or such other methods of financing as the Manager may determine.

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2 A wholly-owned subsidiary of LREIT's sponsor, Lendlease Corporation Limited.

3 The third party ARIF3 investors cannot be named due to confidentiality restrictions under the bye-laws of ARIF3 and as no binding agreement has been entered into by them for the sale of their ARIF3 Shares.

4 Based on the assumption that the purchase consideration payable to the third-party investors in ARIF3 will not be more than the net asset value of ARIF3 per ARIF3 share.

5 Based on the pro forma effects for the financial period from 2 October 2019 (listing date) to 30 June 2020 ("FY2020"), and on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the pro forma financial effects for FY2020 will instead be: DPU accretion of 1.6%, NAV per Unit of S$0.85 and Gearing of 32.0%. Please refer to the assumptions set out in paragraph 4 of the Letter to Unitholders in the Circular.

6 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then LREIT's exposure in the resilient suburban retail segment will increase by 9.0%.

7 Subject to post-completion adjustments.

8 Acquisition fee will be in the form of units, which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

9 The acquisition fee in respect of the proposed acquisition is 1.0% of the purchase consideration.

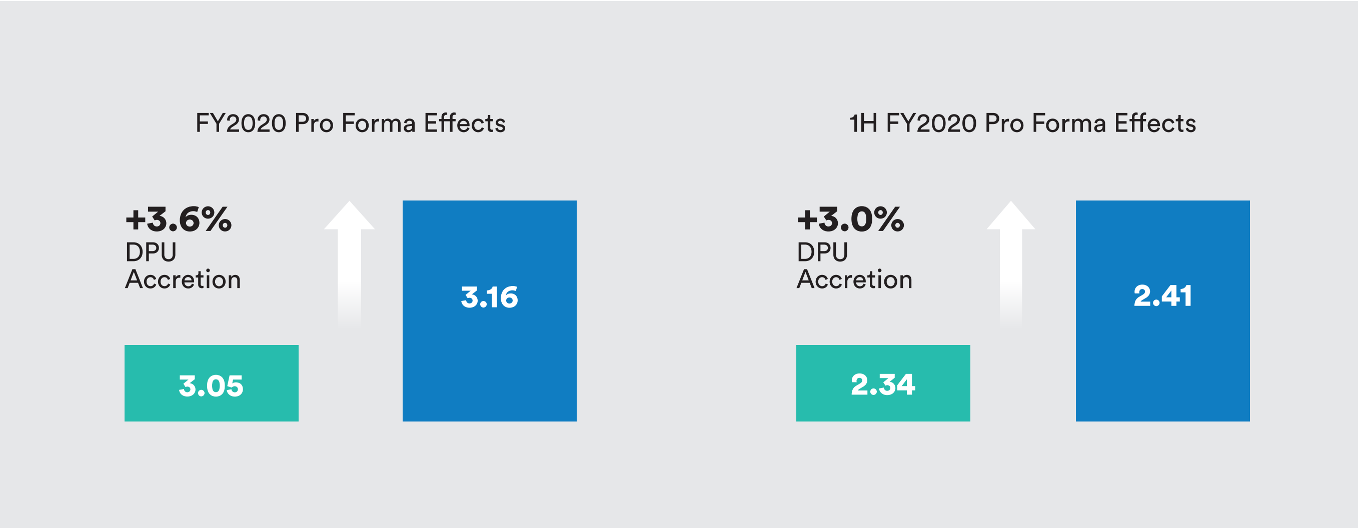
10 The S$200.0 million 4.20% fixed rate perpetual securities were issued on 27 May 2021.

Jem

Rationale for the Proposed Acquisition

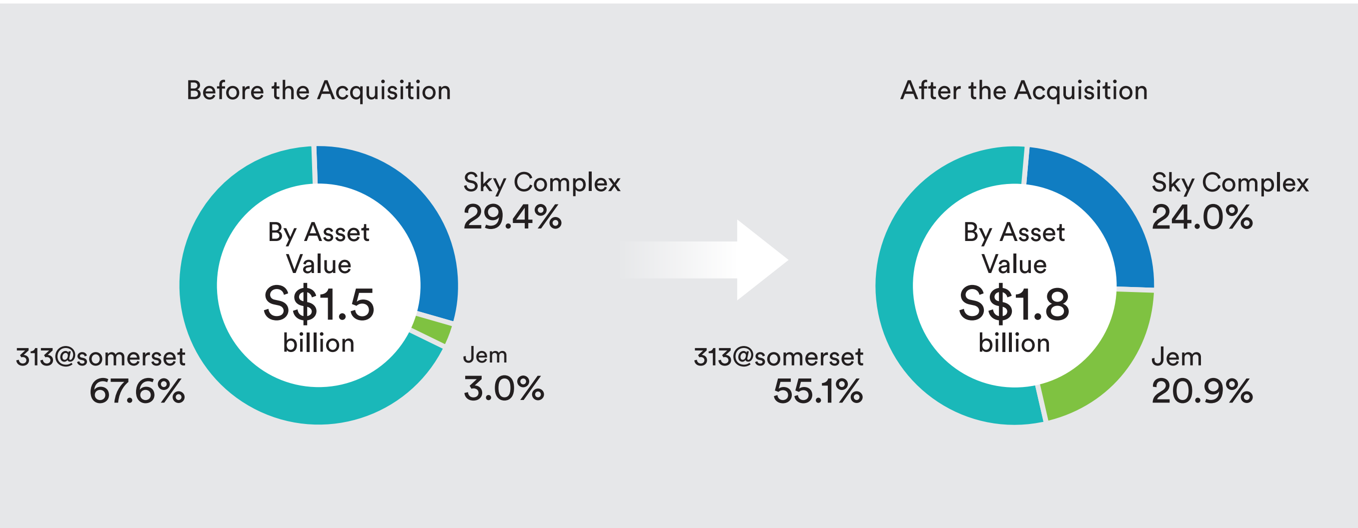
1. DPU Accretive

3.6% and 3.0% DPU accretive[11] based on the pro forma effects.



2. Quality Portfolio with Improved Diversification

- ✓ LREIT's portfolio size will increase by approximately 18% to S$1.8 billion[12].
- ✓ The single largest asset would represent no more than 56%[13] of the aggregate value of LREIT's enlarged portfolio.



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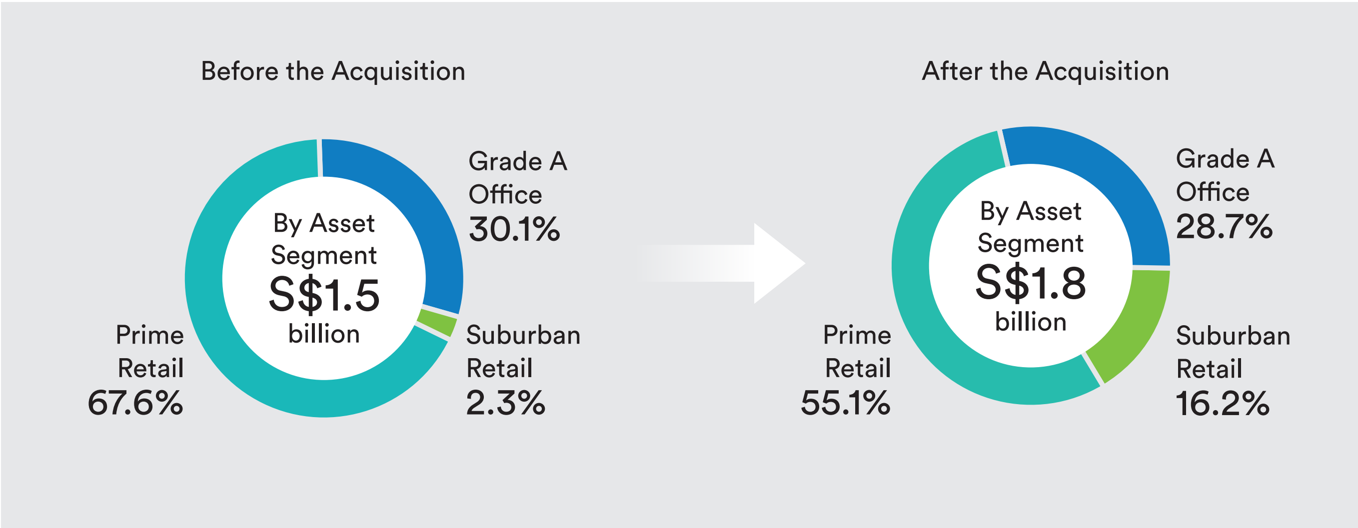
[11] Based on the assumption that 19.8% of ARIF3 is acquired. Pro forma financial effects if 5.0% of ARIF3 is acquired can be found in paragraph 4 of the Letter to Unitholders in the Circular.

[12] Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, LREIT's portfolio size will increase to approximately S$1.7 billion.

[13] Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the pro forma single largest asset would represent no more than 60% of the aggregate value of LREIT's enlarged portfolio.

- The enlarged portfolio will also benefit from increased exposure to the suburban retail segment, which has demonstrated greater resilience during the COVID-19 pandemic.
- LREIT's exposure in the resilient suburban retail segment will increase significantly by 13.9%[14].



3. Resilient Suburban Asset with Strong Sustainability Credentials

- Suburban retail in Singapore remains a resilient segment
  a. Jem has established itself as a dominant retail mall in the West Region and is one of Jurong Gateway's best performing retail and office mixed-use assets.
  b. The ability to achieve rapid replacement of former Robinsons department store space by IKEA's first small concept store in Southeast Asia is a strong testament of Jem's attractiveness as a retail destination.
  c. Jem is well-tenanted with a high committed occupancy of 99.7% as at 31 March 2021. Essential services trade mix such as food and beverage, services, supermarket and hypermarket, and beauty and health account for 58% of its net lettable area.[15]

[14] Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then LREIT's exposure in the resilient suburban retail segment will increase by 9.0%.

[15] Source: Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

Jem

✓ Stable office component fully leased to government ministry

a. Jem is strategically located with direct access to the Jurong East MRT station.

b. The office component is fully leased to the MND for a long lease term of 30 years[16], with a remaining lease term of approximately 24 years as at 31 March 2021.

c. With the expected office decentralisation trend as a result of the COVID-19 pandemic and the adoption of remote working, Jem will be particularly well-positioned as it provides conveniently located good quality office spaces near residential communities.

✓ Strong sustainability credentials

a. Building and Construction Authority ("BCA") Green Mark Platinum Award

b. BCA Universal Design Mark Gold Plus

c. Regional Sector Leader and 1st in the 2020 Global Real Estate Sustainability Benchmark (GRESB) rankings under the Asia Retail (Non-Listed) category.

GRESB®
REAL ESTATE
Sector Leader 2020

4. Strategically Located Asset with Attractive Market Fundamentals

✓ Strategic location with strong catchment

a. Located in the heart of Jurong Gateway and the Jurong East Regional Centre, which serves the entire West Region.

b. The region is the primary destination retail and business centre for the western and northwest parts of Singapore.

c. It enjoys strong catchment from the estimated population of 1.1 million residents.[15]

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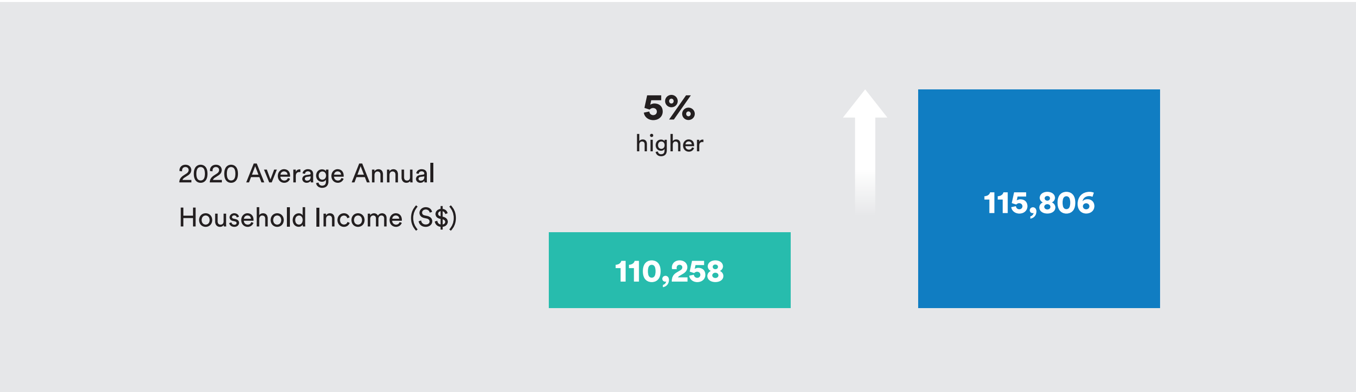
[16] MND's 30-year lease commenced in 2014 and includes option terms.

d. Residents in the West Region have higher disposable income. The West Region's estimated average annual household income of S$115,806 as of 2020 is 5.0% higher than the national average of S$110,258 for the same period.[15]

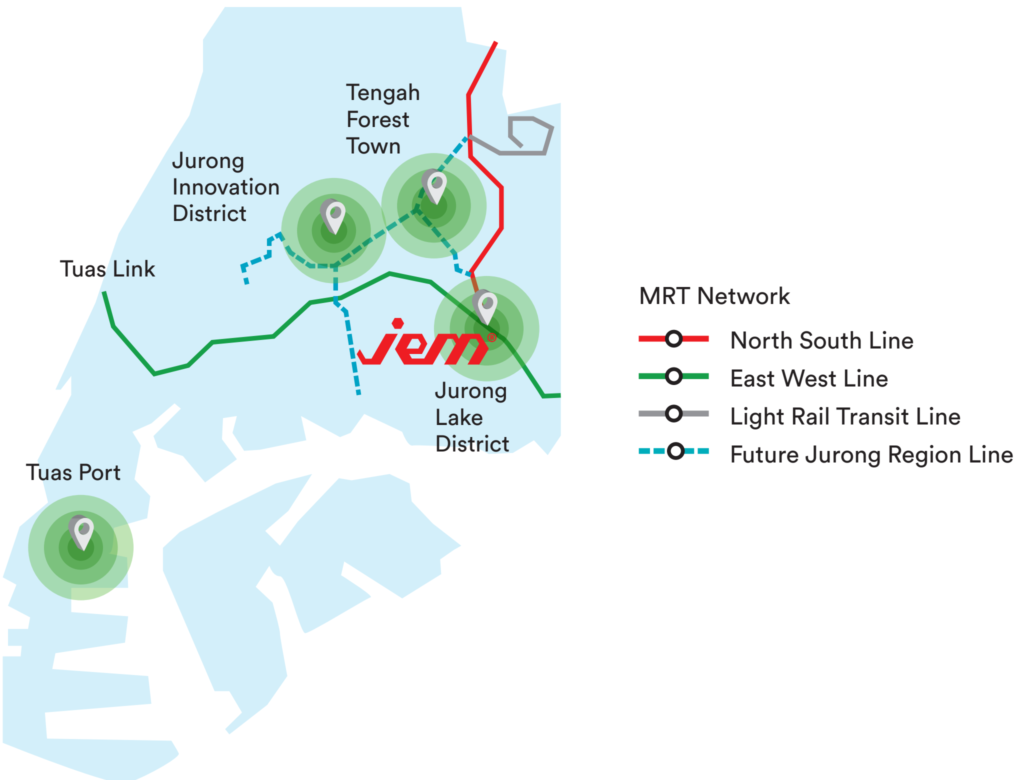


✓ Positioned to capitalise on future development plans

a. Future Jurong Region MRT Line and the new Jurong East Integrated Transport Hub in 2029 will enhance connectivity in Jurong East and drive consumer traffic into Jurong Gateway.[15]

b. Jurong Innovation District, an advanced manufacturing hub across over 600 hectares, will create over 95,000 new jobs when it is completed in 2022.[15]

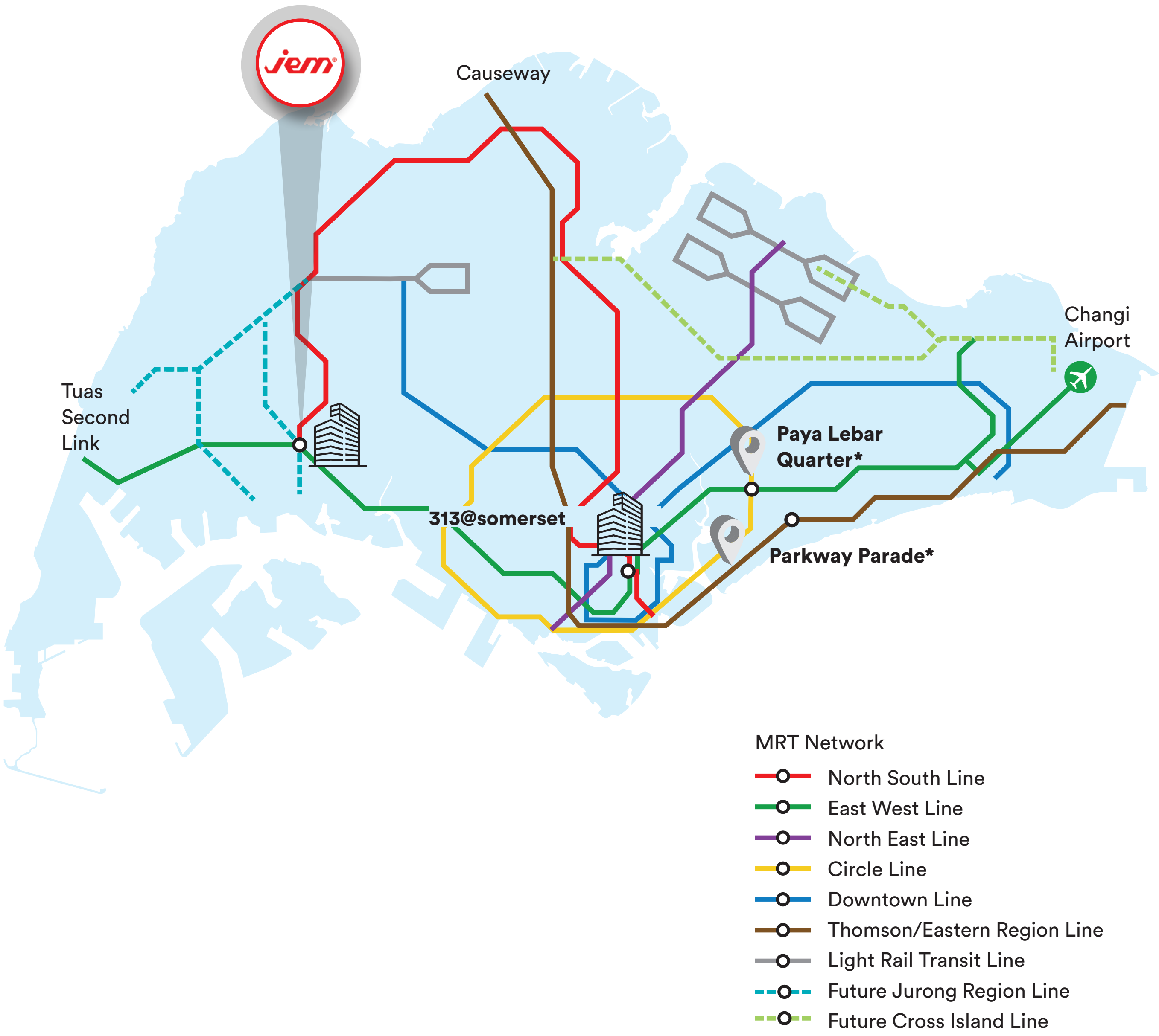
c. Upcoming Tengah Forest Town will complement the Jurong Lake District and Jurong Innovation District, adding 42,000 new homes upon completion.[15]



Jem

5. Strategic Move for Future Pipeline

The acquisition will result in an effective indirect interest of up to 31.8% in Jem and will provide LREIT with increased pre-emptive rights. This may provide opportunities for LREIT to potentially increase its strategic stake over time.



* Retail malls managed by the LREIT's Sponsor, Lendlease Corporation Limited.

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CORPORATE INFORMATION

Directors of Lendlease Global Commercial Trust Management Pte. Ltd. **(the "Manager" and the directors, the "Directors")**	:	Ms Ng Hsueh Ling (Chairman and Non-Independent Non-Executive Director) Dr Tsui Kai Chong (Lead Independent Non-Executive Director and Chairman of the Audit and Risk Committee) Mrs Lee Ai Ming (Independent Non-Executive Director and Chairman of the Nomination and Remuneration Committee) Mr Simon John Perrott (Independent Non-Executive Director) Mr Anthony Peter Lombardo (Non-Independent Non-Executive Director)
Registered Office of the Manager	:	2 Tanjong Katong Road #05-01 PLQ3 Paya Lebar Quarter Singapore 437161
Trustee of LREIT **(the "Trustee" or the "Purchaser")**	:	RBC Investor Services Trust Singapore Limited 8 Marina View #26-01 Asia Square Tower 1 Singapore 018960
Legal Adviser for the proposed Acquisition (as defined herein) and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser for the proposed Acquisition as to Bermuda Law	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 MYP Centre Singapore 049910
Legal Adviser for the proposed Acquisition as to Mauritius Law	:	Venture Law Ltd Level 3, Tower 1, Nexteracom Towers Cybercity, Ebene, Mauritius

Legal Adviser to the Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office **(the "Unit Registrar")**	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee of the Manager and to the Trustee ("IFA")	:	Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown Two Singapore 068809
Independent Valuers	:	Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**") (appointed by the Trustee) 1 Paya Lebar Link #10-08 Paya Lebar Quarter Tower 2 Singapore 408533 CBRE Pte. Ltd. ("**CBRE**") (appointed by the Manager) 2 Tanjong Katong Road #06-01 Paya Lebar Quarter Tower 3 Singapore 437161
Independent Market Research Consultant (the "Independent Market Research Consultant")	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd 12 Marina View #19-02 Asia Square Tower 2 Singapore 018961

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 71 to 77 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW

Overview of LREIT

Listed on 2 October 2019, LREIT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes. LREIT is managed by the Manager, an indirect wholly-owned subsidiary of Lendlease Corporation Limited (the "**Sponsor**").

The Sponsor is part of the Lendlease Group, which comprises the Sponsor, Lendlease Trust and their subsidiaries (the "**Lendlease Group**"). 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.

LREIT's property portfolio comprises a leasehold interest in 313@somerset, a retail mall located in Singapore, a freehold interest in Sky Complex, which comprises three Grade-A office buildings located in Milan. The portfolio has a total net lettable area of approximately 1.3 million square feet, with an appraised value of approximately S$1.5 billion[1] as at 31 March 2021. LREIT is redeveloping a site adjacent to 313@somerset into a multifunctional event space, which is expected to be operational in 2022.

In addition, LREIT holds a 5.0% stake in Lendlease Asian Retail Investment Fund 3 Limited ("**ARIF3**"), which holds a 75.0% indirect interest in the property known as Jem, located at 50 and 52 Jurong Gateway Road, Singapore (the "**Property**"). Other than Lendlease International Pty Limited ("**LLI**"), a direct wholly-owned subsidiary of the Sponsor, which holds approximately 15.1% in ARIF3, the other existing shareholders of ARIF3[2] are not related to LREIT. The remaining 25.0% interest in the Property is indirectly held by Lendlease Jem Partners Fund Limited ("**LLJP**", and together with ARIF3, the "**Target Companies**"). The Property is an integrated office and retail asset located in Jurong Gateway, the commercial hub of the Jurong Lake District, Singapore.

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[1] Sky Complex's valuation is based on the prevailing exchange rate of €1.00: S$1.578 as at 31 March 2021.
[2] The other existing shareholders of ARIF3 cannot be named due to confidentiality restrictions under the bye-laws of ARIF3.

Its key objectives are to provide Unitholders with regular and stable distributions, achieve long-term growth in distribution per unit and net asset value ("**NAV**") per unit, and maintain an appropriate capital structure.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from the Unitholders by way of Ordinary Resolution[1] for the proposed acquisition by the Purchaser of the respective interests in the shares of the Target Companies as described below:

(i) 53.0% of the total issued share capital in LLJP[2] (the "**LLJP Sale Shares**"), which in turn holds a 25.0% indirect interest in the Property. The proposed acquisition of the LLJP Sale Shares is from two funds advised by affiliates of UBS Asset Management AG (the "**UBS Funds**"), Aviva Ltd. ("**Aviva**") and Sumitomo Mitsui Banking Corporation ("**SMBC**" and, together with UBS Funds and Aviva, the "**LLJP Vendors**"). The purchase consideration for the LLJP Sale Shares will be S$159.1 million, subject to post-completion adjustments (the "**LLJP Purchase Consideration**"); and

(ii) 5.0% to 19.8% of the total issued share capital in ARIF3 (the "**ARIF3 Sale Shares**"), which in turn holds a 75.0% indirect interest in the Property. The proposed acquisition of the ARIF3 Sale Shares is from one or more of the other existing shareholders[3] of ARIF3 who are not related to LREIT (the "**Third Party ARIF3 Vendors**") and/or LLI, a direct wholly-owned subsidiary of the Sponsor (and together with the Third Party ARIF3 Vendors, the "**ARIF3 Vendors**" and, together with the LLJP Vendors, the "**Vendors**"). The acquisition of the ARIF3 Sale Shares is for a total purchase consideration of S$45.0 million (for 5.0% of the total issued share capital in ARIF3 (the "**ARIF3 Share Capital**")) to S$178.2 million[4] (for 19.8% of the ARIF3 Share Capital), subject to relevant post-completion adjustments (the "**ARIF3 Purchase Consideration**", and together with the LLJP Purchase Consideration, the "**Purchase Consideration**").

The proposed acquisition of the LLJP Sale Shares and the ARIF3 Sale Shares shall collectively be referred to as the "**Acquisition**". The LLJP Vendors are third party vendors not related to LREIT.

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1 **"Ordinary Resolution"** refers to a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

2 The remaining 47.0% of the total issued share capital in LLJP (the "**LLJP Share Capital**") is held by third party shareholders not related to LREIT. These third party shareholders cannot be named due to confidentiality restrictions under the bye-laws of LLJP.

3 The Third Party ARIF3 Vendors cannot be named due to confidentiality restrictions under the bye-laws of ARIF3 and as no binding agreement has been entered into by them for the sale of their ARIF3 Shares.

4 Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

Acquisition of LLJP Sale Shares (53.0% of the LLJP Share Capital)

The Purchaser is proposing to acquire:

(a) 45.0% of the LLJP Share Capital from the UBS Funds and Aviva pursuant to the LLJP UBS Aviva SPA (as defined herein); and

(b) 8.0% of the LLJP Share Capital from SMBC pursuant to the LLJP SMBC SPA (as defined herein),

for a purchase consideration of S$159.1 million, subject to post-completion adjustments.

Acquisition of ARIF3 Sale Shares (5.0% to 19.8% of the ARIF3 Share Capital)

The Purchaser intends to acquire 5.0% to 19.8% of the ARIF3 Share Capital for a total purchase consideration of S$45.0 million (for 5.0% of the ARIF3 Share Capital) to S$178.2 million [1] (for 19.8% of the ARIF3 Share Capital), subject to relevant post-completion adjustments. The Manager is seeking approval from Unitholders for the acquisition of a specific range of 5.0% to 19.8% of the ARIF3 Share Capital based on its current understanding of the willingness of the ARIF3 shareholders to divest their interests in ARIF3 at this point in time.

The Purchaser intends to acquire up to 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors if such Third Party ARIF3 Vendors decide to offer their ARIF3 shares for sale in accordance with the bye-laws of ARIF3. Pursuant to the bye-laws of ARIF3, in the event of a proposed sale of ARIF3 shares[2] by an existing ARIF3 shareholder to a third party, the existing ARIF3 shareholder must first offer such sale shares to the other shareholders of ARIF3 by issuing a transfer notice, and each of the shareholders of ARIF3 has a pre-emption right to acquire such sale shares in proportion to its shareholding in ARIF3. Each of the shareholders of ARIF3 will then have 20 business days from the date of the transfer notice to issue an acceptance notice before the close of the pre-emptive period. In addition, as LREIT has indicated its interest to increase its shareholding in ARIF3, LLI, a direct wholly-owned subsidiary of the Sponsor and an existing shareholder of ARIF3, may also nominate LREIT, which is considered a closely held entity of LLI under the bye-laws of ARIF3, to acquire its proportion of such sale shares. The Purchaser is proposing to exercise its pre-emption right to acquire its entitlement of the ARIF3 shares as well as LLI's entitlement, in accordance with the bye-laws of ARIF3 should any of the Third Party ARIF3 Vendors decide to put up their

1 Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

2 Although the minimum price of such sale shares will be determined by the existing ARIF3 shareholder, the Manager is seeking approval from the Unitholders for the acquisition of ARIF3 Sale Shares on the basis of the purchase consideration payable to the Third Party ARIF3 Vendors being not be more than the NAV per share of ARIF3 as that is the highest price it is prepared to acquire at and believes will be in the interests of Unitholders. Therefore, if the price of the ARIF3 sale shares offered by the Third Party ARIF3 Vendors is at, or at a discount to, the NAV per share of ARIF3, the Manager will proceed with the acquisition of these ARIF3 sale shares. Conversely, if the price offered by the Third Party ARIF3 Vendors is higher than NAV per share of ARIF3, the Manager will not proceed with the acquisition.

ARIF3 shares for sale before or during the upcoming "liquidity window" [1] under the bye-laws of ARIF3 (currently expected to be the period from 6 August 2021 to 6 September 2021).

As LREIT is considered a closely held entity[2] of LLI under the bye-laws of ARIF3, a proposed sale by LLI to LREIT of its ARIF3 shares will not trigger the aforementioned pre-emption right.

Accordingly, the scenarios for the Purchaser's proposed acquisition of the ARIF3 Sale Shares are as follows:

1. Scenario 1: Acquisition of 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors only

In the event that the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and only LREIT and LLI exercise their aforementioned pre-emption rights to acquire such shares, the maximum number of ARIF3 shares that LREIT will seek to acquire from the Third Party ARIF3 Vendors (arising from LREIT's existing shareholding in ARIF3 as well as the shareholding of LLI (and who has agreed to nominate LREIT to take up its entitlement)) will comprise 19.8% of the ARIF3 Share Capital. In such a case, LREIT will not acquire any shares from LLI under the ARIF3 LLI SPA (as defined herein).

2. Scenario 2: Acquisition of between 5.0% and up to 19.8% of the ARIF3 Share Capital

Acquisition of between 9.9% and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI

In the event that the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and any of the other shareholders in ARIF3 exercises its aforementioned pre-emption rights to acquire the Third Party ARIF3 Vendors' shares in proportion to its shareholdings in ARIF3, and LREIT is unable to acquire a total of 19.8% of the ARIF3 Share Capital by 31 October 2021, LREIT will acquire the maximum number of ARIF3 shares that LREIT is entitled to acquire from the Third Party ARIF3 Vendors (arising from LREIT's and LLI's entitlements). Assuming the Third Party ARIF3 Vendors elect to sell 19.8% of the ARIF3 Share Capital, and all the other shareholders in ARIF3 exercise their aforementioned pre-emption rights, the maximum number of ARIF3 shares that LREIT is entitled to acquire (including LLI's entitlement) from the Third Party ARIF3 Vendors is 4.9% of the ARIF3 Share Capital.

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1 The "liquidity window" is a period determined in accordance with the bye-laws of ARIF3. It is a set period where existing shareholders of ARIF3 may choose to divest their interests in ARIF3. Although the existing shareholders of ARIF3 may divest their ARIF3 shares in periods other than the "liquidity window", LLIM, as the advisor, has certain obligations to create conditions for liquidity during such "liquidity windows".

2 Under the bye-laws of ARIF3, among others, in the sole discretion of the directors, any widely-held fund, of which a wholly-owned subsidiary of a 100% of holding company of LLI is the manager, is considered as a closely held entity. As the Manager is an indirect wholly-owned subsidiary of the Sponsor, which wholly-owns LLI, LREIT is considered as a closely held entity of LLI.

To the extent that LREIT cannot acquire up to 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors by 31 October 2021, LREIT will acquire the shortfall from LLI pursuant to the ARIF3 LLI SPA, up to a maximum of 5.0%[1] of the ARIF3 Share Capital. Therefore, LREIT may acquire between 9.9% (consisting of 5.0% of the ARIF3 Share Capital from LLI and 4.9% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors) and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI.

By way of illustration, if LREIT is only able to acquire 66,511 ARIF3 shares comprising 14.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors, an additional 22,485 ARIF3 shares comprising 5.0% of the ARIF3 Share Capital will be acquired from LLI to acquire a total of 88,996 ARIF3 shares comprising 19.8% of the ARIF3 Share Capital.

Acquisition of 5.0% of the ARIF3 Share Capital from LLI only

In the event that the Third Party ARIF3 Vendors do not offer any of their ARIF3 shares for sale in accordance with the bye-laws of ARIF3, LREIT will acquire 5.0% of the ARIF3 Share Capital from LLI only under the ARIF3 LLI SPA.

Investment in Real Estate-Related Assets

The investments in the Target Companies would be classified as an investment in real estate-related assets under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**", and Appendix 6, the "**Property Funds Appendix**"). The Property Funds Appendix defines "real estate-related assets" to mean listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture). The Target Companies would be considered as property funds. Under Paragraph 7 of the Property Funds Appendix, LREIT must invest at least 75.0% of its deposited property[2] in income-producing real estate with the remaining permitted to be invested in real estate-related assets up to a maximum of 25.0% of the deposited properties.

Based on LREIT's existing portfolio (the "**Existing Portfolio**"), 92.3% of LREIT's total deposited property is considered income-producing real estate as at 31 December 2020. Following completion of the proposed Acquisition, 75.9% of LREIT's total deposited property will be considered income-producing real estate[3]. Accordingly, LREIT will continue to comply with Paragraph 7 of the Property Funds Appendix.

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1 The maximum of 5.0% of the ARIF3 Share Capital that can be acquired from LLI pursuant to the ARIF3 LLI SPA was determined by LLI, and was offered to LREIT to provide greater certainty of acquiring more shares in ARIF3 in the event that LREIT is unable to acquire 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors.

2 Under the Property Funds Appendix, "**deposited property**" means the value of the property fund's total assets based on the latest valuation. For the avoidance of doubt, LREIT's total deposited property excludes non-controlling interests.

3 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, 78.1% of LREIT's total deposited property will be considered income-producing real estate.

THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

Description of the Target Companies and the Property

The Target Companies are private funds which are set up as companies incorporated in Bermuda. The Target Companies do not invest in other real estate assets save for the Property, and are managed by Lendlease Investment Management Pte. Ltd. ("**LLIM**"), an indirect wholly-owned subsidiary of the Sponsor.

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

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

Title	Leasehold of 99 years commencing from 27 September 2010
GFA(1) (sq ft(2))	1,164,336
NLA(3) (sq ft)	892,148
Number of Storeys	Retail: 6 Office: 12
Committed Occupancy	99.7%
Weighted Average Lease Expiry by GRI (years)	6.5
Independent Valuation by JLL (as at 30 April 2021) (4)	S$2,085 million
Independent Valuation by CBRE (as at 30 April 2021) (5)	S$2,061 million
Agreed Property Value	S$2,077 million
Agreed Property Value per sq ft of NLA	S$2,328
Capitalisation Rate adopted in the Independent Valuations	Retail: 4.50% Office: 3.50%
NPI(6) (FY2021(7))	S$81.9 million
NPI Yield Based on Agreed Property Value (FY2021)	3.9%

Notes:

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

Share Purchase Agreements

LLJP

On 7 June 2021, the Purchaser entered into:

(i) a share purchase agreement with the UBS Funds and Aviva to acquire 45.0% of the LLJP Share Capital from them (the "**LLJP UBS Aviva SPA**"); and

(ii) a share purchase agreement with SMBC to acquire 8.0% of the LLJP Share Capital from SMBC (the "**LLJP SMBC SPA**").

Under the LLJP UBS Aviva SPA and the LLJP SMBC SPA, the Purchaser is entitled to nominate a wholly-owned subsidiary to acquire the LLJP Sale Shares.

ARIF3

On 7 June 2021, the Purchaser entered into a share purchase agreement with LLI (the "**ARIF3 LLI SPA**") to acquire up to 5.0% of the ARIF3 Share Capital from LLI.

In the event that the Purchaser acquires any ARIF3 shares from the Third Party ARIF3 Vendors, the Purchaser will acquire up to 19.8% of the ARIF3 Share Capital from them in accordance with the bye-laws of ARIF3 which stipulate the mechanism for existing shareholders of ARIF3 to exercise their pre-emption right in acquiring another shareholder's ARIF3 shares. Accordingly, no share purchase agreement will be entered into by the Purchaser for the acquisition from the Third Party ARIF3 Vendors.

Upon completion of the proposed Acquisition, LREIT will hold:

(i) a 53.0% interest in LLJP;

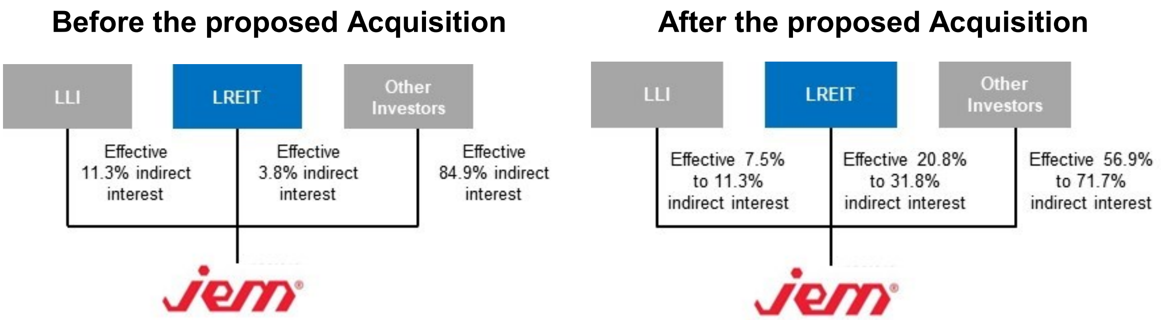
(ii) a 10.0% to 24.8% interest in ARIF3 (after taking into account LREIT's existing 5.0% interest in ARIF3); and

(iii) an effective 20.8% to 31.8% indirect interest in the Property[1].

In the event that LREIT acquires 5.0% of the ARIF3 Share Capital from LLI pursuant to the ARIF3 LLI SPA, upon completion of the proposed Acquisition, LLI will still hold approximately 10.1% of the ARIF3 Share Capital.

The diagrammatic illustrations below set out the Property's holding structure following completion of the proposed Acquisition.

[1] Effective indirect interest is computed based on the summation of LREIT's shareholdings in LLJP and ARIF3 in percentage terms, multiplied by 25% and 75% respectively.



(See **paragraphs 2.7, 2.8 and 2.9** of the Letter to Unitholders for further details.)

Purchase Consideration and Valuation

The Property

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

The agreed property value for the Property, which was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by JLL and CBRE (collectively, the "**Independent Valuers**"), is S$2,077 million[1] (the "**Agreed Property Value**"), which is at a discount of approximately 0.4% to the higher of the two independent valuations of the Property as at 30 April 2021 (the "**Appraised Value**").

Purchase Consideration

The LLJP Purchase Consideration payable by the Purchaser of approximately S$159.1 million comprises:

(i) under the LLJP UBS Aviva SPA, 45.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date; and

(ii) under the LLJP SMBC SPA, 8.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date.

The ARIF3 Purchase Consideration payable by the Purchaser of approximately S$45.0 million to S$178.2 million[2] comprises:

(i) under the ARIF3 LLI SPA, up to 5.0% of the NAV of ARIF3 as at 31 March 2021, subject to post-completion adjustments up to the completion date; and

[1] The Agreed Property Value is lower than the latest book valuation of the Property of S$2,079 million, based on the unaudited financial statements of LREIT for the financial half year period from 1 July 2020 to 31 December 2020, by S$2 million.

[2] Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

(ii) in accordance with the bye-laws of ARIF3, up to 19.8% of the NAV of ARIF3 as at the date of transfer.

(See **Appendix C** of this Circular for further details regarding the valuation of the Property)

Estimated Total Acquisition Cost

The estimated total cost of the proposed Acquisition (the "**Total Acquisition Cost**") is approximately S$211.7 million to S$347.1 million, comprising:

(i) the Purchase Consideration of S$204.1 million to S$337.3 million[1];

(ii) the acquisition fee[2] payable to the Manager for the proposed Acquisition (the "**Acquisition Fee**") pursuant to the trust deed dated 28 January 2019 constituting LREIT (as amended, restated and supplemented) (the "**Trust Deed**") of approximately S$2.0 million to S$3.4 million[3]; and

(iii) the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Acquisition of up to S$6.4 million.

Method of Financing

The Manager intends to finance approximately 40% of the Total Acquisition Cost (excluding the Acquisition Fee Units) through debt facilities, and the remaining funding through its existing cash balance, including the proceeds from issuance of the perpetual securities[4], and/or such other methods of financing as the Manager may determine.

The final decision regarding the funding mix for the Total Acquisition Cost will be made by the Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment, and availability of funding options while maintaining an optimal level of gearing.

Payment of the Acquisition Fee in Units

The Manager shall be paid the Acquisition Fee of approximately S$2.0 million to S$3.4 million for the proposed Acquisition pursuant to the Trust Deed. As the proposed Acquisition will constitute an "interested party transaction" under Paragraph 5 of the Property Funds

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1 Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

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

3 The Acquisition Fee in respect of the proposed Acquisition is 1.0% of the Purchase Consideration.

4 The S$200.0 million 4.20% fixed rate perpetual securities were issued on 27 May 2021.

Appendix, the Acquisition Fee[1] payable to the Manager in respect of the Acquisition will be in the form of the Acquisition Fee Units, which shall not be sold within one year from the date of issuance.

Based on an illustrative issue price of S$0.77 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 2.7 million Units to 4.4 million Units.

Interested Person Transaction and Interested Party Transaction

As at 30 June 2021, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), the Sponsor holds an aggregate direct and indirect interest in 305,639,040 Units, which is equivalent to approximately 25.88% of the total number of Units in issue as at the Latest Practicable Date (the "**Existing Units**"), and is therefore regarded as a "controlling unitholder" of LREIT for the purposes of the listing manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix. In addition, as the Manager is an indirect wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a "controlling shareholder" of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an "interested person" of LREIT and (under the Property Funds Appendix) an "interested party" of LREIT.

As the Target Companies are managed by LLIM, which is an indirect wholly-owned subsidiary of the Sponsor, and LLI is a direct wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager is regarding the proposed Acquisition as an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Acquisition.

(See **paragraph 5.1** of the Letter to Unitholders for further details.)

[1] Based on the Trust Deed, when the Acquisition Fee is paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a Unit being the volume weighted average price ("**VWAP**") for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the relevant business day on which the Acquisition Fee is paid.

RATIONALE FOR THE PROPOSED ACQUISITION

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

1. Strategically located asset with attractive market fundamentals

    - Strategic location with strong catchment

        - Located in the heart of Jurong Gateway and the Jurong East Regional Centre, which serves the entire west region of Singapore (the "**West Region**").

        - The region is the primary destination retail and business centre for the western and northwest parts of Singapore.

        - It enjoys strong catchment from the estimated population of 1.1 million residents.

        - Residents in the West Region have higher disposable income. The West Region's estimated average annual household income of S$115,806 as of 2020 is 5.0% higher than the national average of S$110,258 for the same period.

    - Positioned to capitalise on future development plans

        - Future Jurong Region MRT Line and the new Jurong East Integrated Transport Hub in 2029 will enhance connectivity in Jurong East and drive consumer traffic into Jurong Gateway.

        - Jurong Innovation District, an advanced manufacturing hub across over 600 hectares, will create over 95,000 new jobs when it is completed in 2022.

        - Upcoming Tengah Forest Town will complement the Jurong Lake District and Jurong Innovation District, adding 42,000 new homes upon completion.

2. Resilient suburban asset with strong sustainability credentials

    - Suburban retail in Singapore remains a resilient segment

        - The Property has established itself as a dominant retail mall in the West Region and is one of Jurong Gateway's best performing retail and office mixed-use assets.

        - The ability to achieve rapid replacement of former Robinsons department store space by IKEA's first small concept store in Southeast Asia is a strong testament of the Property's attractiveness as a retail destination.

- The Property is well-tenanted with a high committed occupancy of 99.7% as at 31 March 2021. Essential services trade mix such as food and beverage, services, supermarket and hypermarket, and beauty and health account for 58% of its net lettable area.

- Stable office component fully leased to Government Ministry

  - The Property is strategically located with direct access to the Jurong East MRT station.

  - The office component is fully leased to the MND for a long lease term of 30 years[1], with a remaining lease term of approximately 24 years as at 31 March 2021.

  - With the expected office decentralisation trend as a result of the COVID-19 pandemic and the adoption of remote working, the Property will be particularly well-positioned as it provides conveniently located good quality office spaces near residential communities.

- Strong sustainability credentials

  - Building and Construction Authority ("**BCA**") Green Mark Platinum Award

  - BCA Universal Design Mark Gold Plus

  - Regional Sector Leader and 1st in the 2020 Global Real Estate Sustainability Benchmark (GRESB) rankings under the Asia Retail (Non-Listed) category[2]

3. Quality portfolio with improved diversification

   - LREIT's portfolio size will increase by approximately 18% to S$1.8 billion.[3]

   - The single largest asset would represent no more than 56%[4] of the aggregate value of LREIT's enlarged portfolio.

   - The enlarged portfolio will also benefit from increased exposure to the suburban retail segment, which has demonstrated greater resilience during the COVID-19 pandemic.

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1 MND's 30-year lease commenced in 2014 and includes option terms.
2 1st and 2nd place rankings obtained while held under LLJP and ARIF3 respectively.
3 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then LREIT's portfolio size will increase to approximately S$1.7 billion.
4 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* single largest asset would represent no more than 60% of the aggregate value of LREIT's enlarged portfolio.

- LREIT's exposure in the resilient suburban retail segment will increase significantly by 13.9%.[1]

4. Distribution per Unit (the "**DPU**") accretive

   - The proposed Acquisition will be 3.6% and 3.0% DPU accretive based on the *pro forma* effects for the financial period from 2 October 2019 (listing date) to 30 June 2020 ("**FY2020**") and the 6-month period from 1 July 2020 to 31 December 2020 ("**1H FY2021**") respectively.[2]

5. Strategic move for future pipeline

   - The Acquisition results in an effective 20.8% to 31.8% indirect interest in the Property and will provide LREIT with increased pre-emptive rights, which all existing investors have in the Target Companies.

   - This may provide opportunities to LREIT to potentially increase its strategic stake in the Target Companies (and indirect interest in the Property) over time if other investors divest their interests in the Target Companies.

(See **paragraph 3** of the Letter to Unitholders for further details.)

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1 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then LREIT's exposure in the resilient suburban retail segment will increase by 9.0%.

2 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects on DPU for FY2020 and 1H FY2021 will illustrate a 1.6% and 1.3% DPU accretion respectively. Please refer to the assumptions set out in paragraph 4 of the Letter to Unitholders.

INDICATIVE TIMETABLE

Any changes to the timetable below will be announced.

Event		Date and Time
Last date and time for pre-registration for EGM, submission of questions in advance, and lodgement of Proxy Forms	:	Friday, 23 July 2021 at 1.00 p.m.
Date and time of the EGM to be convened and held by way of electronic means	:	Monday, 26 July 2021 at 1.00 p.m.
If approval for the Acquisition is obtained at the EGM:		
Target date for completion of the proposed Acquisition	:	Expected to be before 30 September 2021 (or such other date as may be agreed between the Trustee and the Vendors)

LENDLEASE GLOBAL COMMERCIAL REIT

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

Directors:

Ms Ng Hsueh Ling
(Chairman and Non-Independent Non-Executive Director)
Dr Tsui Kai Chong
(Lead Independent Non-Executive Director and Chairman of the Audit and Risk Committee)
Mrs Lee Ai Ming
(Independent Non-Executive Director and Chairman of the Nomination and Remuneration Committee)
Mr Simon John Perrott
(Independent Non-Executive Director)
Mr Anthony Peter Lombardo
(Non-Independent Non-Executive Director)

Registered Office:

2 Tanjong Katong Road
#05-01 PLQ 3
Paya Lebar Quarter
Singapore 437161

2 July 2021

To: The Unitholders of Lendlease Global Commercial REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution for the proposed Acquisition of (i) the LLJP Sale Shares (53.0% of the LLJP Share Capital) for a purchase consideration of S$159.1 million, subject to post-completion adjustments, and (ii) the ARIF3 Sale Shares (5.0% to 19.8% of the ARIF3 Share Capital) for a total purchase consideration of S$45.0 million (for 5.0% of the ARIF3 Share Capital) to S$178.2 million[1] (for 19.8% of the ARIF3 Share Capital), subject to relevant post-completion adjustments.

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[1] Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

2. THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

2.1 Description of the Target Companies

The Target Companies are private funds which are set up as companies incorporated in Bermuda. The Target Companies do not invest in other real estate assets save for the Property, and are managed by LLIM, an indirect wholly-owned subsidiary of the Sponsor.

The following sets out the key terms under the LLJP Investment Advisory Agreement (as defined herein) in relation to LLJP:

Key Terms under the LLJP Investment Advisory Agreement	
LLJP Investment Advisor	LLIM (an indirect wholly-owned subsidiary of the Sponsor)
Fees payable to the LLJP Investment Advisor	Under the investment advisory agreement in relation to LLJP between LLJP and LLIM dated 23 May 2013 (the "**LLJP Investment Advisory Agreement**"), LLIM shall be entitled to receive a: (i) base fee, which will be based on semi-annual valuations and will be calculated and payable quarterly in arrears, of 0.125% per quarter of Gross Asset Value[1]; and

[1] The Gross Asset Value for the last quarter cannot be disclosed due to confidentiality restrictions under the bye-laws of LLJP. For the purposes of the LLJP Investment Advisory Agreement, "**Gross Asset Value**" means the gross value of the assets of LLJP from time to time and of the assets of LLJP's subsidiaries disregarding liabilities and adjusted for any other amounts which in the reasonable opinion of the board of LLJP should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value. Where the value of the assets of any subsidiary of LLJP or JV Company (as defined below) is taken into account in determining the gross asset value, LLJP will:

1. disregard the investment value of its shares in that subsidiary or JV Company; and
2. where the relevant subsidiary or JV Company is now a wholly owned subsidiary of LLJP, only take into account LLJP's proportional interest in the assets of the subsidiary or JV Company.

The gross asset value will exclude any cash balances associated with the payment of Development Payments (as defined in the share transfer agreement between LLJP and LLI in relation to the sale and purchase of shares in the LL JV Ltd and Triple Eight JV Ltd) and for the purpose of calculating the base fee and performance fee payable under this agreement, cash reserved required to be retained under the DBS/OCBC Facility with LLCI and LLRI3 dated 20 September 2010 or any facility agreement which refinances that facility. For the avoidance of doubt, this does not apply to the calculation of Total Return. For the purposes of the LLJP Investment Advisory Agreement, "**JV Companies**" means LL JV Ltd and Triple Eight JV Ltd and their wholly owned subsidiaries LL Investments Holdings Ltd, Triple Eight Investment Holding Ltd, LLCI and LLRI3.

Key Terms under the LLJP Investment Advisory Agreement	
	(ii) performance fee, which is payable semi-annually in arrears and is capped at 0.25% per half year of the Gross Asset Value of LLJP as at the end of the relevant performance fee period, based on a performance benchmark over a hurdle which may be amended from time to time. Under the LLJP Investment Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM or if LLJP is required to terminate it. ***<u>No double counting of fees</u>: The management fee payable to the Manager under the Trust Deed for its role as the manager of LREIT consists of (i) a base fee of 0.3% per annum of the value of LREIT's deposited property, and (ii) a performance fee of 5.0% per annum of the NPI of LREIT (collectively, the "Management Fee"). The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLJP Investment Advisory Agreement (based on LREIT's proportionate holding in LLJP).***
Transfer Rights	In the event of a proposed sale of the LLJP shares by an existing LLJP shareholder to a third party, each of the shareholders of LLJP has a pre-emption right to acquire such sale shares in proportion to its shareholding in LLJP.[1]

[1] In relation to the proposed sale of the LLJP Sale Shares, the existing LLJP shareholders have waived their pre-emption rights.

The following sets out the key terms under the ARIF3 Investment Advisory Agreement (as defined herein) in relation to ARIF3:

Key Terms under the ARIF3 Investment Advisory Agreement	
ARIF3 Investment Advisor	LLIM (an indirect wholly-owned subsidiary of the Sponsor)
Fees payable to the ARIF3 Investment Advisor	Under the investment advisory agreement in relation to ARIF3 between ARIF3 and LLIM dated 31 October 2006 (the "**ARIF3 Investment Advisory Agreement**"), LLIM shall be entitled to receive a: (iii) base fee, which will be based on semi-annual valuations and will be calculated and payable quarterly in arrears, of 0.125% per quarter of Gross Asset Value[1]; and (iv) performance fee, which is payable semi-annually in arrears and is capped at 0.25% per half year of the Gross Asset Value of ARIF3, based on a performance benchmark over a hurdle which may be amended from time to time. Under the ARIF3 Investment Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM or if ARIF3 is required to terminate it. ***<u>No double counting of fees</u>: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the ARIF3 Investment Advisory Agreement (based on LREIT's proportionate holding in ARIF3).***

[1] The Gross Asset Value for the last quarter cannot be disclosed due to confidentiality restrictions under the bye-laws of ARIF3. For the purposes of the ARIF3 Investment Advisory Agreement, "**Gross Asset Value**" means the gross value of the assets of ARIF3 and of the assets of ARIF3's subsidiaries disregarding liabilities and any other amounts which in the opinion of the board of ARIF3 should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value. Where the value of the assets of any subsidiary is taken into account in determining Gross Asset Value, ARIF3 will:

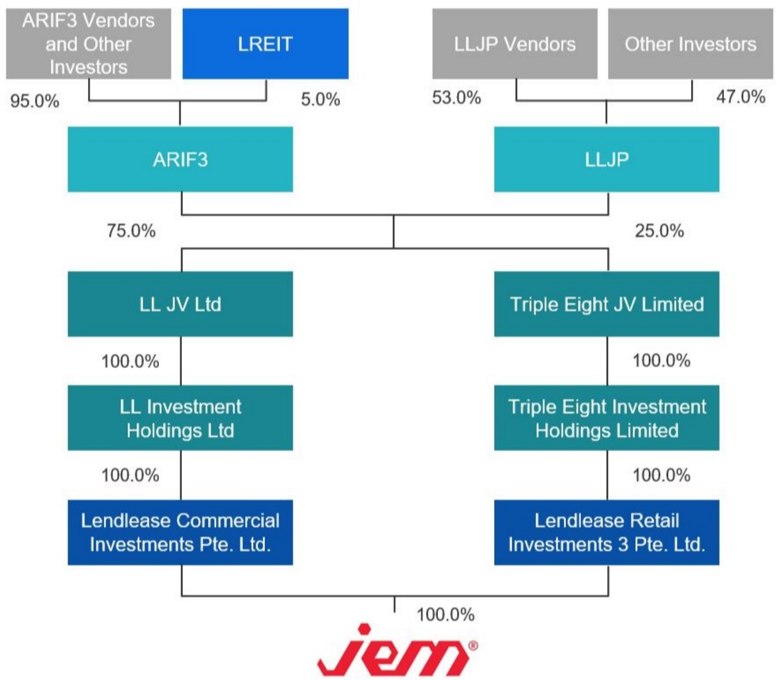
a) disregard the investment value of its shares in that subsidiary; and
b) where the relevant subsidiary is not a wholly-owned subsidiary of the ARIF3 subsidiary.

Key Terms under the ARIF3 Investment Advisory Agreement	
Transfer Rights	In the event of a proposed sale of ARIF3 shares by an existing ARIF3 shareholder to a third party, each of the shareholders of ARIF3 has a pre-emption right to acquire such sale shares in proportion to its shareholding in ARIF3. Assuming the Third Party ARIF3 Vendors elect to sell 19.8% of the ARIF3 Share Capital, and all the other shareholders in ARIF3 exercise their aforementioned pre-emption rights, the maximum number of ARIF3 shares that LREIT is entitled to acquire (including LLI's entitlement) from the Third Party ARIF3 Vendors is 4.9% of the ARIF3 Share Capital. (See paragraph 2.3 for further details of the acquisition of ARIF3 Sale Shares)

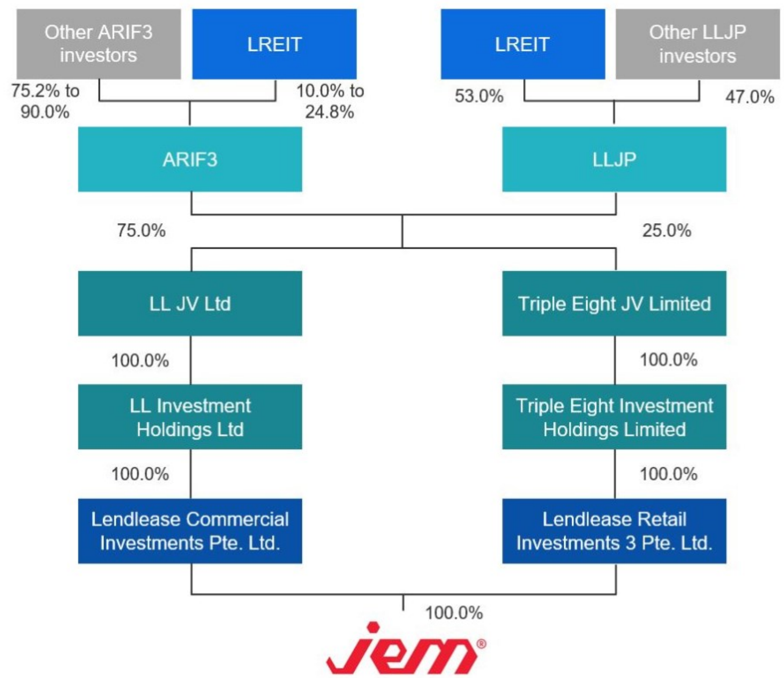
The two private funds, which are managed by LLIM, indirectly (through layers of companies) jointly own the Property pursuant to the LLCI JOA (see paragraph 2.10.5 of this Letter to Unitholders for further details of the LLCI JOA) and the LLRI3 JOA (see paragraph 2.10.6 of this Letter to Unitholders for further details of the LLRI3 JOA).

The diagrammatic illustrations below set out the Property's holding structure and the respective interests in the Target Companies following completion of the proposed Acquisition.

Before the proposed Acquisition



After the proposed Acquisition



Legend

Bermuda

Mauritius

Singapore

Unitholders should note that by approving the proposed Acquisition, they are also approving the fees payable to LLIM, Lendlease Retail Pte. Ltd. ("**LLR**") and Lendlease Singapore Pte. Ltd. ("**LLS**"), as interested person transactions. (See paragraph 6.1 of this Letter to Unitholders for the IFA's opinion on such fees payable.) LLR and LLS are indirect wholly-owned subsidiaries of the Sponsor. The Manager is of the view that the terms of the Target Companies are in line with the terms of similar property funds[1].

2.2 Description of the Property

Jem

50 and 52 Jurong Gateway Road, Singapore

Description

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

[1] This is based on the Manager's understanding of terms of similar property funds that the Sponsor manages, as well as other structures which the Manager has come across in considering its acquisitions.

The Property enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library.

The Property is the first mixed-use asset in Singapore to be awarded the Green Mark Platinum version 4 and received the Building and Construction Authority's Universal Design Mark Gold Plus Design Award. LLJP was ranked first in the Asia Retail (Unlisted) category of the 2020 Global Real Estate Sustainability Benchmark rankings for strong leadership in sustainability.

As at 31 March 2021, the Property has a NLA of about 892,000 square feet. Its retail and office space (by NLA) account for 65.1% and 34.9%, respectively. Anchor tenants within the retail space include FairPrice Xtra (a hypermarket), Cathay Cineplexes (one of the largest cinema multiplex in western Singapore) and Don Don Donki. Other major retail tenants include H&M, Koufu, Uniqlo and Courts. On 29 April 2021, IKEA has also opened its small concept store in the Property – the very first in Southeast Asia.

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

Title	Leasehold of 99 years commencing from 27 September 2010
GFA (sq ft)	1,164,336
NLA (sq ft)	892,148
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Independent Valuation by CBRE (as at 30 April 2021) [(2)]	S$2,061 million
Agreed Property Value	S$2,077 million
Agreed Property Value per sq ft of NLA	S$2,328
Capitalisation Rate adopted in the Independent Valuations	Retail: 4.50% Office: 3.50%
NPI (FY2021)	S$81.9 million

NPI Yield Based on Agreed Property Value (FY2021)	3.9%

Notes:
(1) JLL relied on the capitalisation approach and discounted cash flow methods of valuation.
(2) CBRE relied on the capitalisation approach and discounted cash flow methods of valuation.

2.3 Structure of the proposed Acquisition

LREIT currently holds an indirect interest in the Property through its 5.0% interest in ARIF3.

Upon completion of the proposed Acquisition, LREIT will hold:

(i) a 53.0% interest in LLJP;

(ii) a 10.0% to 24.8% interest in ARIF3 (after taking into account LREIT's existing 5.0% interest in ARIF3); and

(iii) an effective 20.8% to 31.8% indirect interest in the Property[1].

In the event that LREIT acquires 5.0% of the ARIF3 Share Capital from LLI pursuant to the ARIF3 LLI SPA, upon completion of the proposed Acquisition, LLI will still hold approximately 10.1% of the ARIF3 Share Capital.

Acquisition of LLJP Sale Shares (53.0% of the LLJP Share Capital)

The Purchaser is proposing to acquire:

(a) 45.0% of the LLJP Share Capital from the UBS Funds and Aviva pursuant to the LLJP UBS Aviva SPA; and

(b) 8.0% of the LLJP Share Capital from SMBC pursuant to the LLJP SMBC SPA,

for a purchase consideration of S$159.1 million, subject to post-completion adjustments.

Acquisition of ARIF3 Sale Shares (5.0% to 19.8% of the ARIF3 Share Capital)

The Purchaser intends to acquire 5.0% to 19.8% of the ARIF3 Share Capital for a total purchase consideration of S$45.0 million (for 5.0% of the ARIF3 Share Capital) to S$178.2 million[2] (for 19.8% of the ARIF3 Share Capital), subject to

[1] Effective indirect interest is computed based on the summation of LREIT's shareholdings in LLJP and ARIF3 in percentage terms, multiplied by 25% and 75% respectively.
[2] Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

relevant post-completion adjustments. The Manager is seeking approval from Unitholders for the acquisition of a specific range of 5.0% to 19.8% of the ARIF3 Share Capital based on its current understanding of the willingness of the ARIF3 shareholders to divest their interests in ARIF3 at this point in time.

The Purchaser intends to acquire up to 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors if such Third Party ARIF3 Vendors decide to offer their ARIF3 shares for sale in accordance with the bye-laws of ARIF3. Pursuant to the bye-laws of ARIF3, in the event of a proposed sale of ARIF3 shares[1] by an existing ARIF3 shareholder to a third party, the existing ARIF3 shareholder must first offer such sale shares to the other shareholders of ARIF3 by issuing a transfer notice, and each of the shareholders of ARIF3 has a pre-emption right to acquire such sale shares in proportion to its shareholding in ARIF3. Each of the shareholders of ARIF3 will then have 20 business days from the date of the transfer notice to issue an acceptance notice before the close of the pre-emptive period. In addition, as LREIT has indicated its interest to increase its shareholding in ARIF3, LLI, a direct wholly-owned subsidiary of the Sponsor and an existing shareholder of ARIF3, may also nominate LREIT, which is considered a closely held entity of LLI under the bye-laws of ARIF3, to acquire its proportion of such sale shares. The Purchaser is proposing to exercise its pre-emption right to acquire its entitlement of the ARIF3 shares as well as LLI's entitlement, in accordance with the bye-laws of ARIF3 should any of the Third Party ARIF3 Vendors decide to put up their ARIF3 shares for sale before or during the upcoming "liquidity window"[2] under the bye-laws of ARIF3 (currently expected to be the period from 6 August 2021 to 6 September 2021).

As LREIT is considered a closely held entity[3] of LLI under the bye-laws of ARIF3, a proposed sale by LLI to LREIT of its ARIF3 shares will not trigger the aforementioned pre-emption right.

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1 Although the minimum price of such sale shares will be determined by the existing ARIF3 shareholder, the Manager is seeking approval from the Unitholders for the acquisition of ARIF3 Sale Shares on the basis of the purchase consideration payable to the Third Party ARIF3 Vendors being not be more than the NAV per share of ARIF3 as that is the highest price it is prepared to acquire at and believes will be in the interests of Unitholders. Therefore, if the price of the ARIF3 sale shares offered by the Third Party ARIF3 Vendors is at, or at a discount to, the NAV per share of ARIF3, the Manager will proceed with the acquisition of these ARIF3 sale shares. Conversely, if the price offered by the Third Party ARIF3 Vendors is higher than NAV per share of ARIF3, the Manager will not proceed with the acquisition.

2 The "liquidity window" is a period determined in accordance with the bye-laws of ARIF3. It is a set period where existing shareholders of ARIF3 may choose to divest their interests in ARIF3. Although the existing shareholders of ARIF3 may divest their ARIF3 shares in periods other than the "liquidity window", LLIM, as the advisor, has certain obligations to create conditions for liquidity during such "liquidity windows".

3 Under the bye-laws of ARIF3, among others, in the sole discretion of the directors, any widely-held fund, of which a wholly-owned subsidiary of a 100% of holding company of LLI is the manager, is considered as a closely held entity. As the Manager is an indirect wholly-owned subsidiary of the Sponsor, which wholly-owns LLI, LREIT is considered as a closely held entity of LLI.

Accordingly, the scenarios for the Purchaser's proposed acquisition of the ARIF3 Sale Shares are as follows:

2.3.1 **Scenario 1: Acquisition of 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors only**

In the event that the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and only LREIT and LLI exercise their aforementioned pre-emption rights to acquire such shares, the maximum number of ARIF3 shares that LREIT will seek to acquire from the Third Party ARIF3 Vendors (arising from LREIT's existing shareholding in ARIF3 as well as the shareholding of LLI (and who has agreed to nominate LREIT to take up its entitlement)) will comprise 19.8% of the ARIF3 Share Capital. In such a case, LREIT will not acquire any shares from LLI under the ARIF3 LLI SPA.

2.3.2 **Scenario 2: Acquisition of between 5.0% and up to 19.8% of the ARIF3 Share Capital**

Acquisition of between 9.9% and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI

In the event that the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and any of the other shareholders in ARIF3 exercises its aforementioned pre-emption rights to acquire the Third Party ARIF3 Vendors' shares in proportion to its shareholdings in ARIF3, and LREIT is unable to acquire a total of 19.8% of the ARIF3 Share Capital by 31 October 2021, LREIT will acquire the maximum number of ARIF3 shares that LREIT is entitled to acquire from the Third Party ARIF3 Vendors (arising from LREIT's and LLI's entitlements). Assuming the Third Party ARIF3 Vendors elect to sell 19.8% of the ARIF3 Share Capital, and all the other shareholders in ARIF3 exercise their aforementioned pre-emption rights, the maximum number of ARIF3 shares that LREIT is entitled to acquire (including LLI's entitlement) from the Third Party ARIF3 Vendors is 4.9% of the ARIF3 Share Capital.

To the extent that LREIT cannot acquire up to 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors by 31 October 2021, LREIT will acquire the shortfall from LLI pursuant to the ARIF3 LLI SPA, up to a maximum of 5.0%[1] of the ARIF3 Share Capital. Therefore, LREIT may acquire between 9.9% (consisting of 5.0% of the ARIF3 Share Capital from

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[1] The maximum of 5.0% of the ARIF3 Share Capital that can be acquired from LLI pursuant to the ARIF3 LLI SPA was determined by LLI, and was offered to LREIT to provide greater certainty of acquiring more shares in ARIF3 in the event that LREIT is unable to acquire 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors.

LLI and 4.9% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors) and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI.

By way of illustration, if LREIT is only able to acquire 66,511 ARIF3 shares comprising 14.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors, an additional 22,485 ARIF3 shares comprising 5.0% of the ARIF3 Share Capital will be acquired from LLI to acquire a total of 88,996 ARIF3 shares comprising 19.8% of the ARIF3 Share Capital.

Acquisition of 5.0% of the ARIF3 Share Capital from LLI only

In the event that the Third Party ARIF3 Vendors do not offer any of their ARIF3 shares for sale in accordance with the bye-laws of ARIF3, LREIT will acquire 5.0% of the ARIF3 Share Capital from LLI only under the ARIF3 LLI SPA.

Investment in Real Estate-Related Assets

The investments in the Target Companies would be classified as an investment in real estate-related assets under the Property Funds Appendix. The Property Funds Appendix defines “real estate-related assets” to mean listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture). The Target Companies would be considered as property funds.

Under Paragraph 7 of the Property Funds Appendix, LREIT must invest at least 75.0% of its deposited property in income-producing real estate with the remaining permitted to be invested in real estate-related assets up to a maximum of 25.0% of the deposited properties.

Based on the Existing Portfolio, 92.3% of LREIT’s total deposited property is considered income-producing real estate as at 31 December 2020. Following completion of the proposed Acquisition, 75.9% of LREIT’s total deposited property will be considered income-producing real estate[1]. Accordingly, LREIT will continue to comply with Paragraph 7 of the Property Funds Appendix.

[1] Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, 78.1% of LREIT’s total deposited property will be considered income-producing real estate.

2.4 Purchase Consideration and Valuation

The Property

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

The Agreed Property Value[1], which was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by the Independent Valuers, is S$2,077 million, which is at a discount of approximately 0.4% to the Appraised Value of the Property.

Purchase Consideration

The LLJP Purchase Consideration payable by the Purchaser of approximately S$159.1 million comprises:

(i) under the LLJP UBS Aviva SPA, 45.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date; and

(ii) under the LLJP SMBC SPA, 8.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date.

The ARIF3 Purchase Consideration payable by the Purchaser of approximately S$45.0 million to S$178.2 million[2] comprises:

(a) under the ARIF3 LLI SPA, up to 5.0% of the NAV of ARIF3 as at 31 March 2021, subject to post-completion adjustments up to the completion date; and

(b) in accordance with the bye-laws of ARIF3, up to 19.8% of the NAV of ARIF3 as at the date of transfer.

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1 The Agreed Property Value is lower than the latest book valuation of the Property of S$2,079 million, based on the unaudited financial statements of LREIT for the financial half year period from 1 July 2020 to 31 December 2020, by S$2 million.

2 Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

2.5 Estimated Total Acquisition Cost

The estimated Total Acquisition Cost is approximately S$211.7 million to S$347.1 million, comprising:

(i) the Purchase Consideration of S$204.1 million to S$337.3 million[1];

(ii) the Acquisition Fee[2] of approximately S$2.0 million to S$3.4 million[3]; and

(iii) the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Acquisition of up to S$6.4 million.

2.6 Method of Financing

The Manager intends to finance approximately 40% of the Total Acquisition Cost (excluding the Acquisition Fee Units) through debt facilities, and the remaining funding through its existing cash balance, including the proceeds from issuance of perpetual securities[4], and/or such other methods of financing as the Manager may determine.

The final decision regarding the funding mix for the Total Acquisition Cost will be made by the Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment, and availability of funding options while maintaining an optimal level of gearing.

2.7 Principal Terms of the LLJP UBS Aviva SPA

In connection with the proposed Acquisition, the Purchaser had on 7 June 2021, entered into the LLJP UBS Aviva SPA with the UBS Funds and Aviva to acquire 45.0% of the LLJP Share Capital from them.

The principal terms of the LLJP UBS Aviva SPA include, among others, the following:

2.7.1 certain limited representations and warranties are made by the UBS Funds and Aviva including in relation to the capacity of the UBS Funds and Aviva, information disclosed, legal matters, title to the shares in LLJP and the Property and other matters in relation to LLJP and the Property (subject to

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1 Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

2 As the proposed Acquisition is an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of the Acquisition Fee Units which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

3 The Acquisition Fee in respect of the proposed Acquisition is 1.0% of the Purchase Consideration.

4 The S$200.0 million 4.20% fixed rate perpetual securities were issued on 27 May 2021.

the limitations set out in the warranty and indemnity insurance policy procured by the Trustee under the LLJP UBS Aviva SPA (the "**UBS Aviva W&I Insurance Policy**"))[1];

2.7.2 the conditions precedent set out in paragraph 2.7.7 below to be satisfied on or before 5.00 p.m. (Singapore time) on 31 October 2021 (or such other date as may be agreed between the UBS Funds, Aviva and the Purchaser);

2.7.3 subject to the breach of any completion obligations, the sale and purchase of 45.0% of the LLJP Share Capital shall take place concurrently and the Purchaser shall not be obligated to acquire the LLJP Sale Shares of one seller if the acquisition of all the LLJP Sale Shares of the other sellers (subject to the satisfaction of the conditions precedent by the cut-off date provided under paragraph 2.7.2 above and the breach of any completion obligations) do not take place concurrently;

2.7.4 the UBS Funds and Aviva having several and not joint liability in relation to the LLJP UBS Aviva SPA;

2.7.5 the Purchaser is entitled to nominate a wholly-owned subsidiary to acquire 45.0% of the LLJP Share Capital from the UBS Funds and Aviva;

2.7.6 the following provisions shall apply to limit the liability of each of the UBS Funds and Aviva in respect of any claim pursuant to any provision of the LLJP UBS Aviva SPA:

(i) each of the UBS Funds and Aviva shall not be liable for breaches under the LLJP UBS Aviva SPA in respect of any claim unless a notice of the claim is given by the Purchaser to the relevant seller within 12 months following completion;

(ii) no liability shall in any event arise in respect of any claim unless the amount of the claim (together with the aggregate amount of any other or previous claims) shall exceed S$250,000 and in that event, the seller or sellers shall be liable for the aggregate amount of all claims and not just the amounts in excess of the minimum sum of S$250,000; and

(iii) in light of the cover offered by the UBS Aviva W&I Insurance Policy and notwithstanding the terms of any other provisions of the LLJP

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1 Where the warranties are qualified by knowledge or awareness of any of the UBS Funds or Aviva, the relevant seller's knowledge or awareness is limited to and deemed only to include those facts, matters or circumstances of which the relevant seller is actually aware as at the date of the LLJP UBS Aviva SPA and would be aware if at date of the LLJP UBS Aviva SPA that relevant seller had made reasonable enquiries of the current representative of the relevant seller on the SRG.

UBS Aviva SPA, the Purchaser acknowledges and agrees that with effect from the date of the LLJP UBS Aviva SPA, each seller shall have no liability in respect of any warranty claims, except only to the extent to permit a warranty claim against the insurer under the UBS Aviva W&I Insurance Policy, but only on the basis that the relevant seller shall have no liability for such warranty claim beyond S$1.00 (other than fraud and then only to the extent such warranty claim relates to such fraudulent conduct), irrespective of whether the UBS Aviva W&I Insurance Policy may be subject to limitations or exclusions; and

2.7.7 the LLJP UBS Aviva SPA is subject to conditions precedent including:

(i) the prior written approval of the Bermuda Monetary Authority for the acquisition of 45.0% of the LLJP Share Capital by the Purchaser;

(ii) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the Singapore Government of the building erected on the Property or 5.0% or more of the land area of the Property on or before the date of satisfaction or waiver of the condition in paragraphs 2.7.7(v) and 2.7.7(vi) below, whichever is later;

(iii) there being no material adverse effect and no material damage to the Property and/or the mechanical and electrical equipment, in each case on or before the date of satisfaction or waiver of the condition in paragraphs 2.7.7(v) and 2.7.7(vi) below, whichever is later;

(iv) there being (i) no breach of any fundamental warranties and (ii) no material breach of the sellers' warranties (save for the fundamental warranties) which in the case of (ii) only, would indicate a material adverse effect when compared to the position set out in the disclosed documents on or before the date of satisfaction or waiver of the condition in paragraphs 2.7.7(v) and 2.7.7(vi) below, whichever is later;

(v) the Purchaser securing sufficient debt financing for the acquisition of 45.0% of the LLJP Share Capital; and

(vi) the passing of a resolution at an extraordinary general meeting of the Unitholders to approve the proposed acquisition of 45.0% of the LLJP Share Capital.

2.8 Principal Terms of the LLJP SMBC SPA

In connection with the proposed Acquisition, the Purchaser had on 7 June 2021, entered into the LLJP SMBC SPA, which is on substantially the same terms as the LLJP UBS Aviva SPA, with SMBC to acquire 8.0% of the LLJP Share Capital from SMBC.

The principal terms of the LLJP SMBC SPA include, among others, the following:

2.8.1 certain limited representations and warranties are made by SMBC including in relation to the capacity of SMBC, information disclosed, legal matters, title to the shares in LLJP and the Property and other matters in relation to LLJP and the Property (subject to the limitations set out in the warranty and indemnity insurance policy procured by the Trustee under the LLJP SMBC SPA (the "**SMBC W&I Insurance Policy**"))[1];

2.8.2 the conditions precedent set out in paragraph 2.8.5 below to be satisfied on or before 5.00 p.m. (Singapore time) on 31 October 2021 (or such other date as may be agreed between SMBC and the Purchaser);

2.8.3 the Purchaser is entitled to nominate a wholly-owned subsidiary to acquire 8.0% of the LLJP Share Capital from SMBC;

2.8.4 the following provisions shall apply to limit the liability of SMBC in respect of any claim pursuant to any provision of the LLJP SMBC SPA:

(i) SMBC shall not be liable for breaches under the LLJP SMBC SPA in respect of any claim unless a notice of the claim is given by the Purchaser to SMBC within 12 months following completion;

(ii) no liability shall in any event arise in respect of any claim unless the amount of the claim (together with the aggregate amount of any other or previous claims) shall exceed S$250,000 and in that event, SMBC shall be liable for the aggregate amount of all claims and not just the amounts in excess of the minimum sum of S$250,000; and

(iii) in light of the cover offered by the SMBC W&I Insurance Policy and notwithstanding the terms of any other provisions of the LLJP SMBC SPA, the Purchaser acknowledges and agrees that with effect from the date of the LLJP SMBC SPA, SMBC shall have no

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[1] Where the warranties are qualified by knowledge or awareness of the Proposed LLJP Vendor, the Proposed LLJP Vendor's knowledge or awareness is limited to and deemed only to include those facts, matters or circumstances of which the Proposed LLJP Vendor is actually aware as at the date of the LLJP SMBC SPA and would be aware if at the date of the LLJP SMBC SPA that the Proposed LLJP Vendor had made reasonable enquiries of the current representative of the relevant Proposed LLJP Vendor on the SRG.

liability in respect of any warranty claims, except only to the extent to permit a warranty claim against the insurer under the SMBC W&I Insurance Policy, but only on the basis that SMBC shall have no liability for such warranty claim beyond S$1.00 (other than fraud and then only to the extent such warranty claim relates to such fraudulent conduct), irrespective of whether the SMBC W&I Insurance Policy may be subject to limitations or exclusions; and

2.8.5 the LLJP SMBC SPA is subject to conditions precedent including:

(i) the prior written approval of the Bermuda Monetary Authority for the acquisition of 8.0% of the LLJP Share Capital by the Purchaser;

(ii) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the Singapore Government of the building erected on the Property or 5.0% or more of the land area of the Property on or before the date of satisfaction or waiver of the condition in paragraphs 2.8.5(v) and 2.8.5(vi) below, whichever is later;

(iii) there being no material adverse effect and no material damage to the Property and/or the mechanical and electrical equipment, in each case on or before the date of satisfaction or waiver of the condition in paragraphs 2.8.5(v) and 2.8.5(vi) below, whichever is later;

(iv) there being (i) no breach of any fundamental warranties and (ii) no material breach of the seller's warranties (save for the fundamental warranties) which in the case of (ii) only, would indicate a material adverse effect when compared to the position set out in the disclosed documents on or before the date of satisfaction or waiver of the condition in paragraphs 2.8.5(v) and 2.8.5(vi) below, whichever is later;

(v) the Purchaser securing sufficient debt financing for the acquisition of 8.0% of the LLJP Share Capital; and

(vi) the passing of a resolution at an extraordinary general meeting of the Unitholders to approve the proposed acquisition of 8.0% of the LLJP Share Capital.

2.9 Principal Terms of the ARIF3 LLI SPA

In connection with the proposed Acquisition, the Purchaser had on 7 June 2021, entered into the ARIF3 LLI SPA with LLI to acquire up to 5.0% of the ARIF3 Share Capital from LLI.

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

2.9.1 certain limited representations and warranties are made by LLI including in relation to the capacity of LLI, information disclosed, legal matters, title to the shares in ARIF3 and the Property and other matters in relation to ARIF3 and the Property[1];

2.9.2 the conditions precedent set out in paragraph 2.9.4 below to be satisfied on or before 5.00 p.m. (Singapore time) on 31 October 2021 (or such other date as may be agreed between LLI and the Purchaser);

2.9.3 the following provisions shall apply to limit the liability of LLI in respect of any claim pursuant to any provision of the ARIF3 LLI SPA:

(i) LLI shall not be liable for breaches under the ARIF3 LLI SPA in respect of any claim unless a notice of the claim is given by the Purchaser to LLI within 12 months following completion; and

(ii) no liability shall in any event arise in respect of any claim unless the amount of the claim (together with the aggregate amount of any other or previous claims) shall exceed S$250,000 and in that event, LLI shall be liable for the aggregate amount of all claims and not just the amounts in excess of the minimum sum of S$250,000; and

2.9.4 the ARIF3 LLI SPA is subject to conditions precedent including:

(i) (where the aggregate of 5.0% of the ARIF3 Share Capital, any other shares in ARIF3 proposed to be acquired by the Purchaser and the Purchaser's existing shareholding in ARIF3 exceeds 10.0% of the ARIF3 Share Capital) the prior written approval of the Bermuda Monetary Authority for the acquisition of 5.0% of the ARIF3 Share Capital by the Purchaser;

(ii) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the Singapore

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[1] Where the warranties are qualified by knowledge or awareness of LLI, LLI's knowledge or awareness is limited to and deemed only to include those facts, matters or circumstances of which a director of LLI is actually aware as at the date of the ARIF3 LLI SPA and would be aware if at the date of the ARIF3 LLI SPA that director of LLI had made reasonable enquiries of the advisor, being LLIM.

Government of the building erected on the Property or 5.0% or more of the land area of the Property on or before the date of satisfaction or waiver of the condition in paragraphs 2.9.4(v) and 2.9.4(vi) below, whichever is later;

(iii) there being no material adverse effect and no material damage to the Property and/or the mechanical and electrical equipment, in each case on or before the date of satisfaction or waiver of the condition in paragraphs 2.9.4(v) and 2.9.4(vi) below, whichever is later;

(iv) there being no material breach of LLI's warranties which would indicate a material adverse effect on ARIF3 and the JV Companies[1] when compared to the position set out in the accounts of ARIF3, as at 31 March 2021, on or before the date of satisfaction or waiver of the condition in paragraphs 2.9.4(v) and 2.9.4(vi) below, whichever is later;

(v) the Purchaser securing sufficient debt financing for the acquisition of 5.0% of the ARIF3 Share Capital; and

(vi) the passing of a resolution at an extraordinary general meeting of the Unitholders to approve the proposed acquisition of 5.0% of the ARIF3 Share Capital.

2.10 Existing Agreements of the Target Companies with Interested Persons of LREIT

The agreements set out in this paragraph 2.10 which the Target Companies and/or their wholly-owned subsidiaries had entered into previously will continue following the completion of the proposed Acquisition. As these are existing agreements that had already been entered into prior to the proposed Acquisition and are not entered into in connection with the proposed Acquisition, approval is not being specifically sought from Unitholders for each of these existing agreements.

However, as these agreements (which are regarded as interested person transactions of LREIT for the purposes of the Listing Manual) will be indirectly assumed by LREIT as part of the proposed Acquisition, by approving the proposed Acquisition, Unitholders will be deemed to have approved each of the agreements

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[1] For the purposes of the ARIF3 LLI SPA, "**JV Companies**" means LL JV Ltd, Triple Eight JV Ltd, LL Investment Holdings Ltd., Triple Eight Investment Holdings Ltd, LLCI and LLRI3.

listed in this paragraph 2.10 (including the fees payable to the relevant interested person (as defined in the Listing Manual)).

2.10.1 LLJP Investment Advisory Agreement

In relation to LLJP, LLIM was appointed as the sole investment advisor of LLJP and will continue to be the investment advisor of LLJP after the completion of the proposed Acquisition. LLIM is an indirect wholly-owned subsidiary of the Sponsor. Under the LLJP Investment Advisory Agreement, LLIM shall be entitled to receive a:

(i) base fee, which will be based on semi-annual valuations and will be calculated and payable quarterly in arrears, of 0.125% per quarter of Gross Asset Value[1]; and

(ii) performance fee, which is payable semi-annually in arrears and is capped at 0.25% per half year of the Gross Asset Value of LLJP as at the end of the relevant performance fee period, based on a performance benchmark over a hurdle which may be amended from time to time.

The fees are not directly payable by LREIT to LLIM, but payable by LLJP. Such fees payable by LLJP will not be reimbursed by LREIT.

Under the LLJP Investment Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM or if LLJP is required to terminate it.

No double counting of fees: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under

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[1] The Gross Asset Value for the last quarter cannot be disclosed due to confidentiality restrictions under the bye-laws of LLJP. For the purposes of the LLJP Investment Advisory Agreement, "**Gross Asset Value**" means the gross value of the assets of LLJP from time to time and of the assets of LLJP's subsidiaries disregarding liabilities and adjusted for any other amounts which in the reasonable opinion of the board of LLJP should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value. Where the value of the assets of any subsidiary of LLJP or JV Company (as defined below) is taken into account in determining the gross asset value, LLJP will:

3. disregard the investment value of its shares in that subsidiary or JV Company; and
4. where the relevant subsidiary or JV Company is now a wholly owned subsidiary of LLJP, only take into account LLJP's proportional interest in the assets of the subsidiary or JV Company.

The gross asset value will exclude any cash balances associated with the payment of Development Payments (as defined in the share transfer agreement between LLJP and LLI in relation to the sale and purchase of shares in the LL JV Ltd and Triple Eight JV Ltd) and for the purpose of calculating the base fee and performance fee payable under this agreement, cash reserved required to be retained under the DBS/OCBC Facility with LLCI and LLRI3 dated 20 September 2010 or any facility agreement which refinances that facility. For the avoidance of doubt, this does not apply to the calculation of Total Return. For the purposes of the LLJP Investment Advisory Agreement, "**JV Companies**" means LL JV Ltd and Triple Eight JV Ltd and their wholly owned subsidiaries LL Investments Holdings Ltd, Triple Eight Investment Holding Ltd, LLCI and LLRI3.

the LLJP Investment Advisory Agreement (based on LREIT's proportionate holding in LLJP).

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing LLJP Investment Advisory Agreement.

2.10.2 ARIF3 Investment Advisory Agreement

In relation to ARIF3, LLIM was appointed as the sole investment advisor of ARIF3 and will continue to be the investment advisor of ARIF3 after the completion of the proposed Acquisition. LLIM is an indirect wholly-owned subsidiary of the Sponsor. Under the ARIF3 Investment Advisory Agreement, LLIM shall be entitled to receive a:

(i) base fee, which will be based on semi-annual valuations and will be calculated and payable quarterly in arrears, of 0.125% per quarter of Gross Asset Value[1]; and

(ii) performance fee, which is payable semi-annually in arrears and is capped at 0.25% per half year of the Gross Asset Value of ARIF3, based on a performance benchmark over a hurdle which may be amended from time to time.

The fees are not directly payable by LREIT to LLIM, but payable by ARIF3. Such fees payable by ARIF3 will not be reimbursed by LREIT.

Under the ARIF3 Investment Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM or if ARIF3 is required to terminate it.

No double counting of fees: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the ARIF3 Investment Advisory Agreement (based on LREIT's proportionate holding in ARIF3).

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[1] The Gross Asset Value for the last quarter cannot be disclosed due to confidentiality restrictions under the bye-laws of ARIF3. For the purposes of the ARIF3 Investment Advisory Agreement, "**Gross Asset Value**" means the gross value of the assets of ARIF3 and of the assets of ARIF3's subsidiaries disregarding liabilities and any other amounts which in the opinion of the board of ARIF3 should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value. Where the value of the assets of any subsidiary is taken into account in determining Gross Asset Value, ARIF3 will:

c) disregard the investment value of its shares in that subsidiary; and
d) where the relevant subsidiary is not a wholly-owned subsidiary of the ARIF3 subsidiary.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing ARIF3 Investment Advisory Agreement.

2.10.3 Advisory Agreement between Lendlease Retail Investments 3 Pte Ltd and LLIM

After the completion of the proposed Acquisition, Lendlease Retail Investments 3 Pte Ltd ("**LLRI3**"), which is indirectly wholly-owned by the Target Companies, will continue to appoint LLIM as the sole advisor of LLRI3. LLIM is an indirect wholly-owned subsidiary of the Sponsor. Under the advisory agreement between LLRI3 and LLIM dated 7 June 2019 (the "**LLRI3 Advisory Agreement**"), the fees payable to LLIM for its role as advisor of LLRI3 will be 0.37% divided by four per quarter of the LLRI3 Gross Asset Value[1] (or such other percentage base fee not exceeding the aggregate quarterly base fees payable under the ARIF3 Investment Advisory Agreement and the LLJP Investment Advisory Agreement as LLIM and LLRI3 may agree in writing). The fees are not directly payable by LREIT to LLIM, but payable by LLRI3. Such fees payable by LLRI3 will not be reimbursed by LREIT.

Under the LLRI3 Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM, or either automatically or by written notice from LLRI3.

No double counting of fees: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLRI3 Advisory Agreement (based on LREIT's proportionate holding in the Target Companies).

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing LLRI3 Advisory Agreement.

2.10.4 Advisory Agreement between Lendlease Commercial Investments Pte Ltd and LLIM dated 7 June 2019

After the completion of the proposed Acquisition, Lendlease Commercial Investments Pte Ltd ("**LLCI**"), an indirect wholly-owned subsidiary of Target Companies, will continue to appoint LLIM as the

[1] For the purposes of the LLRI3 Advisory Agreement, the "**LLRI3 Gross Asset Value**" means the gross value of the assets of LLRI3 and its subsidiaries disregarding liabilities and adjusted for any other amounts which in the reasonable opinion of the LLRI3's board of directors should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value.

sole advisor of LLCI. LLIM is an indirect wholly-owned subsidiary of the Sponsor. Under the advisory agreement between LLCI and LLIM dated 7 June 2019 (the "**LLCI Advisory Agreement**"), the fees payable to LLIM for its role as advisor of LLCI will be 0.35% divided by four per quarter of the LLCI Gross Asset Value[1] (or such other percentage base fee not exceeding the aggregate quarterly base fees payable under the ARIF3 Investment Advisory Agreement and the LLJP Investment Advisory Agreement as LLIM and LLCI may agree in writing). The fees are not directly payable by LREIT to LLIM, but payable by LLCI. Such fees payable by LLCI will not be reimbursed by LREIT.

Under the LLCI Advisory Agreement, these arrangements will continue until it is either terminated by written notice from LLIM, or either automatically or by written notice from LLCI.

No double counting of fees: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLCI Advisory Agreement (based on LREIT's proportionate holding in the Target Companies).

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing LLCI Advisory Agreement.

2.10.5 Joint Owners Agreement between LLI, LL JV Ltd, LL Investment Holdings Ltd., ARIF3 and LLCI

There is a joint owners agreement between LLI, LL JV Ltd, LL Investment Holdings Ltd, ARIF3 and LLCI dated 23 May 2013 (the "**LLCI JOA**"), which LLJP has acceded to following the sale of LLI's shares in LL JV Ltd to LLJP (resulting in LLI ceasing to be a shareholder of LL JV Ltd). The LLCI JOA regulates the relationship between the shareholders of LL JV Ltd, which in turn indirectly wholly-owns LLCI. There are no fees to be paid under the LLCI JOA.

The principal terms of the LLCI JOA include, among others, the following:

(i) the principal objective of LL JV Ltd will be to act as the ultimate holding company of LLCI, and the principal object of LL

[1] For the purposes of the LLCI Advisory Agreement, the "**LLCI Gross Asset Value**" means the gross value of the assets of LLCI and its subsidiaries disregarding liabilities and adjusted for any other amounts which in the reasonable opinion of the LLCI's board of directors should be included or excluded for the purpose of making a fair and reasonable determination of gross asset value.

Investment Holdings Ltd will be to act as an intermediary holding company of LLCI;

(ii) the purpose and business of LLCI shall be to, among others, own, undertake the office tower constructed on the Property, and appoint various managers to provide various services to the Property;

(iii) the ability for ARIF3 to appoint the chairperson of LL JV Ltd (who must be a Mauritian Director) and LLJP to appoint one director to the board of LL JV Ltd;

(iv) the ability for each of ARIF3 and LLJP to appoint one director to the board of LLCI; and

(v) certain shareholders' reserved matters, which include, among others, the approval of the annual operating budget and approved leasing strategy for the Property, require the prior written approval of each LL JV Designated Shareholder.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the existing LLCI JOA.

2.10.6 Joint Owners Agreement between LLI, Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd, ARIF3 and LLRI3

There is a joint owners agreement between LLI, Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd, ARIF3 and LLRI3 dated 23 May 2013 (the "**LLRI3 JOA**"), which LLJP has acceded to following the sale of LLI's shares in Triple Eight JV Ltd to LLJP (resulting in LLI ceasing to be a shareholder of Triple Eight JV Ltd). The LLRI3 JOA regulates the relationship between the shareholders of Triple Eight JV Ltd, which in turn indirectly wholly-owns LLRI3. There are no fees to be paid under the LLRI3 JOA.

The principal terms of the LLRI3 JOA include, among others, the following:

(i) the principal objective of Triple Eight JV Ltd will be to act as the ultimate holding company of LLRI3, and the principal object of Triple Eight Investment Holdings Ltd will be to act as an intermediary holding company of LLRI3;

(ii) the purpose and business of LLRI3 shall be to, among others, own, undertake the retail shopping centre constructed on the Property, and appoint various managers to provide various services to the Property;

(iii) the ability for ARIF3 to appoint the chairperson of Triple Eight JV Ltd (who must be a Mauritian Director) and LLJP to appoint one director to the board of Triple Eight JV Ltd;

(iv) the ability for each of ARIF3 and LLJP to appoint one director to the board of LLRI3; and

(v) certain shareholders' reserved matters, which include, among others, the approval of the annual operating budget and approved leasing strategy for the Property, require the prior written approval of each Triple Eight JV Designated Shareholder.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the existing LLRI3 JOA.

2.10.7 Property Management Agreement

LLR was appointed as the sole property manager of the Property and will continue to be the property manager of the Property after the completion of the proposed Acquisition. LLR is an indirect wholly-owned subsidiary of the Sponsor. Under the property management agreement in relation to the Property dated 3 September 2012 (the "**Property Management Agreement**"), LLR shall be entitled to receive, among others:

(i) an annual management fee[1] comprising:

(I) 1.85% of the Gross Receipts[2]; and

1 This fee is in line with the property management fees under the Trust Deed and for LREIT's other properties.

2 For the purposes of the Property Management Agreement, "**Gross Receipts**" for a financial year means all income accruing or resulting from the operation of the 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 Property but shall exclude the following:

(i) rebates, refunds, credits or discounts and rebates for rent free periods (but rebates to tenants, licensees and concessionaires given with the prior written approval of LLRI3 and LLCI on account of any infectious disease (as defined in the First Schedule of the Infectious Diseases Act (Cap. 137) epidemic will not be so excluded);

(ii) payments (which are not part of the service charge payable under the leases) made by tenants and licensees (i) for heating, air-conditioning, electricity, gas, water, telephone and any other utilities supplied to that part of the

(II) 1.85% of the Gross Receipts less the operating expenses of that financial year;

(ii) a leasing fee comprising of 80% of one month's base rent, one month's service charge and one month's advertising promotion fee (if any), payable by the tenant or licensee under the lease whenever a new lease, a renewal of an existing lease or relocation of an existing lease is negotiated by LLR and entered into by a tenant; and

(iii) a tenancy design review fee for tenancy design review services where such services are required for any new leases, renewal of existing leases or relocation of an existing lessee. The fee comprises of a fixed amount of $5,283 as at the date of the agreement, which increases at a percentage reflecting the percentage increase of the annual inflation rate in Singapore during the 12 month period prior to that date plus 1%.

Under the Property Management Agreement, these arrangements will continue until an event of default occurs under the Property Management Agreement, in which case the non-defaulting party will be entitled to terminate the Property Management Agreement. If there is no event of default and an LL Entity[1] does not hold any direct or indirect interest of at least 20% in the issued shares or other ownership rights of any entity which directly or indirectly controls each of LLRI3 and LLCI, LLRI3 and LLCI may terminate the Property Management Agreement on 90 days written notice.

Property occupied by them and (ii) towards payment of the whole or part of the property tax payable by LLRI3 and LLCI for the Property;

(iii) Goods and Services Tax ("**GST**") or value added taxes (whether in force at present or in the future) charged to tenants, licensees and users of the Property for the sale or purchase of goods or services, which taxes are accountable by LLRI3 and LLCI to the tax authorities;

(iv) proceeds from the insurance policies taken out by LLRI3 and LLCI (but excluding the business interruptions/loss of rent insurance payments hereinbefore mentioned which are to form part of Gross Receipts);

(v) receipts of a capital nature including, without limitation, proceeds derived or arising from the sale and/or disposal of LLRI3 and LLCI (or any part thereof) and any plant and equipment at LLRI3 and LLCI;

(vi) refundable security deposits (including but not limited to rental deposits, renovation deposits and fitting out deposits

(vii) interest income; and

(viii) stamp fees collected by LLRI3 and LLCI for the leases.

[1] For the purposes of the Property Management Agreement, "**LL Entity**" means LLI, an Affiliate of LLI or a fund or collective investment vehicle in respect of which the Sponsor or any subsidiary of the Sponsor is the manager, advisor, trustee or responsible entity. "**Affiliate**" of a party means (i) a shareholder of the party, (ii) a Related Corporation of the party,(iii) an entity the party controls, (iv) an entity that controls the party and (v) an entity that is controlled by an entity that controls the party (where 'control' means direct or indirect ownership of more than 50% of the outstanding capital stock or other equity interests having ordinary voting power). "**Related Corporation**" of an entity means each company (a) that is a subsidiary of that entity (b) of which the entity is a subsidiary or (c) that is a subsidiary of a company of which the entity is also a subsidiary.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLR and the existing Property Management Agreement.

2.10.8 Portal Access Licence Agreement between LLR and LLRI3

LLR granted LLRI3 a licence to obtain access to LLR's mobile application "Lendlease Plus", and the services and functionalities made available via the portal under the Portal Access Licence Agreement between LLR and LLRI3 dated 16 November 2018 (the "**Portal Access Licence Agreement**"). This mobile application is currently being used in relation to the Property.

After the completion of the proposed Acquisition, LLR will continue the Portal Access Licence Agreement with LLRI3. Under the Portal Access Licence Agreement, LLR shall be entitled to receive an annual maintenance fee on a cost recovery basis.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLR and the existing Portal Access Licence Agreement.

2.10.9 Formal Instrument of Agreement for the Proposed Projector Room Works at the Property between LLRI3 and Lendlease Singapore Pte. Ltd.

As the Property's projector room was an underutilised space, LLRI3 contracted LLS in a head contract for an asset enhancement initiative on the projector room to convert it into lettable area.

After the completion of the proposed Acquisition, LLRI3 will continue to engage LLS for this asset enhancement initiative. Under the formal instrument of agreement for the proposed projector room works at the Property between LLRI3 and LLS dated 5 August 2019 (the "**Projector Room Works Contract**"), the fees payable to LLS will not exceed S$1,521,427[1], subject to adjustments, as required, wherever the

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[1] The lump sum amount of S$1,521,427, which amount:
(a) is the sum of:
  a. budgeted trade cost of S$1,129,466 (which includes a contingency sum of a maximum of 5% of budgeted trade cost being the amount S$53,785);
  b. project management, safety, preliminaries and supervision lump sum of S$319,512;
  c. indicative management fee or margin of S$72,499; and
(b) represents the maximum total amount for which LLRI3 can become liable to pay LLS for the performance of the contract; and

will be adjusted, as required, wherever the contract provides that an amount is payable, allowable or due to either party by or from the other party.

contract provides that an amount is payable, allowable or due to either party by or from the other party (excluding GST). The fees were determined based on the extent of works required for the asset enhancement initiative, which was certified by an independent quantity surveyor. The fees are not directly payable by LREIT to LLS, but payable by LLRI3. Such fees payable by LLRI3 will not be reimbursed by LREIT. As most of the works required for the projector room have been completed by LLS, the Manager understands that most of the fees payable under the Projector Room Works Contract have been paid to LLS in proportion to the amount of work done. The unpaid portion of the fees has been factored into the NAV of the Target Companies, and taken into account by the Independent Valuers for determining the valuations of the Property. As the NAV of the Target Companies is a typical basis used for an acquisition of interest in funds, and since most of the works in relation to the Projector Room Works Contract have been completed, the Manager is of the view that any further costs would be minimal.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLS and the existing Projector Room Works Contract.

2.10.10 Formal Instrument of Agreement for the Reconfiguration of Taxi Stand at the Property between LLRI3 and LLS

LLRI3 contracted LLS in a head contract for reconfiguration works of the Property's taxi stand. After the completion of the proposed Acquisition, LLRI3 will continue to engage LLS for these reconfiguration works. Under the formal instrument of agreement for the reconfiguration of taxi stand at the Property between LLRI3 and LLS dated 14 August 2020 (the "**Taxi Stand Reconfiguration Contract**"), the fees payable to LLS will not exceed S$1,493,987[1], subject to adjustments, as required, wherever the contract provides that an amount is payable, allowable or due to either party by or from the other party (excluding GST). The fees were determined based on the extent

[1] The lump sum amount of S$1,493,987, which amount:
(a) is the sum of:
  a. budgeted trade cost of S$998,059 (which includes a contingency sum of a maximum of 5% of budgeted trade cost being the amount S$47,527);
  b. project management, safety, preliminaries and supervision lump sum of S$356,316;
  c. provisional sum of S$68,470;
  d. indicative management fee or margin of S$71,142; and
(b) represents the maximum total amount for which LLRI3 can become liable to pay LLS for the performance of the contract; and

will be adjusted, as required, wherever the contract provides that an amount is payable, allowable or due to either party by or from the other party.

of works required for the asset enhancement initiative, which was certified by an independent quantity surveyor. The fees are not directly payable by LREIT to LLS, but payable by LLRI3. Such fees payable by LLRI3 will not be reimbursed by LREIT. As most of the works required for the reconfiguration have been completed by LLS, the Manager understands that most of the fees payable under the Taxi Stand Reconfiguration Contract have been paid to LLS in proportion to the amount of work done. The unpaid portion of the fees was factored into the NAV of the Target Companies, and taken into account by the Independent Valuers for determining the valuations of the Property. As the NAV of the Target Companies is a typical basis used for an acquisition of interest in funds, and since most of the works in relation to the Taxi Stand Reconfiguration Contract have been completed, the Manager is of the view that any further costs would be minimal.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLS and the existing Taxi Stand Reconfiguration Contract.

2.10.11 Formal Instrument of Agreement for the Proposed Additions & Alterations Works for Reconfiguration of the ex-Robinsons Tenancy at the Property between LLRI3 and LLS

LLRI3 contracted LLS in a head contract for reconfiguration works of the ex-Robinsons tenancy at the Property. After the completion of the proposed Acquisition, LLRI3 will continue to engage LLS for these reconfiguration works. Under the formal instrument of agreement for the proposed additions and alterations works for reconfiguration of the ex-Robinsons tenancy at the Property between LLRI3 and LLS dated 15 September 2020 (the "**Additions and Alterations Contract**"), the fees payable to LLS will not exceed S$5,985,658 [1], subject to adjustments, as required, wherever the contract provides that an amount is payable, allowable or due to either party by or from the other party (excluding GST). The fees were determined based on the extent of works required for the asset enhancement initiative, which was

[1] The lump sum amount of S$5,985,658, which amount:
(a) is the sum of:
  a. budgeted trade cost of S$4,493,522 (which includes a contingency sum of a maximum of 5% of budgeted trade cost being the amount S$213,977);
  b. project management, safety, preliminaries and supervision lump sum of S$690,733;
  c. provisional sums of S$521,700;
  d. indicative management fee or margin of S$279,703; and
(b) represents the maximum total amount for which LLRI3 can become liable to pay LLS for the performance of the contract; and

will be adjusted, as required, wherever the contract provides that an amount is payable, allowable or due to either party by or from the other party.

certified by an independent quantity surveyor. The fees are not directly payable by LREIT to LLS, but payable by LLRI3. Such fees payable by LLRI3 will not be reimbursed by LREIT. As most of the works required for the reconfiguration have been completed by LLS, the Manager understands that most of the fees payable under the Additions and Alterations Contract have been paid to LLS in proportion to the amount of work done. The unpaid portion of the fees was factored into the NAV of the Target Companies, and taken into account by the Independent Valuers for determining the valuations of the Property. As the NAV of the Target Companies is a typical basis used for an acquisition of interest in funds, and since most of the works in relation to the Additions and Alterations Contract have been completed, the Manager is of the view that any further costs would be minimal.

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLS and the existing Additions and Alterations Contract.

2.10.12 <u>Administrative Services Agreement between LL JV Ltd, LL Investment Holdings Ltd., LLCI and LLIM</u>

LLIM was appointed as the administrative manager in relation to the office component of the Property pursuant to an administrative services agreement between LL JV Ltd, LL Investment Holdings Ltd., LLCI and LLIM dated 17 April 2012 (the "**LLCI ASA**"). After the completion of the proposed Acquisition, LLIM will continue to be the administrative manager in relation to the office component of the Property.

Under the LLCI ASA, the fees payable to LLIM is:

(i) for the first year from 1 October 2010, S$8,500 per month; and

(ii) thereafter, an amount per month calculated in accordance with the paragraph below.

The fee and the dollar amount referred to above will be increased on each 1 July during the Term[1] by a percentage which reflects the percentage increase in the CPI[2] in Singapore during the 12 month

[1] For the purposes of the LLCI ASA, "**Term**" means the term of the agreement, which commences on the Commencement Date of 27 September 2010 and ends on the date on which the agreement is terminated in accordance with its terms.

[2] For the purposes of the LLCI ASA, "**CPI**" means the annual inflation rate in Singapore as announced by the Singapore Department of Statistics.

period prior to that date plus 1%. Such fees payable will not be reimbursed by LREIT.

The services to be provided under the LLCI ASA include services related to, among others, finance, legal, compliance and property management. In addition, LREIT will only pay a portion of the fees proportionate to its stake in the Property, and the Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLCI ASA (based on LREIT's proportionate holding in the Target Companies). (Please see paragraph 6.1 of the Letter to Unitholders for the IFA's opinion on the fees payable under the LLCI ASA.)

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing LLCI ASA.

2.10.13 Administrative Services Agreement between Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd, LLRI3 and LLIM

LLIM was appointed the administrative manager in relation to the retail component of the Property pursuant to an administrative services agreement between Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd., LLRI3 and LLIM dated 17 April 2012 (the "**LLRI3 ASA**"). After the completion of the proposed Acquisition, LLIM will continue to be the administrative manager in relation to the retail component of the Property.

Under the LLRI3 ASA, the fees payable to LLIM is:

(i) for the first year from 1 October 2010, S$16,500[1] per month; and

(ii) thereafter, an amount per month calculated in accordance with the paragraph below.

[1] This fee of S$16,500 per month for the retail component of the Property was higher than the fee of S$8,500 per month for the office component of the Property under the LLCI ASA for the first year from 1 October 2010, as the NAV of the retail component of the Property was more than twice the NAV of the office component of the Property, and the NLA of the retail component of the Property was almost twice the NLA of the office component of the Property. Therefore, this fee was almost twice the same fee component under the LLCI ASA.

The fee and the dollar amount referred to above will be increased on each 1 July during the Term[1] by a percentage which reflects the percentage increase in the CPI[2] in Singapore during the 12 month period prior to that date plus 1%. Such fees payable by LLRI3 will not be reimbursed by LREIT.

The services to be provided under the LLRI3 ASA include services related to, among others, finance, legal, compliance and property management. In addition, LREIT will only pay a portion of the fees proportionate to its stake in the Property, and the Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLRI3 ASA (based on LREIT's proportionate holding in the Target Companies). (Please see paragraph 6.1 of the Letter to Unitholders for the IFA's opinion on the fees payable under the LLRI3 ASA.)

By approving the proposed Acquisition, Unitholders will be deemed to have approved the fees payable to LLIM and the existing LLRI3 ASA.

2.11 Payment of the Acquisition Fee in Units

The Manager shall be paid the Acquisition Fee of approximately S$2.0 million to S$3.4 million for the proposed Acquisition pursuant to the Trust Deed. As the proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of the Acquisition Fee Units which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on an illustrative issue price of S$0.77 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 2.7 million Units to 4.4 million Units.

2.12 Completion of the Acquisition

Completion of the Acquisition is expected to take place by 30 September 2021. The completion of the acquisition of the ARIF3 Sale Shares and the LLJP Sale Shares may take place on different dates. Accordingly, it is possible that LREIT may complete the acquisition of either the ARIF3 Sale Shares or the LLJP Sale

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[1] For the purposes of the LLRI3 ASA, "**Term**" means the term of the agreement, which commences on the Commencement Date of 27 September 2010 and ends on the date on which the agreement is terminated in accordance with its terms.

[2] For the purposes of the LLRI3 ASA, "**CPI**" means the annual inflation rate in Singapore as announced by the Singapore Department of Statistics.

Shares but not complete the acquisition of the other set of sale shares if the conditions (as described in paragraphs 2.7, 2.8 and 0 above) are not satisfied.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders[1]:

3.1 Strategically Located Asset with Attractive Market Fundamentals

3.1.1 Strategic Location with Strong Catchment

The Property is located in the heart of Jurong Gateway, one of Singapore's designated regional centres and commercial hubs. The Jurong East Regional Centre serves the entire West Region and acts as the primary destination retail and business centre for the western and northwest parts of Singapore. The Property sits directly beside the Jurong East MRT station and bus interchange and benefits from the presence of two major MRT lines serving high-density residential areas and with direct connection to the Central Business District.

It is estimated that the primary catchment area consists of a 2-km radius around Jurong Gateway with an estimated population of 87,295 in 2020 which includes the residents and workers of Jurong East Planning Area. The secondary catchment area extends to a 5-km radius and includes the Clementi and Jurong

[1] The Manager is seeking approval from Unitholders for the acquisition of the Sale Shares based on the stake that the shareholders of the Target Companies are willing to divest at this point in time.

West Planning Area, with an estimated population of about 375,000 in 2020. The tertiary catchment area consists on the entire West Region along with Queenstown and Bukit Timah Planning Area, with an estimated population of 642,000 in 2020. Overall, the entire retail trade area of the Jurong Gateway retail cluster encompasses a broad area with an estimated combined total population of about 1.1 million residents in 2020.

The average annual household income in the West Region is estimated at S$115,806 as of 2020, which is 5.0% higher than the national average of S$110,258 for the same period, suggesting a higher consumer spending power in the West Region.

(See **Appendix D** of this Circular for further details.)

3.1.2 Positioned to Capitalise on Future Development Plans

it is expected that Jurong Gateway remains a strategic commercial location due to the development of the Jurong Lake District and the construction of new transport infrastructure. The future Jurong Region MRT Line (JRL) and the new Jurong East Integrated Transport Hub, which are expected to be completed from 2027 to 2029, and will enhance connectivity between Nanyang Technological University of Singapore, Tengah and Jurong East, thereby driving consumer traffic from western residential areas into Jurong Gateway. Improved connectivity with surrounding areas in the West Region is expected to strengthen the role of Jurong East as a major mixed-use office and retail hub, in line with the government's efforts to promote decentralisation.

The 600-hectares Jurong Innovation District, with its first phase near completion in 2022, will function as an advanced manufacturing hub and create over 95,000 new jobs when completed, according to the Independent Market Research Consultant. In addition, the upcoming Tengah Forest Town under development by the Housing and Development Board will complement the neighbouring Jurong Lake District and Jurong Innovation District, adding an expected 42,000 new homes upon completion in 2022. The ample pipeline of projects in Jurong East will ensure vibrancy in the area and its function as a commercial hub of the West Region.

(See **Appendix D** of this Circular for further details.)

3.2 Resilient Suburban Asset with Strong Sustainability Credentials

3.2.1 <u>Suburban Retail in Singapore Remains a Resilient Segment</u>

Since its completion in 2014, the Property has established itself as one of Jurong Gateway's best performing retail and office mixed-use asset, according to the Independent Market Research Consultant. As one of the largest suburban malls in Singapore with six level of retail space, the Property enjoys a high level of committed occupancy in its retail component even after the onset of the COVID-19 pandemic, with essential services trade mix such as food and beverages, services, supermarket & hypermarket, and beauty & health accounting for 58% of its net lettable area as at 31 March 2021. The mall includes anchor tenants such as FairPrice Xtra, Don Don Donki, H&M, Koufu, Uniqlo, Courts and IKEA's first small concept store in Southeast Asia. The rapid taking over of the former Robinsons department store space by the new IKEA store, despite the challenging retail environment and the COVID-19 pandemic, is a strong demonstration of the Property's attractiveness as a retail destination in the West Region of Singapore.

The balanced retail offering of the Property, with a mix of specialty retail, destination dining options, and local-oriented offering provides resilience and future-proofing to changes in the retail environment. According to the Independent Market Research Consultant, the Property has the potential to rebound from the COVID-19 downturn faster than its competitors, given its ability to attract customers from a vast catchment area, while capturing a high proportion of spending from residents in the Jurong area. In fact, regional suburban malls which are well-tenanted like the Property have already proven to do well during the pandemic due to its higher proportion of non-discretionary uses.

3.2.2 <u>Stable Office Component Fully Leased to Government Ministry</u>

The Property provides one of the very few Grade A office space in the West Region with direct access to an MRT interchange. It comprises 12 levels of office space with large and efficient floor-plates, which benefits from a stable 30-year lease[1] with MND. As at 31 March 2021, MND's remaining lease term is approximately 24 years. MND's long-term lease leads the way in the government's push for decentralisation away from the Central Business District and into the regional centres. This validates the Property's positioning as a mixed-use asset that captures the future benefits of the suburban Grade A office sector.

3.2.3 Strong Sustainability Credentials

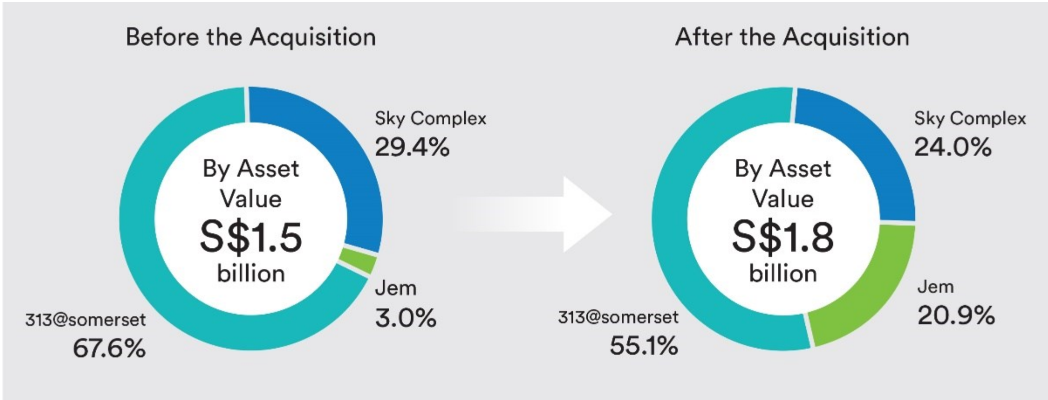
The Property was the first mixed-use asset in Singapore to be awarded the Green Mark Platinum version 4, which is a testament to the Property's environmentally efficient design. The Property also received the Building and Construction Authority's Universal Design Mark Gold Plus Design Award which identifies and distinguishes developments that have gone beyond meeting minimum standards in pursuing universal and inclusive design for the young, the old and persons with different abilities. In the 2020 Global Real Estate Sustainability Benchmark rankings, the Target Companies, which jointly owns the Property, placed second and third respectively under the Asia Retail (Overall) category, only behind LREIT. Under the Asia Retail (Non-Listed) category, the Target Companies placed first and second respectively and were recognised as regional Sector Leaders. These accolades reaffirm the Property's sustainable design and operational efficiency, which is becoming increasingly important to investors who are looking to increase exposure in green and sustainable assets.

3.3 Quality Portfolio with Improved Diversification

Percentage Breakdown of Portfolio by Asset[(1)]

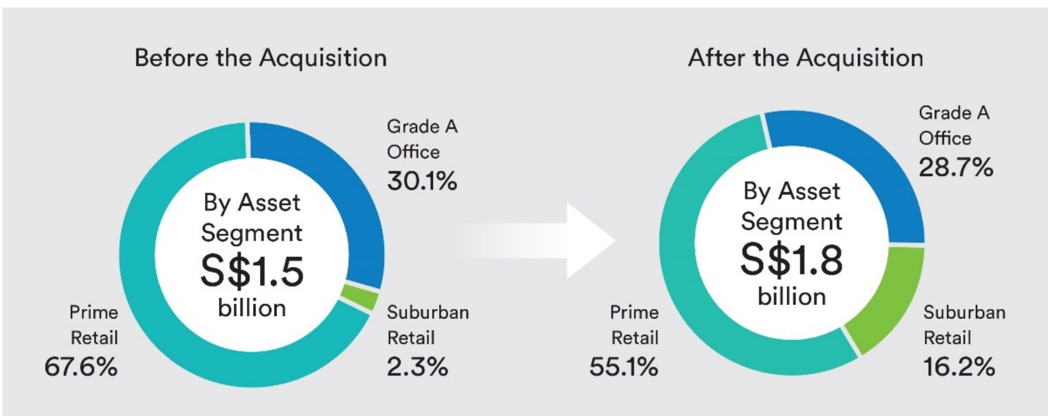
Following the Acquisition, the enlarged portfolio will have a diversified asset base and a greater exposure to a more resilient suburban retail asset. The single largest asset would represent no more than 56%[(2)] of the aggregate value of LREIT's enlarged portfolio.

[1] MND's 30-year lease commenced in 2014 and includes option terms.



Percentage Breakdown of Portfolio by Segment(1)

The enlarged portfolio will also benefit from increased exposure to the suburban retail segment, which has demonstrated greater resilience during the COVID-19 pandemic.



Notes:

(1) As at 31 March 2021, on a *pro forma* basis. Sky Complex's valuation is based on the prevailing exchange rate of €1.00: S$1.578 as at 31 March 2021. The Property's valuation is estimated based on the NAV as at 31 March 2021, prorated for LREIT's effective indirect interest in the Property in the Existing Portfolio and the Post Acquisition Portfolio.

(2) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired, and excluding any non-controlling interests. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* portfolio effects will instead be: Portfolio size of approximately S$1.7 billion; Asset Value of 14.7% for the Property, 25.8% for Sky Complex, and 59.5% for 313@somerset respectively; and Asset Segment of 11.3% for Suburban Retail, 29.2% for Grade A Office, and 59.5% for Prime Retail respectively.

3.4 DPU Accretive

The Acquisition is accretive to LREIT's DPU based on the *pro forma* financial effects on the DPU of LREIT for FY2020 and 1H FY2021. The Acquisition translates to a DPU accretion of 3.6% and 3.0% for FY2020 and 1H FY2021 respectively[1].

3.5 Strategic Move for Future Pipeline

The Acquisition results in an effective 20.8% to 31.8% indirect interest in the Property and will provide LREIT with increased entitlement under its pre-emptive rights, which all existing investors have in the Target Companies. This may provide opportunities to LREIT to potentially increase its strategic stake in the Target Companies (and corresponding effective indirect interest in the Property) over time if other investors divest their interests in the Target Companies.

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1 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects on DPU for FY2020 and 1H FY2021 will illustrate a 1.6% and 1.3% DPU accretion respectively. Please refer to the assumptions set out in paragraph 4 of this Letter to Unitholders.

4. *PRO FORMA* FINANCIAL EFFECTS

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the proposed Acquisition on the DPU, the NAV per Unit and capitalisation presented below are strictly for illustrative purposes and are prepared based on LREIT Group's[1] latest audited financial statements for FY2020 (the "**FY2020 Audited Financial Statements**") and the unaudited financial statements for 1H FY2021, taking into account the Agreed Property Value, and assuming that:

(i) the effect of the Acquisition on LREIT Group's DPU for FY2020 is based on the assumption that the Acquisition had been effected at the beginning of the reporting period on 2 October 2019 (being the listing date of LREIT), and for 1H FY2021 is based on the assumption that the Acquisition had been effected at the beginning of the reporting period on 1 July 2020;

(ii) the effect of the Acquisition on LREIT Group's NAV per Unit for FY2020 is based on the assumption that the Acquisition had been effected at the end of FY2020, and for 1H FY2021 is based on the assumption that the Acquisition had been effected at the end of 1H FY2021;

(iii) approximately 4.4 million Acquisition Fee Units are issued;

(iv) no new Units are issued (other than the Acquisition Fee Units); and

(v) existing cash balance, debt facilities and proceeds from issuance of perpetual securities[2] are used to finance the Acquisition, including paying the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Acquisition.

4.1 *Pro Forma* DPU

FOR ILLUSTRATIVE PURPOSES ONLY

The following tables set out the *pro forma* financial effects of the proposed Acquisition on LREIT's DPU for FY2020 and 1H FY2021, as if the proposed Acquisition was completed on 2 October 2019 for FY2020 and 1 July 2020 for 1H FY2021, and LREIT held the Property through to 30 June 2020 or 31 December 2021 (as the case may be):

1 "**LREIT Group**" means LREIT and its subsidiaries.
2 The S$200.0 million 4.20% fixed rate perpetual securities were issued on 27 May 2021.

Pro Forma **effects of the proposed Acquisition for FY2020**	**Effects of the Acquisition[(1)]**	
	Before the Acquisition[(1)]	**After the Acquisition[(1)]**
Net Property Income (S$ million)	40.3	40.3
Profit before tax and change in fair value (S$ million) [(2)]	15.8	22.9
Distributable Income (S$ million)	35.7	37.0
Weighted Average Units in issue (million)	1,164.6	1,168.9
DPU (cents) [(3)]	3.05	3.16
DPU Accretion (%)	-	3.6

Notes:

(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: Profit before tax and change in fair value of S$19.6 million, Distributable Income of S$36.2 million, Weighted Average Units in Issue of 1,167.2 million, DPU of 3.10 cents and DPU Accretion of 1.6%.

(2) Assumes LREIT Group's Profit before tax and change in fair value takes into account share of profits from associates of the proposed Acquisition.

(3) Assumes the additional Acquisition Fee Units are issued at the beginning of the reporting period on 2 October 2019.

Pro Forma **effects of the proposed Acquisition for 1H FY2021**	**Effects of the Acquisition[(1)]**	
	Before the Acquisition[(1)]	**After the Acquisition[(1)]**
Net Property Income (S$ million)	30.4	30.4
Profit before tax and change in fair value (S$ million) [(2)]	5.3	10.1
Distributable Income (S$ million)	27.5	28.4
Weighted Average Units in issue (million)	1,173.0	1,177.4
DPU (cents) [(3)]	2.34	2.41
DPU Accretion (%)	-	3.0

Notes:

(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: Profit before tax and change in fair value of S$7.9 million, Distributable Income of S$27.9 million, Weighted Average Units in Issue of 1,175.7 million, DPU of 2.37 cents and DPU Accretion of 1.3%.

(2) Assumes LREIT Group's Profit before tax and change in fair value takes into account share of profits from associates of the proposed Acquisition.

(3) Assumes the additional Acquisition Fee Units are issued at the beginning of the reporting period on 1 July 2020.

4.2 *Pro Forma NAV*

The following table sets out the *pro forma* financial effects of the proposed Acquisition on the NAV per Unit as at 30 June 2020 and 31 December 2020, as if LREIT had completed the proposed Acquisition on those dates:

***Pro Forma* effects of the proposed Acquisition as at 30 June 2020**	**Effects of the Acquisition(1)**	
	Before the Acquisition(1)	**After the Acquisition(1)**
NAV (S$ million) (2)	992.3	1,334.7
Units in issue (million)	1,171.8	1,176.2
NAV per Unit (S$)	0.85	0.85

Notes:

(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: NAV of S$1,333.3 million, Units in issue of 1,174.4 million and NAV per Unit of S$0.85.

(2) Based on the assumption that perpetual securities in issue and non-controlling interests from LLJP is accounted for under the NAV.

***Pro Forma* effects of the proposed Acquisition as at 31 December 2020**	**Effects of the Acquisition(1)**	
	Before the Acquisition(1)	**After the Acquisition(1)**
NAV (S$ million) (2)	995.0	1,337.4
Units in issue (million)	1,177.1	1,181.5
NAV per Unit (S$)	0.85	0.84

Notes:

(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: NAV of S$1,336.1 million, Units in issue of 1,179.8 million and NAV per Unit of S$0.85.

(2) Based on the assumption that perpetual securities in issue and non-controlling interests from LLJP is accounted for under the NAV.

4.3 *Pro Forma Capitalisation*

FOR ILLUSTRATIVE PURPOSES ONLY: The following table sets out the *pro forma* capitalisation of LREIT as at 30 June 2020 and 31 December 2020, as if LREIT had completed the proposed Acquisition on those dates:

***Pro Forma* effects of the proposed Acquisition as at 30 June 2020**	**Effects of the Acquisition[(1)]**	
	Before the Acquisition[(1)]	**After the Acquisition[(1)]**
Total borrowings (S$ million)	529.0	670.3
Unitholders' funds (S$ million) [(2)]	992.3	995.6
Total Capitalisation (S$ million) [(3)]	1,537.6	2,025.7
Gearing (%) [(4)]	35.1	33.8

Notes:
(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: Total borrowings of S$617.1 million, Unitholders' funds of S$994.3 million, Total Capitalisation of S$1,971.2 million and Gearing of 32.0%.
(2) Excludes NAV attributable to perpetual security holders and other non-controlling interests.
(3) Computed as the sum of gross borrowings, perpetual securities, Unitholders' funds and non-controlling interests.
(4) Computed as gross borrowings over total assets.

***Pro Forma* effects of the proposed Acquisition as at 31 December 2020**	**Effects of the Acquisition[(1)]**	
	Before the Acquisition[(1)]	**After the Acquisition[(1)]**
Total borrowings (S$ million)	545.8	687.1
Unitholders' funds (S$ million) [(2)]	995.0	998.4
Total Capitalisation (S$ million) [(3)]	1,554.5	2,042.6
Gearing (%) [(4)]	35.5	34.1

Notes:
(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the *pro forma* financial effects will instead be: Total borrowings of S$633.9 million, Unitholders' funds of S$997.0 million, Total Capitalisation of S$1,988.1 million and Gearing of 32.4%.
(2) Excludes NAV attributable to perpetual security holders and other non-controlling interests.
(3) Computed as the sum of gross borrowings, perpetual securities, Unitholders' funds and non-controlling interests.
(4) Computed as gross borrowings over total assets.

5. REQUIREMENT OF UNITHOLDERS' APPROVAL

5.1 Interested Person Transaction and Interested Party Transaction

5.1.1 Related Party Transactions

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

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by LREIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during FY2021) is equal to or exceeds 5.0% of the LREIT Group's latest audited NAV.

Based on the FY2020 Audited Financial Statements, the audited NTA and NAV of the LREIT Group attributable to Unitholders was S$992.3 million as at 30 June 2020. Accordingly, if the value of a transaction which is proposed to be entered into in FY2021 by LREIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during FY2021, equal to or in excess of S$49.6 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

As at the Latest Practicable Date, save for the relevant proposed Acquisition, the value of all "interested person transactions" entered into between LREIT and the Sponsor Group[1] and its associates during the course of FY2021 that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S$47.6 million (the "**Existing Interested Person Transactions**") (which is approximately 4.8% of the latest audited NTA and NAV of the LREIT Group as at 30 June 2020).

Details of the Existing Interested Person Transactions may be found in **Appendix E** of this Circular.

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1 "**Sponsor Group**" means the Sponsor and its subsidiaries.

5.1.2 **The Sponsor**

As at the Latest Practicable Date, the Sponsor holds an aggregate direct and indirect interest in 305,639,040 Units, which is equivalent to approximately 25.88% of the total number of Units in issue as at the Latest Practicable Date, and is therefore regarded as a “controlling unitholder” of LREIT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirectly wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an “interested person” of LREIT and (under the Property Funds Appendix) an “interested party” of LREIT.

5.1.3 **The Proposed Acquisition**

In relation to the proposed Acquisition, as the Target Companies are managed by LLIM, which is an indirect wholly-owned subsidiary of the Sponsor, and LLI is a direct wholly-owned subsidiary of the Sponsor, the Manager is regarding the proposed Acquisition as an “interested person transaction” under Chapter 9 of the Listing Manual, as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the specific approval of the Unitholders is required.

Given that the aggregate value of the Purchase Consideration of S$204.1 million to S$337.3 million[1] (which is 20.6% to 34.0% of the audited NTA of the LREIT Group and of the audited NAV attributable to Unitholders as at 30 June 2020) exceeds 5.0% of the LREIT Group’s latest audited NTA, the proposed Acquisition is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

In approving the proposed Acquisition, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the proposed Acquisition.

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[1] Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

5.2 Major Transaction

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

5.2.1 non-discloseable transactions;

5.2.2 discloseable transactions;

5.2.3 major transactions; and

5.2.4 very substantial acquisitions or reverse takeovers.

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

(i) the NAV of the assets to be disposed of, compared with LREIT's NAV pursuant to Rule 1006(a) of the Listing Manual;

(ii) the net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits pursuant to Rule 1006(b) of the Listing Manual; and

(iii) the aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units excluding treasury Units pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(d) of the Listing Manual is not applicable to the proposed Acquisition as LREIT will not be issuing any Units as consideration for the proposed Acquisition.

5.2.5 The Proposed Acquisition

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

	Proposed Acquisition[1] (S$ million)	LREIT (S$ million)	Relative figure (%)
Rule 1006(a) NAV of the assets to be disposed of	N.A.		
Rule 1006(b) Net profits attributable to the assets to be acquired or disposed of, compared with LREIT's net profits	7.1[2]	15.8[2]	45
Rule 1006(c) Aggregate value of the consideration given or received, compared with LREIT's market capitalisation based on the total number of issued Units	337.3[3]	909.2[4]	37
Rule 1006(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.		

Notes:

(1) Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, then the figures will instead be: (a) Net profits attributable to the assets to be acquired of S$3.8 million; and relative figure for Rule 1006(b) of 24% and (b) Aggregate value of the consideration given of S$204.1 million; and relative figure for Rule 1006(c) of 22%.

(2) Based on the profit before tax and change in fair value in respect of FY2020.

(3) Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

(4) Based on the weighted average price of the Units transacted on the SGX-ST on 4 June 2021, being the market day preceding the date of signing of the LLJP UBS Aviva SPA, LLJP SMBC SPA and ARIF3 LLI SPA of S$0.7699 per Unit.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction under Rule 1014 of the Listing Manual which would be subject to the approval of

Unitholders, unless such transaction is in the ordinary course of LREIT's business.

The Manager is of the view that the proposed Acquisition is in the ordinary course of LREIT's business as the proposed Acquisition is within the investment mandate of LREIT and the Property is of the same class as LREIT's existing properties and within the same geographical market that LREIT targets[1]. As such, the proposed Acquisition is not subject to Chapter 10 of the Listing Manual.

However, as the Manager is regarding the proposed Acquisition as an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, the proposed Acquisition will still be subject to the specific approval of Unitholders.

6. ADVICE OF THE IFA

The Manager has appointed the IFA pursuant to Rule 921(4) of the Listing Manual as well as to advise the independent directors of the Manager (the "**Independent Directors**"), the Audit and Risk Committee of the Manager (the "**Audit and Risk Committee**") and the Trustee in relation to the proposed Acquisition. A copy of the letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee, containing its advice in full (the "**IFA Letter**") is set out in **Appendix B** of this Circular and Unitholders are advised to read the IFA Letter carefully.

6.1 The Proposed Acquisition

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the proposed Acquisition is based on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders.

Further, in relation to the proposed Acquisition, the IFA is of the opinion that (i) the fees payable to LLIM under the LLJP Investment Advisory Agreement, the ARIF3 Investment Advisory Agreement, the LLRI3 Advisory Agreement, the LLCI Advisory Agreement, the LLCI ASA and the LLRI3 ASA, (ii) the fees payable to

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[1] LREIT was established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets (as defined in the prospectus of LREIT dated 25 September 2019) located globally, which are used primarily for retail and/or office purposes, as well as real estate-related assets in connection with the foregoing. LREIT's existing properties are used primarily for retail and/or office purposes. Therefore, the proposed Acquisition is within the investment mandate of LREIT and the Property is of the same class as LREIT's existing properties which are in both the retail and office sectors. As LREIT has an existing portfolio in Singapore and Italy, the Property is within the same geographical market that LREIT is already exposed to.

LLR under the Property Management Agreement and the Portal Access Licence Agreement, and (iii) the fees payable to LLS under the Projector Room Works Contract, the Taxi Stand Reconfiguration Contract and the Additions and Alterations Contract, are based on normal commercial terms and are not prejudicial to the interests of LREIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors and the Audit and Risk Committee can recommend that Unitholders vote in favour of the resolution in connection with the proposed Acquisition.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

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

(i) Ms Ng Hsueh Ling, the Chairman and Non-Independent Non-Executive Director of the Manager, is also Managing Director, Singapore and Chief Investment Officer, Asia, and a director of ARIF3, LLIM, LLR and Lendlease Singapore Pte. Ltd.; and

(ii) Mr Anthony Peter Lombardo, a Non-Independent Non-Executive Director of the Manager, is also the Global Chief Executive Officer of the Sponsor.

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

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	%[(1)]
	No. of Units held	%[(1)]	No. of Units held	%[(1)]		
Ms Ng Hsueh Ling	1,945,000	0.16	-	-	1,945,000	0.16
Dr Tsui Kai Chong	500,000	0.04	-	-	500,000	0.04
Mrs Lee Ai Ming	500,000	0.04	-	-	500,000	0.04
Mr Simon John Perrott	-	-	-	-	-	-
Mr Anthony Peter Lombardo	2,000,000	0.17	-	-	2,000,000	0.17

Note:

(1) The percentage is based on 1,180,996,040 Units in issue as at the Latest Practicable Date. Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the directors, percentages are rounded to two decimal places.

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

Name of Substantial Unitholders[1]	**Direct Interest**		**Deemed Interest**		**Total No. of Units held**	**%**[2]
	No. of Units	**%**[2]	**No. of Units**	**%**[2]		
Lendlease SREIT Pty Limited (as trustee of Lendlease SREIT Sub Trust)	284,041,000	24.05	-	-	284,041,000	24.05
Lendlease LLT Holdings Pty Limited (as trustee of Lendlease LLT Holdings Sub Trust)[3]	-	-	284,041,000	24.05	284,041,000	24.05
Lendlease Responsible Entity Limited (as trustee of Lendlease Trust)[4]	-	-	284,041,000	24.05	284,041,000	24.05
Lendlease Corporation Limited[5]	-	-	305,639,040	25.88	305,639,040	25.88

Notes:

(1) "**Substantial Unitholder**" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.

(2) The percentage is based on 1,180,996,040 Units in issue as at the Latest Practicable Date. Any discrepancies are due to rounding. For the purpose of disclosures of the percentage interests of the Substantial Unitholders, percentages are rounded to two decimal places.

(3) Lendlease LLT Holdings Pty Limited (as trustee of Lendlease LLT Holdings Sub Trust) holds all of the units of Lendlease SREIT Sub Trust ("**LLT Sub-Trust**"). Lendlease LLT Holdings Sub Trust is therefore deemed interested in LLT Sub-Trust's direct interest in 284,041,000 Units.

(4) Lendlease Responsible Entity Limited (as trustee of Lendlease Trust) ("**LLT**") holds all of the units of Lendlease LLT Holdings Sub Trust. LLT is therefore deemed interested in Lendlease LLT Holdings Sub Trust's deemed interest in 284,041,000 Units.

(5) Lendlease Responsible Entity Limited is a wholly-owned subsidiary of the Sponsor. The Sponsor is therefore deemed interested in LLT's deemed interest in 284,041,000 Units. The Sponsor is also deemed interested in 12,418,609 Units which are held directly by its indirect wholly-owned subsidiary, Lendlease GCR Investment Holding Pte. Ltd., and 9,719,431 Units which are held directly by the Manager, which is also an indirect wholly-owned subsidiary of the Sponsor.

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

8. DIRECTORS' SERVICE CONTRACTS

8.1 The Proposed Acquisition

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

9. RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix B** of this Circular) and the rationale for the proposed Acquisition as set out in paragraph 6 of this Letter to Unitholders, the Independent Directors and the Audit and Risk Committee believe that the proposed Acquisition, as an interested person transaction, is based on normal commercial terms and would not be prejudicial to the interests of LREIT or its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that the Unitholders vote at the EGM in favour of the resolution to approve the Acquisition.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held by way of electronic means on 26 July 2021 for the purpose of considering and, if thought fit, passing (with or without modification), the resolution set out in the Notice of EGM which is set out on pages G-1 to G-6 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution. Approval by way of an Ordinary Resolution is required in respect of the resolution.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

11. ABSTENTIONS FROM VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

Given that the Target Companies are managed by LLIM, an indirect wholly-owned subsidiary of the Sponsor, and LLI is a direct wholly-owned subsidiary of the Sponsor, the Sponsor will abstain, and will procure that its associates, abstain from voting on the resolution relating to the Acquisition. The Manager will also abstain from voting on the resolution relating to the Acquisition.

For the purposes of good corporate governance, as Ms Ng Hsueh Ling is the Chairman and Non-Independent Non-Executive Director of the Manager and Mr Anthony Peter Lombardo is a Non-Independent Non-Executive Director of the Manager, they will each abstain from voting on the resolution relating to the Acquisition in respect of Units (if any) held by them.

12. ACTION TO BE TAKEN BY UNITHOLDERS

12.1 Date, Time and Conduct of EGM

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be convened and held by way of electronic means on Monday, 26 July 2021 at 1.00 p.m. (Singapore time).

12.2 Notice of EGM and Proxy Form

In addition to printed copies of the Notice of EGM and Proxy Form which will be sent to Unitholders, the Notice of EGM and Proxy Form will also be available through electronic means via publication on LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/ and on the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

12.3 No personal attendance at EGM

Due to the current COVID-19 situation, a Unitholder will not be able to attend the EGM in person.

12.4 Alternative arrangements for participation at the EGM

Unitholders may participate at the EGM by:

(i) observing and/or listening to the EGM proceedings via live audio-visual webcast via their mobile phones, tablets or computers or live audio-only stream via their mobile phones or telephones;

(ii) submitting questions in advance of the EGM; and

(iii) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Details of the steps for pre-registration, pre-submission of questions and voting at the EGM are set out in Appendix F of this Circular and the Notice of EGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Acquisition, LREIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. CONSENTS

Each of the IFA, the Independent Valuers and the Independent Market Research Consultant has given and not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Valuation Certificates and the independent market research report dated 1 June 2021 by the Independent Market Research Consultant (the "**Independent Market Research Report**"), and all references thereto, in the form and context in which they appear in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection[1] during normal business hours at the registered office of the Manager located at 2 Tanjong Katong Road, #05-01 PLQ 3, Paya Lebar Quarter, Singapore 437161, from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the LLJP UBS Aviva SPA;

(ii) the LLJP SMBC SPA;

(iii) the ARIF3 LLI SPA;

(iv) the IFA Letter;

(v) the Independent Market Research Report;

(vi) the full valuation report issued by JLL in respect of the Property;

(vii) the full valuation report issued by CBRE in respect of the Property; and

(viii) the FY2020 Audited Financial Statements.

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

Yours faithfully

Lendlease Global Commercial Trust Management Pte. Ltd.
(as manager of Lendlease Global Commercial REIT)
(Company Registration No. 201902535N)

Ms Ng Hsueh Ling
Chairman and Non-Independent Non-Executive Director

[1] Prior appointment with the Manager (telephone number: +65 6671 7374) will be appreciated.

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of LREIT in Singapore or any other jurisdictions.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of LREIT is not necessarily indicative of the future performance of LREIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice and the Proxy Form) may be accessed at LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/, and are also available on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements.

GLOSSARY

In this Circular, the following definitions apply throughout unless the context otherwise requires:

"%"	:	Per centum or percentage
"1H FY2021"	:	6-month period from 1 July 2020 to 31 December 2020
"Acquisition"	:	The proposed acquisition of the LLJP Sale Shares and the ARIF3 Sale Shares
"Acquisition Fee"	:	The acquisition fee payable to the Manager for the proposed Acquisition pursuant to the Trust Deed of approximately S$2.0 million to S$3.4 million
"Acquisition Fee Units"	:	The Units to be issued to the Manager as payment for the Acquisition Fee
"Additions and Alterations Contract"	:	The head contract in relation to the proposed additions and alterations works for reconfiguration of the ex-Robinsons tenancy at the Property between LLRI3 and LLS dated 15 September 2020
"Agreed Property Value"	:	The agreed property value of the Property of S$2,077 million
"Appraised Value"	:	The higher of the two independent valuations of the Property as at 30 April 2021
"ARIF3"	:	Lendlease Asian Retail Investment Fund 3 Limited, a Target Company managed by LLIM
"ARIF3 Investment Advisory Agreement"	:	The agreement for investment advisory services appointing LLIM as the investment advisor of ARIF3 dated 31 October 2006
"ARIF3 LLI SPA"	:	The share purchase agreement for the acquisition of up to 5.0% of the ARIF3 Share Capital entered into between the Purchaser and LLI on 7 June 2021
"ARIF3 Purchase Consideration"	:	The purchase consideration payable to the ARIF3 Vendors in accordance with the bye-laws of ARIF3 and/or the ARIF3 LLI SPA
"ARIF3 Sale Shares"	:	5.0% to 19.8% of the ARIF3 Share Capital
"ARIF3 Share Capital"	:	The total issued share capital in ARIF3
"ARIF3 Vendors"	:	Third Party ARIF3 Vendors and/or LLI

"Audit and Risk Committee"	:	The Audit and Risk Committee of the Manager
"Aviva"	:	Aviva Ltd.
"CBRE"	:	CBRE Pte. Ltd.
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Unitholders dated 2 July 2021
"Directors"	:	The directors of the Manager
"DPU"	:	Distribution per Unit
"EGM"	:	The extraordinary general meeting of the Unitholders, notice of which is given on pages G-1 to G-6 of this Circular
"Existing Interested Person Transactions"	:	The interested person transactions entered into between LREIT, the Sponsor and its associates during the course of FY2021
"Existing Portfolio"	:	The existing portfolio of LREIT
"Existing Units"	:	The Units in issue as at the Latest Practicable Date
"FY2020"	:	The financial period from 2 October 2019 (listing date) to 30 June 2020
"FY2020 Audited Financial Statements"	:	LREIT Group's latest audited financial statements for FY2020
"FY2021"	:	The financial year ended 30 June 2021
"GFA"	:	Gross floor area
"GST"	:	Goods and Services Tax
"IFA"	:	Deloitte & Touche Corporate Finance Pte Ltd
"IFA Letter"	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice, as set out in Appendix B of this Circular
"Independent Directors"	:	The independent directors of the Manager, being Dr Tsui Kai Chong, Mrs Lee Ai Ming and Mr Simon John Perrott
"Independent Market Research Consultant"	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
"Independent Market Research Report"	:	The independent market research report dated 1 June 2021 by the Independent Market Research Consultant, as set out in Appendix D of this Circular

"Independent Valuers"	:	CBRE and JLL, in respect of the Property
"JLL"	:	Jones Lang LaSalle Property Consultants Pte Ltd
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Circular, being 30 June 2021
"Lendlease Group"	:	The Sponsor, Lendlease Trust and their subsidiaries
"Listing Manual"	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
"LL JV Designated Shareholder"	:	Shareholder of LL JV Ltd that owns at least 20% of the total issued shares of LL JV Ltd
"LLCI"	:	Lendlease Commercial Investments Pte. Ltd., which is wholly owned by the Target Companies
"LLCI Advisory Agreement"	:	The advisory agreement between LLCI and LLIM dated 7 June 2019
"LLCI ASA"	:	The administrative services agreement between LL JV Ltd, LL Investment Holdings Ltd., LLCI and LLIM dated 17 April 2012
"LLCI JOA"	:	The amended and restated joint owners agreement between LLI, LL JV Ltd, LL Investment Holdings Ltd, ARIF3 and LLCI dated 23 May 2013
"LLI"	:	Lendlease International Pty Limited, a direct wholly-owned subsidiary of the Sponsor
"LLIM"	:	Lendlease Investment Management Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor
"LLJP"	:	Lendlease Jem Partners Fund Limited, a Target Company managed by LLIM
"LLJP Investment Advisory Agreement"	:	The investment advisory agreement in relation to LLJP between LLJP and LLIM dated 23 May 2013
"LLJP Purchase Consideration"	:	The purchase consideration payable to the LLJP Vendors under the LLJP UBS Aviva SPA and LLJP SMBC SPA
"LLJP Sale Shares"	:	53.0% of the total issued share capital in LLJP
"LLJP SMBC SPA"	:	The share purchase agreement to acquire 8.0% of the LLJP Share Capital entered into between Purchaser (as purchaser) and SMBC (as vendor) on 7 June 2021

"LLJP UBS Aviva SPA"	:	The share purchase agreement to acquire 45.0% of the LLJP Share Capital entered into between the Purchaser (as purchaser) and the UBS Funds and Aviva (as vendors) on 7 June 2021
"LLJP Vendors"	:	The UBS Funds, Aviva and SMBC
"LLR"	:	Lendlease Retail Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor
"LLRI3"	:	Lendlease Retail Investments 3 Pte. Ltd., which is wholly owned by the Target Companies
"LLRI3 Advisory Agreement"	:	The advisory agreement between LLRI3 and LLIM dated 7 June 2019
"LLRI3 ASA"	:	The administrative services agreement between Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd., LLRI3 and LLIM dated 17 April 2012
"LLRI3 JOA"	:	The amended and restated joint owners agreement between LLI, Triple Eight JV Ltd, Triple Eight Investment Holdings Ltd, ARIF3 and LLRI3 dated 23 May 2013
"LLS"	:	Lendlease Singapore Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor
"LLT"	:	Lendlease Responsible Entity Limited (as trustee of Lendlease Trust)
"LLT Sub-Trust"	:	Lendlease SREIT Sub Trust
"LREIT"	:	Lendlease Global Commercial REIT
"LREIT Group"	:	LREIT and its subsidiaries
"Management Fee"	:	The management fee payable to the Manager under the Trust Deed for its role as the manager of LREIT, which consists of (i) a base fee of 0.3% per annum of the value of LREIT's deposited property, and (ii) a performance fee of 5.0% per annum of the NPI of LREIT
"Manager"	:	Lendlease Global Commercial Trust Management Pte. Ltd., in its capacity as manager of LREIT
"MAS"	:	Monetary Authority of Singapore
"MND"	:	Ministry of National Development of Singapore
"MRT"	:	Mass Rapid Transit
"NAV"	:	Net asset value
"NLA"	:	Net lettable area

“NPI”	:	Net property income
“NTA”	:	Net tangible assets
“Offering”	:	The initial public offering of LREIT
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
“Portal Access Licence Agreement”	:	The licence agreement in relation to LLR’s mobile application between LLR and LLRI3 dated 16 November 2018
“Projector Room Works Contract”	:	The head contract in relation to the asset enhancement initiative of the Property’s projector room between LLRI3 and LLS dated 5 August 2019
“Property”	:	Jem, located at 50 and 52 Jurong Gateway Road, Singapore
“Property Funds Appendix”	:	Appendix 6 to the Code on Collective Investment Schemes issued by the MAS
“Property Management Agreement”	:	The property management agreement in relation to the Property dated 3 September 2012
“Purchase Consideration”	:	ARIF3 Purchase Consideration and LLJP Purchase Consideration
“REIT”	:	Real estate investment trust
“S$” and “cents”	:	Singapore dollars and cents, being the lawful currency of the Republic of Singapore
“Sale Shares”	:	The ARIF3 Sale Shares and the LLJP Sale Shares
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SMBC”	:	Sumitomo Mitsui Banking Corporation
“SMBC W&I Insurance Policy”	:	The warranty and indemnity insurance policy procured by the Trustee under the LLJP SMBC SPA
“Sponsor Group”	:	The Sponsor and its subsidiaries
“Sponsor”	:	Lendlease Corporation Limited

"sq ft"	:	Square feet
"SRG"	:	The shareholder representative group of LLJP
"Substantial Unitholder"	:	A person with an interest in Units constituting not less than 5.0% of all Existing Units
"Target Companies"	:	LLJP and ARIF3
"Taxi Stand Reconfiguration Contract"	:	The head contract in relation to the reconfiguration works of the Property's taxi stand dated 14 August 2020
"Third Party ARIF3 Vendors"	:	One or more of the other existing shareholders of ARIF3 who are not related to LREIT
"Total Acquisition Cost"	:	The estimated total cost of the proposed Acquisition of approximately S$211.7 million to S$347.1 million
"Triple Eight JV Designated Shareholder"	:	A shareholder of Triple Eight JV Ltd that owns at least 20% of the total issued shares of Triple Eight JV Ltd
"Trust Deed"	:	The trust deed constituting LREIT dated 28 January 2019 (as amended, restated and supplemented from time to time)
"Trustee" or "Purchaser"	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of LREIT
"UBS Aviva W&I Insurance Policy"	:	The warranty and indemnity insurance policy procured by the Trustee under the LLJP UBS Aviva SPA
"UBS Funds"	:	Two funds advised by affiliates of UBS Asset Management AG
"Unit Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"Unit"	:	A unit representing an undivided interest in LREIT
"Unitholders"	:	Unitholders of LREIT
"Unitholding"	:	In relation to a Unitholder, the unitholding of that Unitholder in LREIT
"Vendors"	:	The ARIF3 Vendors and the LLJP Vendors
"VWAP"	:	Volume weighted average price
"West Region"	:	The west region of Singapore

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

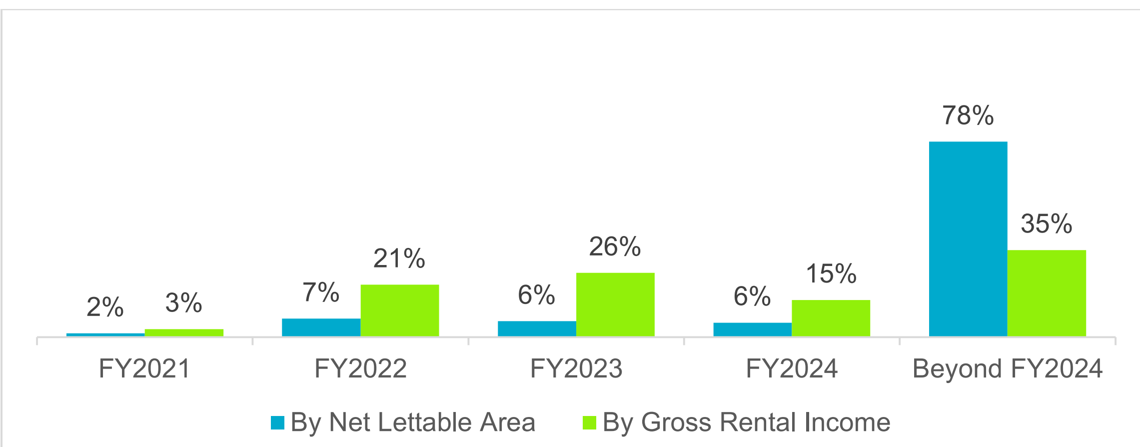
APPENDIX A

DETAILS OF THE EXISTING PORTFOLIO

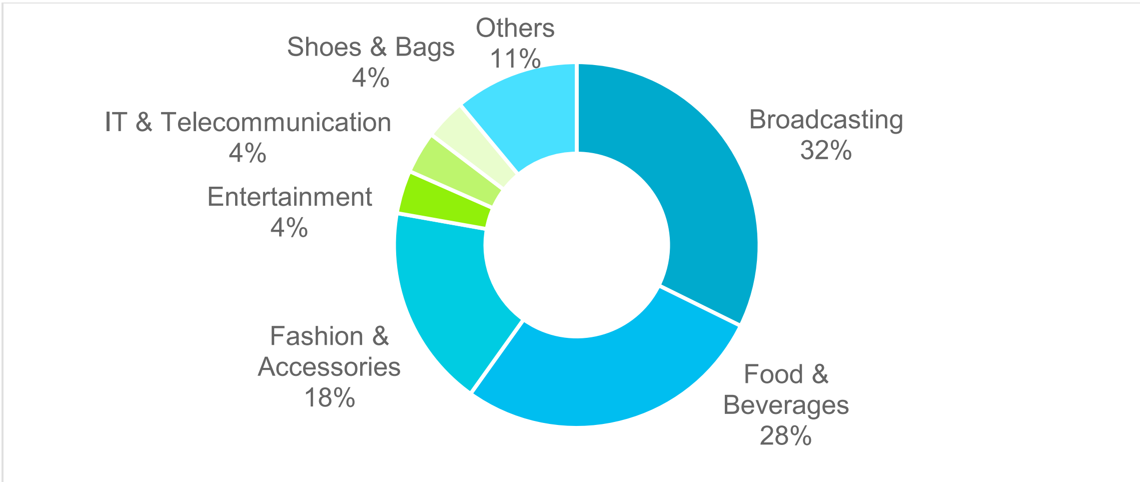
The table below sets out selected information about the Existing Portfolio (excluding the Property) as at 31 March 2021.

	313@somerset	Sky Complex
Location	313 Orchard Road, Singapore 238895	Via Monte Penice 7 and Via Luigi Russolo 9, 20138, Milan, Italy
NLA (sq ft)	288,318 sq ft	985,967 sq ft
Title	Leasehold 99 years from 2006	Freehold
Adopted Capitalisation Rate for Valuation as at 30 June 2020	4.25%	5.25%
Valuation as at 30 June 2020	S$1,008 million	€277.7 million
Net Property Income (FY2020)	S$23.4 million	S$16.9 million
Committed Occupancy as at 31 March 2021	98.6%	100%

The graph below illustrates the lease expiry profile of the Existing Portfolio (excluding the Property) as at 31 March 2021.



The chart below provides a breakdown by gross rental income of the different trade sectors represented in the Existing Portfolio (excluding the Property) as at 31 March 2021.


Shoes & Bags
4%
Others
11%
IT & Telecommunication
4%
Broadcasting
32%
Entertainment
4%
Fashion &
Accessories
18%
Food &
Beverages
28%

APPENDIX B

INDEPENDENT FINANCIAL ADVISER'S LETTER

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

2 July 2021

RBC Investor Services Trust Singapore Limited
(as Trustee of Lendlease Global Commercial REIT)
8 Marina View, #26-01
Asia Square Tower 1
Singapore 018960

The Independent Directors and the Audit and Risk Committee
Lendlease Global Commercial Trust Management Pte. Ltd.
(as Manager of Lendlease Global Commercial REIT)
2 Tanjong Katong Road
#05-01 Paya Lebar Quarter
Singapore 437161

Dear Sir/ Madam

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO:
(i) PROPOSED ACQUISITION OF 53.0% OF THE SHARES IN LENDLEASE JEM PARTNERS FUND LIMITED ("LLJP"); AND
(ii) PROPOSED ACQUISITION OF 5.0% to 19.8% OF THE SHARES IN LENDLEASE ASIAN RETAIL INVESTMENT FUND 3 LIMITED ("ARIF3"), AS AN INTERESTED PERSON TRANSACTION.

1. INTRODUCTION

1.1 ANNOUNCEMENT OF THE PROPOSED ACQUISITION AND SUMMARY OF APPROVAL SOUGHT

On 2 July 2021, Lendlease Global Commercial Trust Management Pte. Ltd., as manager of Lendlease Global Commercial REIT ("**LREIT**", and the manager of LREIT, the "**Manager**") announced the Proposed Acquisition (as defined below). The Manager seeks the approval from the holders of units in LREIT (the "**Unitholders**") by way of Ordinary Resolution[1] for the proposed acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of LREIT, the "**Trustee**") (the "**Purchaser**") of the respective interests in the shares of the Target Companies (as defined below) as described below:

(i) 53.0% of the total issued share capital in LLJP (the "**LLJP Sale Shares**"), which in turn holds a 25.0% indirect interest in the property known as Jem, located at 50 and 52 Jurong Gateway Road, Singapore (the "**Property**"). The proposed acquisition of the LLJP Sale Shares is from two funds advised by affiliates of UBS Asset Management AG (the "**UBS Funds**"), Aviva Ltd. ("**Aviva**") and Sumitomo Mitsui Banking Corporation ("**SMBC**") and, together with the UBS Funds and Aviva, the "**LLJP Vendors**"). The purchase consideration for the LLJP Sale Shares will be S$159.1 million, subject to post-completion adjustments (the "**LLJP Purchase Consideration**"); and

(ii) 5.0% to 19.8% of the total issued share capital in ARIF3 (the "**ARIF3 Sale Shares**"), which in turn holds a 75.0% indirect interest in the Property. The proposed acquisition of the ARIF3 Sale Shares is from one or more of the other existing shareholders of ARIF3 who are not related to LREIT (the "**Third Party ARIF3 Vendors**") and/or Lendlease International Pty Limited ("**LLI**"), a direct wholly-owned subsidiary of Lendlease Corporation Limited (the "**Sponsor**") (and together with the Third Party ARIF3 Vendors, the "**ARIF3 Vendors**" and, together with the LLJP Vendors, the "**Vendors**"). The acquisition of the ARIF3 Sale Shares

1 "**Ordinary Resolution**" refers to a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

is for a total purchase consideration of S$45.0 million (for 5.0% of the total issued share capital in ARIF3 (the "**ARIF3 Share Capital**")) to S$178.2 million[2] (for 19.8% of the ARIF3 Share Capital), subject to post-completion adjustments (the "**ARIF3 Purchase Consideration**", and together with the LLJP Purchase Consideration, the "**Purchase Consideration**").

The proposed acquisition of the LLJP Sale Shares and the ARIF3 Sale Shares shall collectively be referred to as the ("**Proposed Acquisition**") and LLJP and ARIF3 shall collectively be referred to as the ("**Target Companies**"). The LLJP Vendors are third party vendors not related to LREIT.

In the event that LREIT acquires 5.0% of the ARIF3 Share Capital from LLI pursuant to the ARIF3 LLI SPA (as defined herein), upon completion of the proposed Acquisition, LLI will still hold approximately 10.1% of the ARIF3 Share Capital.

For further details on the structure of the Proposed Acquisition, please refer to paragraph 2.3 of the Letter to Unitholders in the Circular.

<u>Acquisition of LLJP Sale Shares (53.0% of the LLJP Share Capital)</u>

The Purchaser is proposing to acquire:

(a) 45.0% of the total issued share capital in LLJP (the "**LLJP Share Capital**") from the UBS Funds and Aviva pursuant to the LLJP UBS Aviva SPA (as defined herein); and

(b) 8.0% of the LLJP Share Capital from SMBC pursuant to the LLJP SMBC SPA (as defined herein),

for a purchase consideration of S$159.1 million, subject to post-completion adjustments.

<u>Acquisition of ARIF3 Sale Shares (5.0% to 19.8% of the ARIF3 Share Capital)</u>

The Purchaser intends to acquire 5.0% to 19.8% of the ARIF3 Share Capital for a total purchase consideration of S$45.0 million (for 5.0% of the ARIF3 Share Capital) to S$178.2 million[2] (for 19.8% of the ARIF3 Share Capital), subject to relevant post-completion adjustments. The Manager is seeking approval from Unitholders for the acquisition of a specific range of 5.0% to 19.8% of the ARIF3 Share Capital based on its current understanding of the willingness of the ARIF3 shareholders to divest their interests in ARIF3 at this point in time.

The Purchaser intends to acquire up to 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors if such Third Party ARIF3 Vendors decide to offer their ARIF3 shares for sale in accordance with the bye-laws of ARIF3. Pursuant to the bye-laws of ARIF3, in the event of a proposed sale of ARIF3 shares[3] by an existing ARIF3 shareholder to a third party, the existing ARIF3 shareholder must first offer such sale shares to the other shareholders of ARIF3 by issuing a transfer notice, and each of the shareholders of ARIF3 has a pre-emption right to acquire such sale shares in proportion to its shareholding in ARIF3. Each of the shareholders of ARIF3 will then have 20 business days from the date of the transfer notice to issue an acceptance notice before the close of the pre-emptive period. In addition, as LREIT has indicated its interest to increase its shareholding in ARIF3, LLI, a direct wholly-owned subsidiary of the Sponsor and an existing shareholder of ARIF3, may also nominate LREIT, which is considered a closely held entity of LLI under the bye-laws of ARIF3, to acquire its proportion of such sale shares. The Purchaser is

2 Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV per share of ARIF3.

3 Although the minimum price of such sale shares will be determined by the existing ARIF3 shareholder, the Manager is seeking approval from the Unitholders for the acquisition of ARIF3 Sale Shares on the basis of the purchase consideration payable to the Third Party ARIF3 Vendors being not be more than the NAV per share of ARIF3 as that is the highest price it is prepared to acquire at and believes will be in the interests of Unitholders. Therefore, if the price of the ARIF3 sale shares offered by the Third Party ARIF3 Vendors is at, or at a discount to, the NAV per share of ARIF3, the Manager will proceed with the acquisition of these ARIF3 sale shares. Conversely, if the price offered by the Third Party ARIF3 Vendors is higher than NAV per share of ARIF3, the Manager will not proceed with the acquisition.

proposing to exercise its pre-emption right to acquire its entitlement of the ARIF3 shares as well as LLI's entitlement, in accordance with the bye-laws of ARIF3 should any of the Third Party ARIF3 Vendors decide to put up their ARIF3 shares for sale before or during the upcoming "liquidity window"[4] under the bye-laws of ARIF3 (currently expected to be the period from 6 August 2021 to 6 September 2021).

As LREIT is considered a closely held entity[5] of LLI under the bye-laws of ARIF3, a proposed sale by LLI to LREIT of its ARIF3 shares will not trigger the aforementioned pre-emption right.

Accordingly, the scenarios for the Purchaser's proposed acquisition of ARIF3 Sale Shares are as follows:

1. Scenario 1: Acquisition of 19.8% of ARIF3 Share Capital from the Third Party ARIF3 Vendors only

In the event that the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and only LREIT and LLI exercise their aforementioned pre-emption rights to acquire such shares, the maximum number of ARIF3 shares that LREIT will seek to acquire from the Third Party ARIF3 Vendors (arising from LREIT's existing shareholding in ARIF3 as well as the shareholding of LLI (and who has agreed to nominate LREIT to take up its entitlement)) will comprise 19.8% of ARIF3 Share Capital. In such a case, LREIT will not acquire any shares from LLI under the ARIF3 LLI SPA (as defined herein).

2. **Scenario 2: Acquisition of between 5.0% and up to 19.8% of ARIF3 Share Capital**

Acquisition of between 9.9% and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI

In the event the Third Party ARIF3 Vendors elect to sell all their ARIF3 shares and any of the other shareholders in ARIF3 exercises its aforementioned pre-emption rights to acquire the Third Party ARIF3 Vendors' shares in proportion to its shareholdings in ARIF3, and LREIT is unable to acquire a total of 19.8% of the ARIF3 Share Capital by 31 October 2021, LREIT will acquire the maximum number of ARIF3 shares that LREIT is entitled to acquire from the Third Party ARIF3 Vendors (arising from LREIT's and LLI's entitlements). Assuming the Third Party ARIF3 Vendors elect to sell 19.8% of the ARIF3 Share Capital, and all the other shareholders in ARIF3 exercise their aforementioned pre-emption rights, the maximum number of ARIF3 shares that LREIT is entitled to acquire (including LLI'S entitlement) from the Third Party ARIF3 Vendors is 4.9% of ARIF3 Share Capital.

To the extent that LREIT cannot acquire up to 19.8% of ARIF3 Share Capital from the Third Party ARIF3 Vendors by 31 October 2021, LREIT will acquire the shortfall from LLI pursuant to the ARIF3 LLI SPA (as defined herein), up to a maximum of 5.0%[6] of the ARIF3 Share Capital. Therefore, LREIT may acquire between 9.9% (consisting of 5.0% of the ARIF3 Share Capital from LLI and 4.9% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors) and up to 19.8% of the ARIF3 Share Capital from a combination of the Third Party ARIF3 Vendors and LLI.

4 The "liquidity window" is a period determined in accordance with the bye-laws of ARIF3. It is a set period where existing shareholders of ARIF3 may choose to divest their interests in ARIF3. Although the existing shareholders of ARIF3 may divest their ARIF3 shares in periods other than the "liquidity window", LLIM, as the advisor, has certain obligations to create conditions for liquidity during such "liquidity windows".

5 Under the bye-laws of ARIF3, among others, in the sole discretion of the directors, any widely-held fund, of which a wholly-owned subsidiary of a 100% of holding company of LLI is the manager, is considered as a closely held entity. As the Manager is an indirect wholly-owned subsidiary of the Sponsor, which wholly-owns LLI, LREIT is considered as a closely held entity of LLI.

6 The maximum of 5.0% of the ARIF3 Share Capital that can be acquired from LLI pursuant to the ARIF3 LLI SPA was determined by LLI, and was offered to LREIT to provide greater certainty of acquiring more shares in ARIF3 in the event that LREIT is unable to acquire 19.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors.

By way of illustration, if LREIT is only able to acquire 66,511 ARIF3 shares comprising 14.8% of the ARIF3 Share Capital from the Third Party ARIF3 Vendors, an additional 22,485 ARIF3 shares comprising 5.0% of the ARIF3 Share Capital will be acquired from LLI to acquire a total of 88,996 ARIF3 shares comprising 19.8% of the ARIF3 Share Capital.

Acquisition of 5.0% of the ARIF3 Share Capital from LLI only

In the event that the Third Party ARIF3 Vendors do not offer any of their ARIF3 shares for sale in accordance with the bye-laws of ARIF3, LREIT will acquire 5.0% of the ARIF3 Share Capital from LLI only under the ARIF3 LLI SPA (as defined herein).

Investment in Real Estate-Related Assets

The investments in the Target Companies would be classified as an investment in real estate-related assets under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**", and Appendix 6, the "**Property Funds Appendix**"). The Property Funds Appendix defines "real estate-related assets" to mean listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture). The Target Companies would be considered as property funds. Under Paragraph 7 of the Property Funds Appendix, LREIT must invest at least 75.0% of its deposited property[7] in income-producing real estate with the remaining permitted to be invested in real estate-related assets up to a maximum of 25.0% of the deposited properties.

Based on LREIT's existing portfolio (the "**Existing Portfolio**"), 92.3% of LREIT's total deposited property is considered income-producing real estate as at 31 December 2020. Following completion of the proposed Acquisition, 75.9% of LREIT's total deposited property will be considered income-producing real estate[8] . Accordingly, LREIT will continue to comply with Paragraph 7 of the Property Funds Appendix.

LLJP
On 7 June 2021, the Purchaser has entered into:

(i) a share purchase agreement with the UBS Funds and Aviva to acquire 45.0% of the LLJP Sale Capital from them (the "**LLJP UBS Aviva SPA**"); and

(ii) a share purchase agreement with SMBC to acquire 8.0% of the LLJP Share Capital from SMBC (the "**LLJP SMBC SPA**").

Under the LLJP UBS Aviva SPA and the LLJP SMBC SPA, the Purchaser is entitled to nominate a wholly-owned subsidiary to acquire the LLJP Sale Shares.

ARIF3
On 7 June 2021, the Purchaser entered into a share purchase agreement with LLI (the "**ARIF3 LLI SPA**") to acquire up to 5.0% of the ARIF3 Share Capital from LLI.

In the event that the Purchaser acquires any ARIF3 shares from the Third Party ARIF3 Vendors, the Purchaser will acquire up to 19.8% of the ARIF3 Share Capital from them in accordance with the bye-laws of ARIF3 which stipulate the mechanism for existing shareholders of ARIF3 to exercise their pre-emption right in acquiring another shareholder's ARIF3 shares. Accordingly, no share purchase agreement will be entered into by the Purchaser for the acquisition from the Third Party ARIF3 Vendors.

7 Under the Property Funds Appendix, "**deposited property**" means the value of the property fund's total assets based on the latest valuation. For the avoidance of doubt, LREIT's total deposited property excludes non-controlling interests.

8 Based on the assumption that 19.8% of the ARIF3 Share Capital is acquired. Note that if 5.0% of the ARIF3 Share Capital is acquired, 78.1% of LREIT's total deposited property will be considered income-producing real estate.

Upon completion of the Proposed Acquisition, LREIT will hold:

(i) a 53.0% interest in LLJP;

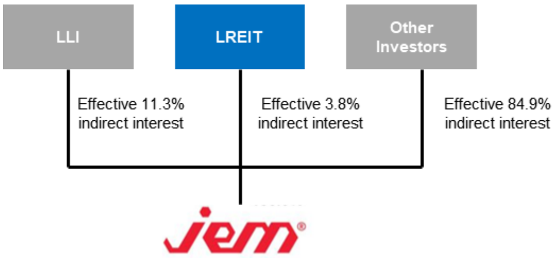
(ii) a 10.0% to 24.8% interest in ARIF3 (after taking into account LREIT's existing 5.0% interest in ARIF3); and

(iii) an effective 20.8% to 31.8% indirect interest in the Property[9].

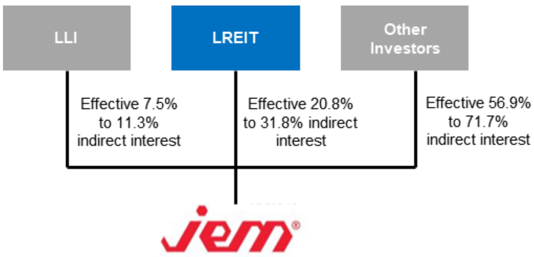
In the event that LREIT acquires 5.0% of the ARIF3 Share Capital from LLI pursuant to the ARIF3 LLI SPA, upon completion of the proposed Acquisition, LLI will still hold approximately 10.1% of the ARIF3 Share Capital.

The diagrammatic illustrations below set out the Property's holding structure following completion of the proposed Acquisition.

Before the proposed Acquisition



After the proposed Acquisition



For further details on the principal terms of the LLJP UBS Aviva SPA, LLJP SMBC SPA, and ARIF3 LLI SPA, please refer to paragraphs 2.7, 2.8 and 2.9 of the Letter to Unitholders in the Circular.

1.2 LENDLEASE GLOBAL COMMERCIAL REIT

LREIT is a real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listed on 2 October 2019, LREIT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes. LREIT is managed by the Manager, an indirect wholly-owned subsidiary of the Sponsor.

The Sponsor is part of the Lendlease Group, which comprises the Sponsor, Lendlease Trust and their subsidiaries (the "**Lendlease Group**"). 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.

LREIT's property portfolio comprises of a leasehold interest in 313@somerset, a retail mall located in Singapore, a freehold interest in Sky Complex, which comprises three Grade-A office buildings located in Milan. The portfolio has a total NLA of approximately 1.3 million square feet, with an appraised value of approximately S$1.5 billion[10] as at 31 March 2021. LREIT is redeveloping a site adjacent to 313@somerset into a multifunctional event space, which is expected to be operational in 2022.

9 Effective indirect interest is computed based on the summation of LREIT's interest in LLJP and ARIF3 in percentage terms, multiplied by 25% and 75% respectively.

10 Sky Complex's valuation is based on the prevailing exchange rate of €1.00: S$1.578 as at 31 March 2021.

In addition, LREIT holds a 5.0% stake in Lendlease Asian Retail Investment Fund 3 Limited ("**ARIF3**"), which holds a 75.0% indirect interest in the property known as Jem, located at 50 and 52 Jurong Gateway Road, Singapore (the "**Property**"). Other than LLI, a direct wholly-owned subsidiary of the Sponsor, which holds approximately 15.1% in ARIF3, the other existing shareholders of ARIF3[11] are not related to LREIT. The remaining 25.0% interest in the Property is indirectly held by LLJP**.** The Property is an integrated office and retail asset located in Jurong Gateway, the commercial hub of the Jurong Lake District, Singapore.

1.3 THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

The Target Companies are private funds which are set up as companies incorporated in Bermuda. The Target Companies do not invest in other real estate assets save for the Property, and are managed by Lendlease Investment Management Pte. Ltd. ("**LLIM**"), an indirect wholly-owned subsidiary of the Sponsor.

For further details on the key terms in relation to LLJP and ARIF3, please refer to paragraph 2.1 of the Letter to Unitholders in the Circular.

The Trustee has commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**"), and the Manager has commissioned an independent valuer, CBRE Pte. Ltd. ("**CBRE**"), collectively the ("**Independent Valuers**") to value the Property.

The agreed property value for the Property, which was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations conducted by the Independent Valuers, is S$2,077 million ("**Agreed Property Value**"), which is at a discount of approximately 0.4% to the higher of the two independent valuations of the Property as at 30 April 2021 (the "**Appraised Value**").

As the Proposed Acquisition involves the related parties of the Sponsor and Manager, the Proposed Acquisition is considered as an interested person transaction under Chapter 9 of the listing manual of the SGX-ST (the "**Listing Manual**") and an interested party transaction under paragraph 5 of Appendix 6 of the Code on Collective Investment Scheme issued by the Monetary Authority of Singapore ("**MAS**") (the "**Property Funds Appendix**").

1.4 INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As at 30 June 2021, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), the Sponsor holds an aggregate direct and indirect interest in 305,639,040 Units, which is equivalent to approximately 25.88% of the total number of Units in issue as at the Latest Practicable Date (the "**Existing Units**"), and is therefore regarded as a "controlling unitholder" of LREIT for the purposes of the Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirectly wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a "controlling shareholder" of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix. As such, the Sponsor is considered (under Chapter 9 of the Listing Manual) an "interested person" of LREIT and (under the Property Funds Appendix) an "interested party" of LREIT.

In relation to the Proposed Acquisition, as the Target Companies are managed by LLIM, which is an indirect wholly-owned subsidiary of the Sponsor, and LLI is a direct wholly-owned subsidiary of the Sponsor, the Manager is regarding the Proposed Acquisition as an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the specific approval of the Unitholders is required.

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11 The other existing shareholders of ARIF3 cannot be named due to confidentiality restrictions under the bye-laws of ARIF3.

Given the aggregate value of the Purchase Consideration of approximately S$204.1 million to S$337.3 million[12] (which is 20.6% to 34.0% of the audited net tangible assets ("**NTA**") of the LREIT Group and of the audited net asset value ("**NAV**") attributable to Unitholders as at 30 June 2020) is more than 5.0% of LREIT Group's latest audited NTA either in itself or when aggregated with the value of other transactions entered into with the same interested person during the same financial year (excluding transactions with a value below S$100,000 and transactions which have been approved by Unitholders) and is more 5.0% of LREIT's latest audited NAV either in itself or when aggregated with the value of other transactions entered into with the same interested party during FY2021), the Proposed Acquisition is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

For further details on the interested person transaction and interested party transaction, please refer to paragraph 5.1 of the Letter to Unitholders in the Circular.

It is in this context that Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**") have been appointed as independent financial adviser ("**IFA**") to advise the audit and risk committee of the Manager (the "**Audit and Risk Committee**"), the independent directors of the Manager (the "**Independent Directors**") and the Trustee, as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders

This letter sets out our evaluation for the Audit and Risk Committee, the Independent Directors and the Trustee in respect of this engagement.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion in respect to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders. Our opinion in relation to the Proposed Acquisition, as set out under paragraph 4 of this letter should be considered in the context of the entirety of our advice. This letter is prepared pursuant to Listing Rule 921(4)(a) as well as for the benefit and use by the Independent Directors, the Audit and Risk Committee and the Trustee, and will be incorporated as an Appendix B to the Letter to Unitholders in the Circular.

We were neither a party to the negotiations entered into in relation to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Manager to put undertake the Proposed Acquisition.

We do not, by this letter or otherwise, advise or form any judgement on the strategic or commercial merits or risks of the Proposed Acquisition. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Manager (the "**Directors**"), the Manager and their advisors.

We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of LREIT. We do not express any view as to the price at which the Units may trade upon completion of the Proposed Acquisition or the future value, financial performance or condition of LREIT after the Proposed Acquisition.

It is also not within our terms of reference to compare the merits of the Proposed Acquisition to any alternative transactions that were or may have been available to LREIT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisors.

12 Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV of ARIF3 per ARIF3 share.

In the course of our evaluation, we have held discussions with the management of the Manager, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of LREIT or the Proposed Acquisition. We have been furnished with the valuation reports for the Property prepared by the Independent Valuers, which are appointed by the Manager and the Trustee respectively. With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the assets concerned and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. The Unitholders should take note of any announcements relevant to their considerations of the Proposed Acquisition which may be released by LREIT after the Latest Practicable Date.

LREIT has been separately advised by its own legal advisor in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. Unitholders may require specific advice in relation to his or her specific investment objectives or portfolio and should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

The Manager may not reproduce, disseminate or quote this Letter or any part thereof for any purpose, other than for matters relating to the Proposed Acquisition, without our prior written consent in each instance.

3. THE PROPOSED ACQUISITION

3.1 INFORMATION OF THE TARGET COMPANIES

The Target Companies are private funds which are set up as companies incorporated in Bermuda. The Target Companies do not invest in other real estate assets save for the Property, and are managed by LLIM, an indirect wholly-owned subsidiary of the Sponsor.

For further details on the key terms in relation to LLJP and ARIF3, please refer to paragraph 2.1 of the Letter to Unitholders in the Circular.

3.2 INFORMATION ON THE PROPERTY

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

The Property enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library.

The Property is the first mixed-use asset in Singapore to be awarded the Green Mark Platinum version 4 and received the Building and Construction Authority's Universal Design Mark Gold Plus Design Award. LLJP was ranked first in the Asia Retail (Unlisted) category of the 2020 Global Real Estate Sustainability Benchmark rankings for strong leadership in sustainability.

As at 31 March 2021, the Property has a net lettable area ("**NLA**") of about 892,000 square feet. Its retail and office space (by NLA) account for 65.1% and 34.9%, respectively. Anchor tenants within the retail space include FairPrice Xtra (a hypermarket), Cathay Cineplexes (one of the largest cinema multiplex in western Singapore) and Don Don Donki. Other major retail tenants include H&M, Koufu, Uniqlo, and Courts. On 29 April 2021, IKEA has also opened its small concept store in Jem – the very first in Southeast Asia.

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

Property	Jem
Location	50 & 52 Jurong Gateway Road, Singapore 608549 & 608550
Tenure	99-year leasehold title commencing 27 September 2010
GFA (1)	1,164,336 sq ft
NLA	Retail component: 580,931 sq ft Office component: 311,217 sq ft Total: 892,148 sq ft
Number of storeys	Retail: 6 Office: 12
Committed Occupancy	99.7%
Weighted Average Lease Expiry ("WALE") (By income)	Retail component: 2.0 years Office component: 23.7 years Total: 6.5 years

Independent Valuation by JLL (as at 30 April 2021) (2)	S$2,085 million
Independent Valuation by CBRE (as at 30 April 2021) (3)	S$2,061 million
Agreed Property Value	S$2,077 million
Agreed Property Value per sq ft of NLA	S$2,328
NPI (4) (FY2021(5))	S$81.9 million
NPI Yield Based on Agreed Property Value (FY2021)	3.94%

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

3.3 KEY TERMS OF THE PROPOSED ACQUISITION

3.3.1 PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITION AND VALUATION

The LLJP Purchase Consideration payable by the Purchaser of approximately S$159.1 million comprises:
(i) under the LLJP UBS Aviva SPA, 45.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date; and
(ii) under the LLJP SMBC SPA, 8.0% of the NAV of LLJP as at 31 March 2021, subject to post-completion adjustments up to the completion date.

The ARIF3 Purchase Consideration payable by the Purchaser of approximately S$45.0 million to S$178.2 million[13] comprises:
(i) under the ARIF3 LLI SPA, up to 5.0% of the NAV of ARIF3 as at 31 March 2021, subject to post-completion adjustments up to the completion date; and
(ii) in accordance with the bye-laws of ARIF3, up to 19.8% of the NAV of ARIF3 as at the date of transfer.

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

JLL in its report stated that the market value of the Property as at 30 April 2021 is S$2,085 million. In arriving at the open market value, JLL relied primarily on the income capitalisation method and discounted cash flow analysis.

CBRE in its report stated that the market value of the Property as at 30 April 2021 is S$2,061 million. In arriving at the open market value, CBRE relied on the income capitalisation method and discounted cash flow analysis.

13 Based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV of ARIF3 per ARIF3 share.

JLL	CBRE	Agreed Property Value
S$ million	S$ million	S$ million
2,085	2,061	2,077

Source: Independent Valuers reports, management

3.3.2 ESTIMATED TOTAL ACQUISITION COST

The estimated total cost of the Proposed Acquisition ("**Total Acquisition Cost**") is approximately S$211.7 million to S$347.1 million, comprising:

(i) the Purchase Consideration of S$204.1 million to S$337.3 million[14];

(ii) the Acquisition Fee[15] of approximately S$2.0 million to S$3.4 million[16]; and

(iii) the estimated professional and other fees and expenses incurred or to be incurred by LREIT in connection with the Proposed Acquisition of up to S$6.4 million.

3.3.3 METHOD OF FINANCING

The Manager intends to finance approximately 40% of the Total Acquisition Cost (excluding the Acquisition Fee Units) through debt facilities, and the remaining funding through its existing cash balance, including the proceeds from the issuance of the perpetual securities[17] and/or such other methods of financing as the Manager may determine.

The final decision regarding the funding mix for the Total Acquisition Cost will be made by the Manager at the appropriate time taking into account the then prevailing market conditions, interest rate environment, and availability of funding options while maintaining an optimal level of gearing.

3.3.4 PAYMENT OF THE ACQUISITION FEE IN UNITS

The Manager shall be paid the Acquisition Fee of approximately S$2.0 million to S$3.4 million for the Proposed Acquisition pursuant to the Trust Deed. As the Proposed Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of the Acquisition Fee Units which shall not be sold within one year of the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on an illustrative issue price of S$0.77 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 2.7 million Units to 4.4 million Units.

3.3.5 COMPLETION OF THE PROPOSED ACQUISITION

Completion of the Proposed Acquisition is expected to take place by 30 September 2021. The completion of the acquisition of the ARIF3 Sale Shares and the LLJP Sale Shares may take place on different dates. Accordingly, it is possible that LREIT may complete the acquisition of either the ARIF3 Sale Shares or the LLJP Sale Shares but not complete the acquisition of the other set of sale shares if the conditions (as described in paragraphs 2.7, 2.8 and 2.9 of the Letter to Unitholders in the Circular) are not satisfied.

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14 Subject to relevant post-completion adjustments, and based on the assumption that the purchase consideration payable to the Third Party ARIF3 Vendors will not be more than the NAV of ARIF3 per ARIF3 share.

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

16 The Acquisition Fee in respect of the proposed Acquisition is 1.0% of the Purchase Consideration.

17 The S$200.0 million 4.20% fixed rate perpetual securities were issued on 27 May 2021.

3.4 RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION

We have extracted the headers of the investment rationale from paragraph 3 of the Letter to Unitholders in the Circular. All terms and expressions used in the headers below shall have the same meanings as those defined in the Circular, unless otherwise stated.

3. RATIONALE FOR THE PROPOSED ACQUISITION
3.1 Strategically Located Asset with Attractive Market Fundamentals
3.1.1 Strategic Location with Strong Catchment
3.1.2 Positioned to Capitalise on Future Development Plans
3.2 Resilient Suburban Asset with Strong Sustainability Credentials
3.2.1 Suburban Retail in Singapore Remains a Resilient Segment
3.2.2 Stable Office Component Fully Leased to Government Ministry
3.2.3 Strong Sustainability Credentials
3.3 Quality Portfolio with Improved Diversification
3.4 DPU Accretive
3.5 Strategic Move for Future Pipeline

4. EVALUATION OF THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

In reaching our recommendation in respect of the Proposed Acquisition, we have given due consideration to the following factors:

(i) rationale for and key benefits of the Proposed Acquisition;

(ii) valuation approaches and assumptions by Independent Valuers;

(iii) valuation results of the Proposed Acquisition and key transaction perimeters;

(iv) comparison to publicly available market benchmarks;

(v) comparison to traded comparables – NPI yield;

(vi) comparison to traded comparables – capitalisation rates;

(vii) comparison to precedent transactions;

(viii) comparison to the existing property portfolio;

(ix) pro forma financial effects of the Proposed Acquisition; and

(x) other relevant considerations that may have a significant bearing on our assessment.

4.1 RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

The disclosures made in relation to the rationale for the Proposed Acquisition are set out in paragraph 3 of the Letter to Unitholders in the Circular.

We recommend that the Independent Directors and the Audit and Risk Committee to read this information carefully.

4.2 VALUATION APPROACHES AND ASSUMPTIONS BY THE INDEPENDENT VALUERS

In respect of the independent valuations of the Property, both Independent Valuers have utilised the income capitalisation approach and discounted cash flow analysis as the primary valuation method and direct comparison approach as the secondary valuation methods.

We set out below a brief summary of the valuation approaches adopted by the Independent Valuers in relation to the Property:

Valuation approaches adopted by the Independent Valuers

Valuers	JLL	CBRE
Market value definition	• Defined as "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".	
Valuation approach	In accordance to IVSC, SISV guidelines • JLL has adopted the income capitalisation approach where the net income is assumed to be a level of annuity in accordance to the tenure of the land lease and is capitalised using an appropriate capitalisation rate derived; and • JLL has also adopted the discounted cash flow approach where the net operating income is discounted at an appropriate discount rate to arrive at the market value.	In accordance to RICS, IVSC, SISV guidelines • CBRE has adopted the income capitalisation approach where the adopted fully leased net income is capitalised over the remaining tenure of the property at an appropriate investment yield; and • CBRE has also adopted the discounted cash flow approach to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon.
Key consideration for key metrics	• For the income capitalisation approach, JLL adopted a capitalisation rate derived from inputs of JLL's capital markets team, market valuations, and both the risks and benefits of the subject property. • JLL's approach to the discounted cash flow method used two separate discount rates for office and retail components respectively, rental growth rates based on JLL's observation and expectation of future rental trend supported by internal market research team, and a two separate terminal capitalization rates for office and retail components respectively.	• For the income capitalisation approach, CBRE took into account an investment yield that reflects the nature, location and tenancy profile of the property together with current market investment criteria. • CBRE's approach to the discounted cash flow method used a discount rate that incorporated a blended rate weighted by income contribution of each segment, assumed a rental growth rate in line with market and historical trends and have accounted for rental escalations, and derived a terminal cap rate from the sum of a blended rate weighted by income contribution of both segment.
Market Value adopted	S$2,085 million	S$2,061 million

Source: Independent Valuers reports

Both Independent Valuers took into account the size, location, building quality, tenant quality and lease term in their valuation.

The approaches undertaken by the Independent Valuers are widely accepted methods in Singapore, and appropriate for the purpose of valuing tenanted, income producing retail and commercial properties with medium to long term leases.

We have made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports. In our review, we found the valuation approaches to be reasonable.

4.3 VALUATION RESULTS OF THE PROPOSED ACQUISITION AND KEY TRANSACTION PERIMETERS

We have set out below a summary of:

(i) the Market Value in respect to the independent valuations of the Proposed Acquisition by the Independent Valuers - JLL and CBRE;

(ii) the key assumptions adopted by the Independent Valuers; and

(iii) the premium/(discount) between the adopted Market Values (of the Independent Valuers) and Agreed Property Value.

Key valuation assumptions adopted by the Independent Valuers

	JLL		CBRE	
Valuation approach				
Primary	Income capitalisation and discounted cash flow analysis		Income capitalisation and discounted cash flow analysis	
Others	Direct comparison		Direct comparison	
Income capitalisation	**Office**	**Retail**	**Office**	**Retail**
Capitalisation rate	3.50%	4.50%	3.50%	4.50%
Fully leased net income (S$ million)	16.5	73.1	14.6	73.5
DCF analysis	**Office**	**Retail**	**Office**	**Retail**
Terminal capitalisation rate	3.65%	4.50%	4.46%, blended	
Discount rate	6.75%	7.00%	6.90%	
Market value adopted	**S$2,085 million**		**S$2,061 million**	
Agreed Property Value is at a Premium/(Discount) to the market value adopted	**-0.38%**		**0.78%**	

Source: Independent Valuers reports

Based on the table above, we note that:

(i) the Agreed Property Value is within range of the Market Values adopted by the Independent Valuers.

Key transaction perimeters

Certain key financial information with respect to the Proposed Acquisition is set out as follows:

Key transaction perimeters of the Proposed Acquisition

Existing property portfolio valuation (of LREIT)	S$ 1,577,523 (1)
Agreed Property Value (100% basis)	S$2,077 million
Effective stake acquired (2)	20.8% to 31.8%
NPI (management)	S$81.9 million
NPI Yield (management)	3.94%
NPI (stabilised) (3)	S$88.9 million
NPI Yield (stabilised)	4.28%

Notes:
(1) As at 31 December 2020
(2) Effective indirect interest is computed based on the summation of LREIT's interest in LLJP and ARIF3 in percentage terms, multiplied by 25% and 75% respectively.
(3) The stabilised NPI has been assumed at an average between the values adopted by the Independent Valuers

4.4 COMPARISON TO PUBLICLY AVAILABLE MARKET BENCHMARKS

For the purpose of assessing the implied capitalisation rate of the Proposed Acquisition, we have taken reference to publicly available estimates of capitalisation rates in which the Property operates (the "**Public Benchmarks**") with specific sources provided in notes 2 and 3 to the table below.

We have had discussions with the Management about the suitability and reasonableness of the Public Benchmarks acting as a basis for comparison with the Property. Relevant information has been extracted from publicly available research reports. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The underlying assumptions of the Public Benchmarks with respect to the values which market capitalisation rates were derived may differ from that of the Property.

We have compared the capitalisation rate implied by the Agreed Property Value to Public Benchmarks as follows:

Property type	**Public benchmark capitalisation rates (CBRE)(1)**	**Public benchmark capitalisation rates (Colliers) (2)**	**Capitalisation rate implied by Agreed Property Value (3) (by segment)**
Commercial	3.75% to 4.25%	3.15% to 3.50%	3.29%

Property type	Public benchmark capitalisation rates (CBRE)[(1)]	Public benchmark capitalisation rates (Colliers) [(2)]	Capitalisation rate implied by Agreed Property Value [(3)] (by segment)
Retail	4.75% to 5.25%	4.25% to 4.75%	4.57%

Source: Market research reports by CBRE and Colliers (Cap rate survey March 2021 – CBRE; Finding A Footing IN 2021 – Colliers (Retail); Office Rents Pivot – Colliers (April 2021))
Note:
(1) Capitalisation rates range estimates from CBRE for decentralised Grade A offices and for decentralised shopping malls as at March 2021
(2) Capitalisation rates range estimates from Colliers for Grade A CBD offices and island-wide shopping malls as at February 2021
(3) Based on stabilised NPI of the Property

Based on the table above, we note that:

(i) the implied capitalisation rates of 3.29% and 4.57% for the commercial and retail segments respectively are within the range of Public Benchmarks noted in the publicly available research reports.

4.5 COMPARISON TO TRADED COMPARABLES – NPI YIELD

For the purpose of assessing the NPI yield implied by the Agreed Property Value, we have complied information that is publicly available in respect of the recent valuations of both retail and commercial properties (the "**Comparable Properties**") held by Singapore-listed REITS in order to provide benchmarks for the NPI yield implied by the Agreed Property Value.

We have had discussions with the Management about the suitability and reasonableness of the Comparable Properties acting as a basis for comparison with the Property. Relevant information has been extracted from respective company announcements. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies with respect to the values for which the assets or revenue and costs are recorded for Comparable Properties may differ from that of the Property.

We further wish to highlight that the Comparable Properties may not be exhaustive and they may differ from the Property in terms of, inter alia, Agreed Property Value, size, clientele, tenant composition, asset base, location, track record, operating and financial leverage, risk profile, liquidity, accounting policies, tax regimes, future prospects and other relevant criteria respectively.

As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

Commercial Property	REIT	WALE (By Income)	LTM NPI (as at LPD)	Latest Market Value	NPI Yield
		(years)	S$'000	S$'000	%
Mapletree Commercial Trust	Mapletree Business City I [(1)]	2.7	107,200	2,226	4.82%
Mapletree Commercial Trust	Mapletree Business City II	2.7	70,600	1,535	4.60%
Mapletree Commercial Trust	mTower (former PSA Building)	2.7	29,400	742	3.96%

Commercial Property	**REIT**	**WALE (By Income)**	**LTM NPI (as at LPD)**	**Latest Market Value**	**NPI Yield**
		(years)	**S$'000**	**S$'000**	**%**
Mapletree Commercial Trust	BAML Harbourfront	2.7	16,200	339	4.78%
Keppel REIT	Keppel Bay Tower	N/A	26,000	657	3.96%
Max					**4.82%**
Mean					**4.42%**
Median					**4.60%**
Min					**3.96%**
Implied NPI yield of Property – office segment		**23.7**			**3.57%**

Sources: Company filings
Note:
(1) *NPI includes business parks/spaces*

Retail Property [(1)]	**REIT**	**LTM NPI (as at LPD)**	**Latest Market Value**	**NPI Yield**
		S$'000	**S$'000**	**%**
SPH REIT	The Clementi Mall	26,000	584	4.45%
Mapletree Commercial Trust	VivoCity	125,600	3,148	3.99%
Frasers Centrepoint Trust	Causeway Point	51,019	1,305	3.91%
Frasers Centrepoint Trust	Northpoint City, North Wing / Yishun 10 retail podium	29,941	772	3.88%
Frasers Centrepoint Trust	Changi City Point	11,033	338	3.26%
Frasers Centrepoint Trust	YewTee Point	7,796	190	4.10%
CapitaLand Integrated Commercial Trust	Tampines Mall	46,000	1,074	4.28%
CapitaLand Integrated Commercial Trust	Junction 8	34,400	794	4.33%
CapitaLand Integrated Commercial Trust	Lot One Shoppers' Mall	21,400	531	4.03%
CapitaLand Integrated Commercial Trust	Bedok Mall	33,000	779	4.24%
CapitaLand Integrated Commercial Trust	Westgate	38,700	1,087	3.56%
CapitaLand Integrated Commercial Trust	Jcube	N/A	276	N/A

Retail Property [1]	REIT	LTM NPI (as at LPD)	Latest Market Value	NPI Yield
		S$'000	**S$'000**	**%**
CapitaLand Integrated Commercial Trust	Bukit Panjang Plaza	N/A	335	N/A
CapitaLand Integrated Commercial Trust	IMM Building (retail portion only)	48,200	670	7.19%*
Max				**4.45%**
Mean				**4.00%**
Median				**4.03%**
Min				**3.26%**
Implied NPI yield of Property – retail segment				**4.05%**

Sources: Company filings
Note:
(1) Based on 100% interest of respective properties
* *IMM Building is excluded from this list as the IMM Building has lower lease term of 28 years and is an outlet mall, which has different characteristics as compared to the Property*

Based on the table above, we note the following:

(i) the implied NPI yield of 3.57% for the office segment of the Property is below the range of NPI yields of 3.96% and 4.82% of the commercial Comparable Properties. It has been noted that the WALE of the office segment of the Property is 23.7 years, which is significantly higher than that of the commercial Comparable Properties of 2.7 years; and

(ii) the implied NPI yield of 4.05% for the retail segment of the Property is higher than the mean and median but within the range of NPI yields of 3.26% and 4.45% of the retail Comparable Properties.

4.6 COMPARISON TO TRADED COMPARABLES – CAPITALISATION RATES

We set out below the capitalisation rates used for the purpose of valuation of selected comparable retail and commercial properties held by Singapore listed REITs.

The information in the table below is for illustration purposes only. The Comparable Properties might differ from the Property in terms of property size and design, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria. There is no property under the Comparable Properties that may be considered identical to the Property in terms of the abovementioned factors.

For the above reasons, while the selected retail and commercial Comparable Properties taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Comparable Commercial Properties	Location	Lease tenure	WALE (By Income)	Date of latest valuation	Valuation capitalisation rate (1)
		(years remaining)	(years)		%
Mapletree Business City I (1)	Pasir Panjang	75	2.7	Mar-21	3.80%
mTower (former PSA Building) (1)	Alexandra	75	2.7	Mar-21	4.00%
BAML Harbourfront	Harbourfront	75	2.7	Mar-21	3.80%
Keppel Bay Tower	Harbourfront	75	N/A	Nov-20	3.65% (2)
Max					**4.00%**
Mean					**3.81%**
Median					**3.80%**
Min					**3.65%**
Implied cap rate based on stabilised NPI of Property – office segment		**88**	**23.7**		**3.29%**

Sources: Company filings
Note:
(1) Valuation capitalisation rates of office components only
(2) Based on the higher of the two valuation capitalisation rates from the two valuers (JLL: 3.65% and Cushman & Wakefield: 3.60%) for Keppel Bay Tower

Comparable Retail Properties	Location	Lease tenure	Date of latest valuation	Valuation capitalisation rate
		(years remaining)		%
The Clementi Mall	Clementi	88	Aug-20	4.50%
VivoCity	Harbourfront	75	Mar-21	4.63%
Causeway Point	Choa Chu Kang	73	Sep-20	4.75%
Northpoint City, North Wing / Yishun 10 retail podium	Yishun	68	Sep-20	4.75%
Changi City Point	Changi	48	Sep-20	5.00%
YewTee Point	Yew Tee	84	Sep-20	5.00%
Tampines Mall	Tampines	70	Dec-20	4.70%
Junction 8	Bishan	69	Dec-20	4.70%

Comparable Retail Properties	Location	Lease tenure	Date of latest valuation	Valuation capitalisation rate
		(years remaining)		%
Lot One Shoppers' Mall	Choa Chu Kang	71	Dec-20	4.70%
Bedok Mall	Bedok	89	Dec-20	4.60%
Westgate	Jurong	89	Dec-20	4.50%
Jcube	Jurong	69	Dec-20	4.75%
Bukit Panjang Plaza	Bukit Panjang	70	Dec-20	4.80%
IMM Building (retail portion only)	Jurong	28	Dec-20	6.20%*
Max				**5.00%**
Mean				**4.72%**
Median				**4.70%**
Min				**4.50%**
Implied cap rate based on stabilised NPI of Property – retail segment		**88**		**4.57%**

Sources: Company reports
Note:
* *IMM Building is excluded from this list as the IMM Building has lower lease term of 28 years and is an outlet mall, which has different characteristics as compared to the Property*

Based on the tables above, we note that:

(i) the implied capitalisation rate of the Property's office component of 3.29% is below the range of selected commercial Comparable Properties of 3.65% to 4.00%. It has been noted that the WALE of the office segment of the Property is 23.7 years, which is significantly higher than that of the commercial Comparable Properties of 2.7 years; and

(ii) the implied capitalisation rate of the Property's retail component of 4.57% is below the mean and median and within the range of selected retail Comparable Properties of 4.50% to 5.00%.

4.7 COMPARISON TO PRECEDENT TRANSACTIONS

We have identified a list of property transactions that took place in Singapore's suburban areas for the period from April 2018 to June 2021 for which information is publicly available, and have extracted the relevant information ("**Comparable Transactions**") in order to compare the implied price per NLA of the retail and office components of the Property.

The information in the tables below is for illustration purposes only. The Comparable Transactions might differ from the Property in terms of property size and design, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria. There is no property under the Comparable Transactions which may be considered identical to the Property in terms of the abovementioned factors.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Transacted Date	**Commercial Development Name**	**Estimated NLA / Strata Area**	**Tenure**	**Transacted Price**	**Price on NLA / Strata Area**
		sq ft	**(years remaining)**	**(S$ m)**	**(S$/sq ft)**
Jan-21	Keppel Bay Tower	386,600	75	657	1,700
Mar-20	Galaxis	653,929	52	630	963
Sep-19	Mapletree Business City Phase 2	1,184,694	77	1550	1,308
Apr-19	7 and 9 Tampines Grande	287,596	87	395	1,373
Jan-14	Westgate Tower	304,963	96	579	1,899
Max					**1,899**
Mean					**1,449**
Median					**1,373**
Min					**963**
Agreed Property Value – Office segment			**88**		**1,520**

Sources: Company filings, CBRE, JLL, market research

Transacted Date	**Retail Development Name**	**Estimated NLA / Strata Area**	**Tenure**	**Transacted Price**	**Price on NLA / Strata Area**
		sq ft	**(years remaining)**	**(S$ m)**	**(S$/sq ft)**
Nov-20	Bedok Point	82,713	57	108	1,306
Oct-20	Northpoint City South Wing (50% stake)	145,272	94	550	3,786

Transacted Date	Retail Development Name	Estimated NLA / Strata Area	Tenure	Transacted Price	Price on NLA / Strata Area
		sq ft	**(years remaining)**	**(S$ m)**	**(S$/sq ft)**
Nov-19	The Star Vista (retail portion)	162,459	48	296	1,822
Apr-19	Chinatown Point Mall	211,956	59	520	2,450
Mar-19	Rivervale Mall	81,193	77	230	2,833
Dec-18	I12 Katong (77.6% stake)	207,000	60	57	N/A
Aug-18	Westgate retail component (70% stake)	287,546	92	790	2,746
Apr-18	Sembawang Shopping Centre	143,631	866	248	1,727
Max					**3,786**
Mean					**2,381**
Median					**2,450**
Min					**1,306**
Agreed Property Value – Retail segment			**88**		**2,761**

Sources: Company filings, CBRE, JLL, market research

Based on the tables above, we note that:

(i) The Agreed Property Value per sq ft of NLA of S$1,520 for the office segment is above the mean and median and within the range of the commercial Comparable Transactions of S$963 and S$1,899 respectively. We further note that the office segment of the Property has a higher remaining land tenure than those observed for the commercial Comparable Transactions (with the exception of 7 and 9 Tampines Grande and Westgate Tower); and

(ii) The Agreed Property Value per sq ft of NLA of S$2,761 for the retail segment is above the mean and median and within the range of the retail Comparable Transactions of S$1,727 and S$3,786. We further note that the retail segment of the Property has a higher remaining land tenure than those observed for the retail Comparable Transactions (with the exception of Sembawang Shopping Centre, Northpoint City South Wing and Westgate retail component).

4.8 COMPARISON TO THE EXISTING PORTFOLIO

We set out in the following table the NPI yield analysis of the Proposed Acquisition and the existing portfolio of LREIT:

Pro Forma Financials for FY2020	**LREIT (existing portfolio)**	**Property**
	S$'000	**S$'000**
Valuation	1,555,498	2,077,000
NPI	54,064 (1)	81,900 (2)
NPI yield	**3.48%**	**3.94%**

Pro Forma Financials for 1H FY2021	**LREIT (existing portfolio)**	**Property**
	S$'000	**S$'000**
Valuation	1,577,523	2,077,000
NPI	60,620 (1)	81,900 (2)
NPI yield	**3.84%**	**3.94%**

Source: Company filings, Management
Notes:
(1) On annualised basis
(2) Based on Management estimates for FY2021 (financial year ended 30 June 2021)

As illustrated in the table above, we note that:

(i) the NPI yield of the Property of 3.94% is higher than the NPI yield of the existing LREIT portfolio for FY2020 and 1H FY2021 of 3.48% and 3.84% respectively.

4.9 PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition is set out in paragraph 4 of the Letter to Unitholders in the Circular.

On the basis presented and using the assumptions made as set out in paragraphs 4.1, 4.2, and 4.3 of the Letter to Unitholders in the Circular, we note the pro forma financial effects of the Proposed Acquisition is as follows:

Pro Forma Financials as at 30 June 2020			
	Existing portfolio	**Enlarged portfolio**	**Remarks**
DPU (cents)	3.05	3.16	DPU Accretive
NAV per unit (S$)	0.85	0.85	No change
Gearing (%)	35.1%	33.8%	Decrease

Pro Forma Financials as at 31 December 2020			
	Existing portfolio	**Enlarged portfolio**	**Remarks**
DPU (cents)	2.34	2.41	DPU Accretive
NAV per unit (S$)	0.85	0.84	Decrease
Gearing (%)	35.5%	34.1%	Decrease

As illustrated in the tables above, we note that:

(i) As at 30 June 2020, the DPU will increase from 3.05 cents to 3.16 cents and as at 31 December 2020, the DPU will increase from 2.34 cents to 2.41 cents;

(ii) As at 30 June 2020, the NAV per unit will remain unchanged for and 31 December 2020 the NAV per unit will decrease from S$0.85 to S$0.84; and

(iii) As at 30 June 2020, the gearing will decrease from 35.1% to 33.8% and for 31 December 2020, the gearing will decrease from 35.5% to 34.1%, and is below the current MAS recommended gearing limit of 50%.

4.10 FEE STRUCTURE OF TARGET COMPANIES

4.10.1 INVESTMENT ADVISORY AGREEMENT

The fee structure for the LLJP Investment Advisory Agreement and ARIF3 Investment Advisory Agreement is expected to remain the same upon approval of the Proposed Acquisition. For more information on this please refer to paragraphs 2.10.1 and 2.10.2 of the Letter to Unitholders in the Circular.

Investment Advisory Agreement - Fee table

Type of Fees	Fees
Base Fee	**LLJP:** 0.125% per quarter of Gross Asset Value (as described in paragraph 2.10.1(i) of the Letter to Unitholders in the Circular) **ARIF3:** 0.125% per quarter of Gross Asset Value (as described in paragraph 2.10.2(i) of the Letter to Unitholders in the Circular) <u>No double counting of fees</u>: Management fee payable to the Manager under the Trust Deed for its role as the Manager of LREIT consist of (i) a base fee of 0.3% per annum of the value of LREIT's deposited property, and (ii) a performance fee of 5.0% per annum of the NPI of LREIT (collectively, the **Management Fee**"). The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLJP Investment Advisory Agreement and to LLIM under the ARIF3 Investment Advisory Agreement.
Performance Fee	**LLJP:** Capped at 0.25% per half year of the Gross Asset Value of LLJP (as described in paragraph 2.10.1(ii) of the Letter to Unitholders in the Circular) **ARIF3:** Capped at 0.25% per half year of the Gross Asset Value of ARIF3 (as described in paragraph 2.10.2(ii) of the Letter to Unitholders in the Circular) <u>No double counting of fees</u>: The Management Fee payable to the Manager will be reduced by the amount of fees paid to LLIM under the LLJP Investment Advisory Agreement and to LLIM under the ARIF3 Investment Advisory Agreement.

The table below comprises of the investment advisory fees structure of some selected S-REITS including LREIT:

Investment Advisory Agreement - Fee comparison table

	LREIT	CapitaLand Integrated Commercial Trust (1)	Mapletree Commercial Trust	Frasers Centrepoint Trust	Suntec REIT	SPH REIT	Starhill Global REIT(2)
Base fees	0.30% pa of deposited property	0.25% pa of deposited property	<0.25% pa of Deposited property	0.30% pa of deposited property	<0.30% pa of deposited property	0.25% pa of deposited property	0.5% pa of deposited property
Performance fees	5.0% of NPI	4.25% of NPI	4.0% of NPI	5.0% of NPI	4.5% of NPI	5.0% of NPI	Tier 1: 5.0% of OBI Tier 2: 15.0% in excess of 2.0% OBI

Source: Company filings
Notes:
(1) Base fees of real estate investments only
(2) The total of the base fees and performance fees are capped at total <0.8% of deposited property
*(3) "**OBI**" is the outperformance against benchmark index*

As illustrated in the table above, we note that:

(i) As the both the LLJP Investment Advisory Agreement and ARIF3 Investment Advisory Agreement are subject to the no double counting of fees clause, the Investment Advisory Agreement fee structure is similar to the selected S-REITS.

4.10.2 PROPERTY MANAGEMENT AGREEMENT

The fee structure for the Property Management Agreement is expected to remain the same upon approval of the Proposed Acquisition. For more information on this please refer to paragraph 2.10.7 of the Letter to Unitholders in the Circular.

Property Management Agreement - Fee table

Type of Fees	Fees
Leasing Fee	80% of one month's base rent, one month's service charge and one month's advertising and promotion fee (if any) (as described in paragraph 2.10.7(ii) of the Letter to Unitholders in the Circular)
Tenancy Design Fee	$5,283 per tenancy, which increases at a percentage reflecting the percentage increase of the annual inflation rate in Singapore during the 12 month period prior to the date of the agreement plus 1%. (as described in paragraph 2.10.7(iii) of the Letter to Unitholders in the Circular)
Management Fee	Fee = F1 + (1.85% * (Gross Receipts - Operating Expenses - F1) Where F1 = 1.85% * Gross Receipts (as described in paragraph 2.10.7(i) of the Letter to Unitholders in the Circular)

The table below comprises of the property management fee structure of some selected Comparable Properties:

Property Management Agreement - Fee comparison table

	LREIT	**CapitaLand Integrated Commercial Trust**	**Mapletree Commercial Trust**	**Frasers Centrepoint Trust**	**Suntec REIT**	**SPH REIT**	**Starhill Global REIT**
Development fees	3% of total project costs	N/A	Capped at 3.0% of the total construction costs	N/A	N/A	1.25% to 5% of total construction cost	3% of total project costs
Management fees	Fee = F1 + (1.85% * (Gross Receipts - Operating Expenses - F1) Where F1 = 1.85% * Gross Receipts	(a) 2% pa of gross revenue; (b) 2% pa of NPI; and (c) 0.5% pa of NPI in lieu of leasing commissions	(a) 2.0% pa of gross revenue; (b) 2.0% pa of NPI; and (c) 0.5% pa of the NPI, in lieu of leasing commissions	(a) 2.0%pa of gross revenue of properties; (b) 2.0% pa of NPI of properties; and (c) 0.5% pa of NPI of the properties, in lieu of leasing commissions	3% pa of gross revenue + (a) 2.0% pa of gross revenue; (b) 2.0% pa of NPI; and (c) 0.5% pa of NPI, in lieu of commissions	(a) 2.0% pa of gross revenue; (b) 2.0% pa of NPI; and (c) 0.5% pa of NPI in lieu of leasing commissions	3.0% pa of gross revenue + (a) >3 years tenancy: 1 month's base rental; (b) >2 years but <3 years tenancy: 2/3 of 1 month's base rental; (c) >1 year but <2 tenancy: 1/3 of 1 month's base rental; (d) >2 years but <3 years renewal tenancy: 1/8 of 1 month's base rental; and (e) >1 but <2 years renewal tenancy: 1/12 of 1 month's base rental

Source: Company filings

As illustrated in the table above, we note that:

(i) the Property Management Agreement fee structure is similar to the selected S-REITS.

4.10.3 BASIS OF THE CONTRACTS

Based on the information provided to us (whether written or verbal) by the Management, as well as the information contained in the Circular, and on our evaluation of the methods or procedures to be used for determining the transaction prices for the Interested Person Transactions and subject to the qualifications made in this letter, we are of the opinion that the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in paragraphs 2.10.3, 2.10.4, 2.10.5, 2.10.6, 2.10.8, 2.10.9, 2.10.10, 2.10.11, 2.10.12, and 2.10.13 of the Letter to Unitholders in the Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of LREIT and its minority unitholders.

4.11 OTHER RELEVANT CONSIDERATIONS WHICH MAY HAVE A SIGNIFICANT BEARING ON OUR ASSESSMENT

4.11.1 BASIS OF THE PURCHASE CONSIDERATION UNDER THE SHARE PURCHASE AGREEMENTS

The Purchase Consideration payable as part of the Proposed Acquisition of S$204.1 million to S$337.3 million results in an effective 20.8% to 31.8% indirect interest in the Property. The Agreed Property Value was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by the Independent Valuers for the Property.

4.11.2 CERTAIN TERMS AND CONDITIONS OF THE SHARE PURCHASE AGREEMENTS

We note that the LLJP UBS Aviva SPA, LLJP SMBC SPA, and ARIF3 LLI SPA contains provisions relating to the Proposed Acquisition, including representations and warranties and other commercial terms. Notably, these provisions are customary to transaction of this nature.

5. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Proposed Acquisition:

(i) rationale for and key benefits of the Proposed Acquisition;

(ii) the approaches undertaken by the Independent Valuers are widely accepted methods in Singapore, and appropriate for the purpose of valuing tenanted, income producing retail and commercial properties with medium to long term leases;

(iii) the methodology and key assumptions of the Independent Valuers are consistent with market standards;

(iv) the Agreed Property Value is within the range of the Market Values adopted by the Independent Valuers;

(v) the implied capitalisation rates of 3.29% and 4.57% for the commercial and retail segments respectively are within market benchmarks used by the valuers;

(vi) the implied NPI yield of 3.57% for the office segment of the Property is below the range of NPI yields of 3.96% and 4.82% of the commercial Comparable Properties. It has been noted that the WALE of the office segment of the Property is 23.7 years, which is higher than that of the commercial Comparable Properties of 2.7 years;

(vii) the implied NPI yield of 4.05% for the retail segment of the Property is higher than the mean and median but within the range of NPI yields of 3.26% and 4.55% of the retail Comparable Properties;

(viii) the implied capitalisation rate of the Property’s office component of 3.29% is below the range of selected commercial Comparable Properties of 3.65% to 4.00%. It has been noted that the WALE of the office segment of the Property is 23.7 years, which is higher than that of the commercial Comparable Properties of 2.7 years;

(ix) the implied capitalisation rate of the Property's retail component of 4.57% is below the mean and median and within the range of selected retail Comparable Properties of 4.50% to 5.00%;

(x) The Agreed Property Value per sq ft of NLA of S$1,520 for the office segment is above the mean and median and within the range of the commercial Comparable Transactions of S$963 and S$1,899 respectively. We further note that the office segment of the Property has a higher remaining land tenure than those observed for the commercial Comparable Transactions (with the exception of 7 and 9 Tampines Grande and Westgate Tower);

(xi) The Agreed Property Value per sq ft of NLA of S$2,761 for the retail segment is above the mean and median and within the range of the retail Comparable Transactions of S$1,727 and S$3,786. We further note that the retail segment of the Property has a higher remaining land tenure than those observed for the retail Comparable Transactions (with the exception of Sembawang Shopping Centre, Northpoint City South Wing and Westgate retail);

(xii) the NPI yield of the Property of 3.94% is higher than the NPI yield of the existing LREIT portfolio for FY2020 and 1H FY2021 of 3.48% and 3.84% respectively;

(xiii) As at 30 June 2020, the DPU will increase from 3.05 cents to 3.16 cents and as at 31 December 2020, the DPU will increase from 2.34 cents to 2.41 cents;

(xiv) As at 30 June 2020, the NAV per unit will remain unchanged for and as at 31 December 2020 the NAV per unit will decrease from S$0.85 to S$0.84;

(xv) As at 30 June 2020, the gearing will decrease from 35.1% to 33.8% and as at 31 December 2020, the gearing will decrease from 35.5% to 34.1%, and is below the current MAS recommended gearing limit of 50%;

(xvi) As the both the LLJP Investment Advisory Agreement and ARIF3 Investment Advisor Agreement are subject to the no double counting of fees clause, the Investment Advisory Agreement fee structure is similar to the selected S-REITS;

(xvii) the Property Management Agreement fee structure is similar to the selected S-REITS;

(xviii) Based on the information provided to us (whether written or verbal) by the Management, as well as the information contained in the Circular, and on our evaluation of the methods or procedures to be used for determining the transaction prices for the Interested Person Transactions and subject to the qualifications made in this letter, we are of the opinion that the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in paragraphs 2.10.3, 2.10.4, 2.10.5, 2.10.6, 2.10.8, 2.10.9, 2.10.10, 2.10.11, 2.10.12, and 2.10.13 of the Letter to Unitholders in the Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of LREIT and its minority unitholders;

(xix) The Purchase Consideration payable as part of the Proposed Acquisition of S$204.1 million to S$337.3 million results in an effective 20.8% to 31.8% indirect interest in the Property. The Agreed Property Value was negotiated on a willing-buyer and willing-seller basis with reference to the independent valuations by the Independent Valuers for the Property; and

(xx) the LLJP UBS Aviva SPA, LLJP SMBC SPA, and ARIF3 LLI SPA contains customary provisions to transactions of this nature.

Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at Latest Practicable Date, we are of the opinion that the:

Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of LREIT and its minority Unitholders.

In addition, we are of the opinion that the LLJP Investment Advisory Agreement, ARIF3 Investment Advisor Agreement, Property Management Agreement, and the Interested Person Transactions (as per paragraph 4.10.3 of this IFA letter) are on normal commercial terms and are not prejudicial to the interests of LREIT and its minority Unitholders.

Accordingly, we advise that the Independent Directors may recommend that the Unitholders in favour of the Proposed Acquisition (including the LLJP Investment Advisory Agreement, ARIF3 Investment Advisor Agreement, Property Management Agreement, and the Interested Person Transactions (as per paragraph 4.10.3 of this IFA letter)**.**

Our recommendation is issued pursuant to Listing Rule 921(4)(a) as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee for their benefit in connection with and for the purpose of their consideration of the Proposed Acquisition. Any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Proposed Acquisition shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

APPENDIX C

VALUATION CERTIFICATES

Valuation Certificate

Property: 50 & 52 Jurong Gateway Road
Jem
Singapore 608549 & 608550

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

Trust: Lendlease Global Commercial REIT

Trustee: RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT)

Purpose: Proposed acquisition purposes

Interest Valued: Leasehold for a term of 99 years commencing from 27 September 2010. Balance term 88.41 years

Basis of Valuation: Market Value subject to existing tenancies and occupational arrangements.

Registered Owner: Lend Lease Retail Investments 3 Pte. Ltd. (Shares : 871/1000) and Lend Lease Commercial Investments Pte. Ltd. (Shares : 129/1000)

Land Area (sqft): 205,854

Town Planning: "White" with a gross plot ratio of 5.6

Brief Description: Jem is a 17-storey mixed use retail and commercial development. The retail podium comprises 6 levels of shopping space (located from Basement 1 to Level 5) while the office tower is a 12-storey block (located from Level 6 to Level 17) rising above the retail podium. JEM started trading in 2013. Car parking is provided on basements 2 & 3 for approximately 674 vehicles.

Tenancy Profile: The retail portion has an occupancy rate of approximately 99.7% and a Weighted Lease Expiry Term of approximately 6.3 years (including committed leases) based on the leasing status as at the date of valuation.

The office tower is leased to Ministry of National Development (MND) for a term of 30 years commencing 3 December 2014, with 3.6% rent escalation on the 6th year. The agreement for lease provides for the payment of base rental and service charge and the passing rent is $21,473,986 or $5.75 psf on NLA.

Retail tenants in Jem includes key tenants and specialty tenancies (including ATM/SAM and storage tenancies). The key tenants include IKEA, Don Don Donki , Koufu, Cathay Cineplex, Fairprice Xtra, Courts, H&M and Uniqlo. Out of these key tenants, the 5 major tenants we have selected for our analysis are IKEA, Don Don Donki , Koufu, Cathay Cineplex and Fairprice Xtra.

NLA (sqft): 892,148 (office and retail components only)

GFA (sqft): 1,164,336 (for whole of Jem)

Valuation Approaches: Capitalisation Approach & Discounted Cash Flow Analysis

	Office	Retail	Overall
Capitalisation Rate :	3.50%	4.50%	4.31%
Terminal Capitalisation Rate:	3.65%	4.65%	4.46%
Discount Rate:	6.50%	7.00%	6.90%

Date of Inspection: 10-May-21

Date of Report: 31-May-21

Date of Valuation: 30 April 2021

Assessed Value of $2,061,000,000
(Two Billion And Sixty-One Million Only)

This valuation is exclusive of GST.

Market Value on GFA: $1,770 psf

Market Value on NLA: $2,310 psf

Market Uncertainty: *The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, is causing heightened uncertainty in both local and global market conditions. Global financial markets have seen steep declines since late February largely on the back of the pandemic over concerns of trade disruptions and falling demand. Many countries globally have implemented strict travel restrictions and a range of quarantine and "social distancing" measures.*

Market activity is being impacted in most sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Assumptions, Disclaimers, Limitations & Qualifications *This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*

Prepared By: **CBRE Pte. Ltd.**

Per: Png Poh Soon BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Rachel Lim BSc (Est. Mgt) Hons MSISV
Appraiser's License No. AD041-2007447K
Director - Valuation & Advisory Services

VALUATION CERTIFICATE

Date of Valuation	:	April 30, 2021.
Property	:	Jem & Jem Office Tower 50 & 52 Jurong Gateway Road Singapore 608549 & 608550 (the "Property")
Client	:	RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Lendlease Global Commercial REIT).
Basis of Valuation	:	Market value subject to existing tenancies and occupational arrangements.
Purpose of Valuation		Acquisition purposes.
Legal Description	:	Lot 8460N Mukim 5.
Interest Valued	:	Leasehold for 99 years commencing from September 27, 2010. Balance term of 88.4 years.
Registered Proprietors	:	Lend Lease Retail Investments 3 Pte. Ltd. (Shares:871/1,000) and Lend Lease Commercial Investments Pte. Ltd. (Shares 129/1,000) as tenants in common in unequal shares.
Brief Description of Property	:	The Property is a 17-storey mixed use retail and office building with 3 basement levels comprising a 6-storey retail mall (located from Basement 1 to Level 5) and a 12-storey office tower. The property has two frontages along Jurong Gateway Road and Boon Lay Way. In addition, there is direct access to the neighbouring mall on the 1st and 2nd storeys as well as the Jurong East MRT Station on the 2nd storey. The Temporary Occupation Permit (TOP) were issued on May, September and December 2013 for the retail mall and January 17, 2014 for the office tower.
Site Area	:	19,124.5 sq.m. (205,854 sq.ft.)
Gross Floor Area (GFA) & Net Lettable Area (NLA) (as provided and subject to survey)	:	

Component	Gross Floor Area *	Lettable Area *
Retail	76,041 sq.m. 818,495 sq.ft.	53,970 sq.m. 580,931 sq.ft.
Office	32,130 sq.m. 345,841 sq.ft.	28,913 sq.m. 311,217 sq.ft.
Total	108,170 sq.m. 1,164,336 sq.ft. (including outdoor refreshment area)	82,883 sq.m. 892,148 sq.ft.

* *approximate only*

VALUATION CERTIFICATE (CONT'D)

Tenancy Details	:	The retail component is multi-tenanted with lease terms predominantly of 2 to 5 years and weighted average lease expiry term of 2.2 years (by income) as at the date of valuation. Major tenants within the mall include IKEA, H&M, Fairprice Xtra, Don Don Donki and Cathay Cineplex. The office component is 100% leased to a master tenant for 30 years commencing from December 3, 2014. The current contracted gross rent is S$21,473,986 per annum or S$5.75 psf per month on NLA and is subject to market rent review every 5 years with a cap and collar of 18% of the rent applicable on the preceding rent review date. Based on the tenancy information provided to us, the Property has an approximate committed occupancy and gross passing rents as follows:-

Component	Committed Occupancy	Gross Passing Rent (per month)
Retail	99.6%	S$136.52 psm ($12.68 psf)
Office	100%	S$61.89 psm ($5.75 psf)

Annual Value (as provided by the lient)	:	S$106,461,000/-.
Capitalisation Rate	:	Retail – 4.50%. Office – 3.50%.
Terminal Capitalisation Rate	:	Retail – 4.50%. Office – 3.65%.
Discount Rate	:	Retail – 7.00%. Office – 6.75%.

VALUATION CERTIFICATE (CONT'D)

Master Plan Zoning (2019 Edition)	:	White with a plot ratio of 5.6.
Methods of Valuation	:	Capitalisation Approach and Discounted Cash Flow Approach.
Market Value as at April 30, 2021	:	S$2,085,000,000/ (Singapore Dollars Two Billion And Eighty-Five Million)
Value psm on GFA	:	S$19,275 psm
Value psf on GFA	:	S$1,791 psf
Value psm on NLA	:	S$25,156 psm
Value psf on NLA	:	S$2,337 psf
Assumptions, Disclaimers, limitations & qualifications	:	Refer to Annexure 1

Chia Hui Hoon
B.Sc. (Est. Mgt.) (Hons), MSISV
Appraiser Licence No: AD041-2006555E
Senior Director
JONES LANG LASALLE

James Crawford
B App Sc (Prop Econ), MRICS, AAPI
Head of Valuations – Southeast Asia
JONES LANG LASALLE

Note: This valuation report was prepared by Chia Hui Hoon, Senior Director, with oversight from James Crawford, Head of Valuation and Advisory Services, Southeast Asia.

APPENDIX D

INDEPENDENT MARKET RESEARCH REPORT

Singapore Retail and Office Market Overview

01 June 2021

For Lendlease Global Commercial REIT

Contents

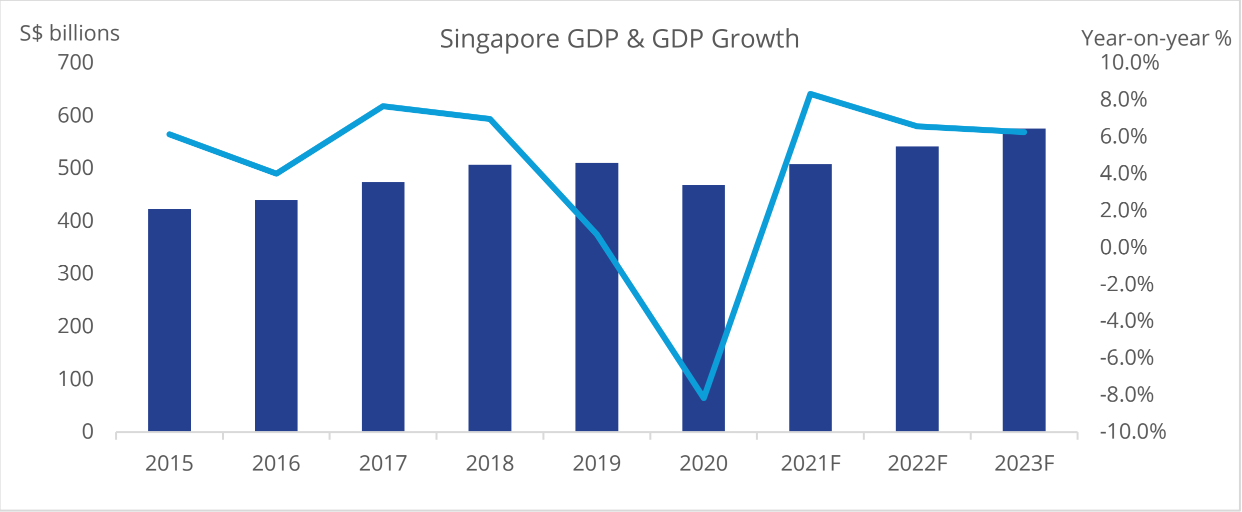
1. Economic Overview

1.1. Economic Performance and Outlook

Singapore is one of the most highly industrialised, open and diverse market economies in the world. Owing to its strategic location, world-class infrastructure and competitive tax environment, the city-state is one of the world's key global trade, logistics and financial hubs and the primary business centre in ASEAN. Singapore is consistently ranked by the World Bank Group as one of the best places in the world to do business due to its efficient government and streamlined administrative processes. The city-state is also ranked as one of the most innovative economies in the world according to Bloomberg's Innovation Index, with research and innovation being a key component of the country's long-term economic resiliency strategy. Singapore is also a major international business and leisure tourism destination, attracting over 19 million international visitors per year prior to the Covid-19 pandemic. Singapore's solid economic fundamentals, including near full employment, high disposable incomes and sustained growth in consumer demand and gross domestic product, provide a strong foundation for the continued performance of the city-state's office and retail sectors.

Gross Domestic Product

According to the latest information released by the Ministry of Trade and Industry (MTI) and the Department of Statistics (Singstat) in February 2021 Singapore's gross domestic product (GDP) at current market prices totaled S$469.1 billion in 2020, contracting by 5.4% year-on-year in 2020 due to the Covid-19 pandemic, its worst economic recession since the 2008-2009 Global Financial Crisis (GFC). As a result of the Covid-19 pandemic and the ensuing global economic slowdown, Singapore's export-dependent economy has been adversely impacted. Following a recession in 2020, the growth forecast for 2021 is projected to be within the range of 4.0% to 6.0% according to MTI on the back of a robust economic recovery supported by the loosening of Covid-19 restrictions. Despite prevailing geopolitical and Covid-19 uncertainties, Singapore's economy is expected to benefit from the recovery of key ASEAN economies as well as the projected expansion of its manufacturing sector, tourism and aviation related sector, retail trade and construction sector in years to come.



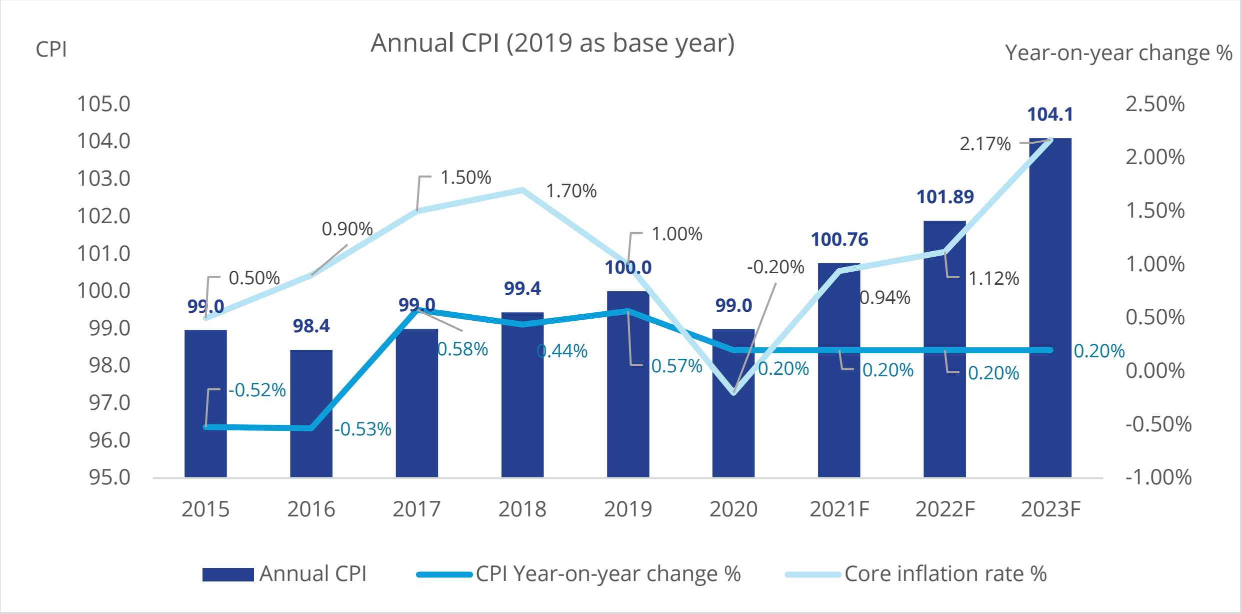
Source: MTI, Singstat, Oxford Economics

Inflation

There are two indexes used to monitor the costs of goods and services in Singapore. The "Consumer Price Index" (CPI) – which is an index where 100 indicates price levels at the year of reference - is designed to measure the average price changes in a fixed basket of goods and services commonly purchased by resident households in a given time period. The "MAS Core Inflation measure" (Core Inflation) is expressed as a year-on-year percentage change and is derived from the CPI but excludes "Housing" and "Private Road Transport" components which are more prone to volatile price variations and account for a large share of consumer spending.

Overall inflation has remained low in Singapore over the past five years amid a strong and stable Singapore dollar and the country's secure access to the global supply chain, ensuring the availability of a wide range of affordable imported products. The CPI trended on a flat curve over the past five years, rising by just 0.17% per year on average from 2016 to 2020, while the MAS core inflation rose gradually over time, averaging about 0.98% per year for the same period. In 2020, the CPI dropped to -0.20% year-on-year to 99.8 points on the back of economic recession due to the Covid-19 pandemic, while the MAS core inflation declined to -0.20%, down from 1.0% in 2019. Core inflation fell into negative territory for the first time in a decade in February 2020 as the pandemic's impact on demand outweighed price pressure from supply disruptions. Low inflation combined with sustained income growth continues to expand the spending power of Singapore households.

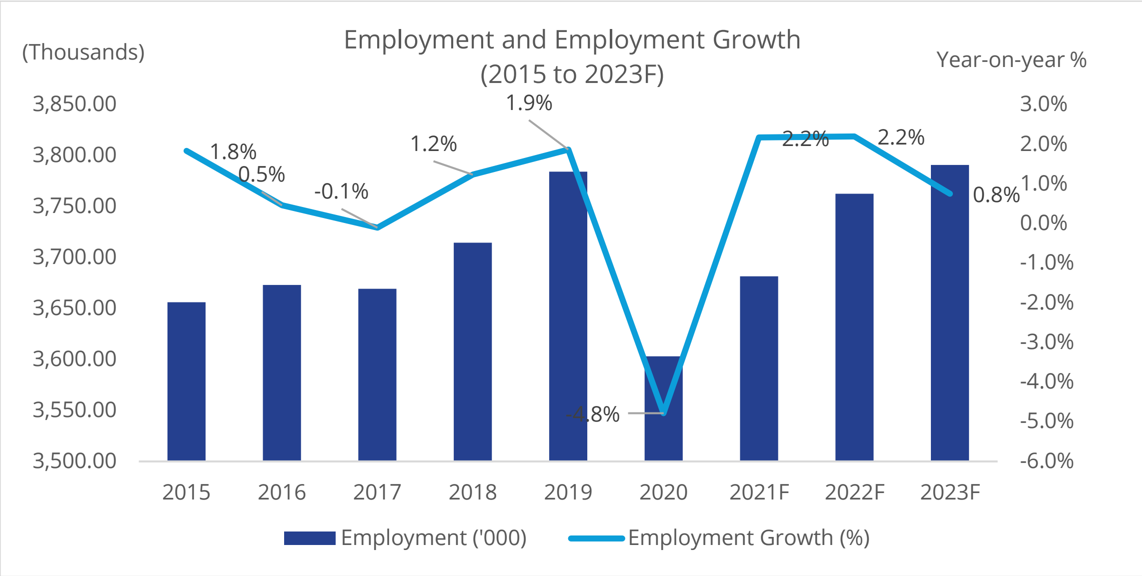
In March 2021, the forecast for the full year 2021 CPI stood at 0.9% in the survey conducted by the Monetary Authority of Singapore (MAS) while the 2021 core inflation forecast was 0.7%, up from the 0.6% projected previously.



Source: Singstat

Employment

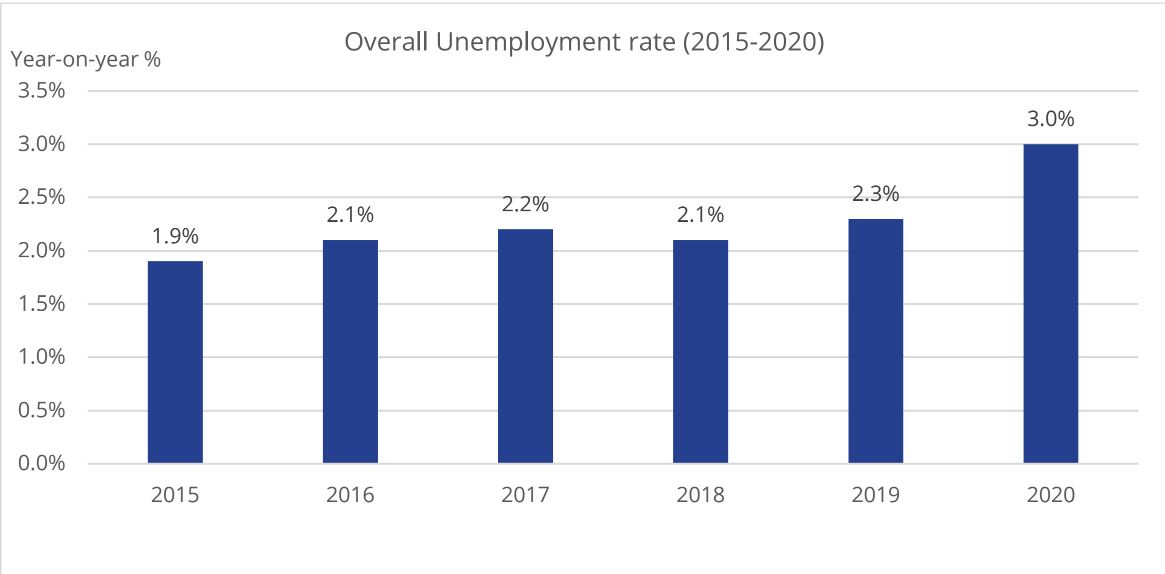
According to data from MTI, the Singapore active workforce stood at 3.6 million people in 2020, declining by about 181,000 jobs and down 4.8% compared to 2019. The decline in employment in 2020 as a result of the Covid-19 pandemic and global economic recession was the highest recorded since the Global Financial Crisis of 2008-2009. In 2020, Singapore's economy was inevitably adversely affected by weakened external and internal demand factors, with significant contractions in employment in the construction, retail trade, transportation & storage, accommodation, F&B, professional services, real estate and administrative services sectors.



Source: Singstat

Singapore's unemployment rate has remained well below 3.0% since the 2009 Global Financial Crisis, a level that is considered as technical full employment. In 2020, the total overall unemployment rate (including Singapore residents and non-residents) increased to 3.0%, the highest increase recorded since the 2008-2009 Global Financial Crisis. As an impact of Covid-19, firms downsized or shut down resulting in employees being laid off or retrenched. MOM reported the decline in non-resident employment was widespread across all sectors while resident employment fell primarily in select hard-hit sectors, including accommodation, wholesale trade and retail trade.

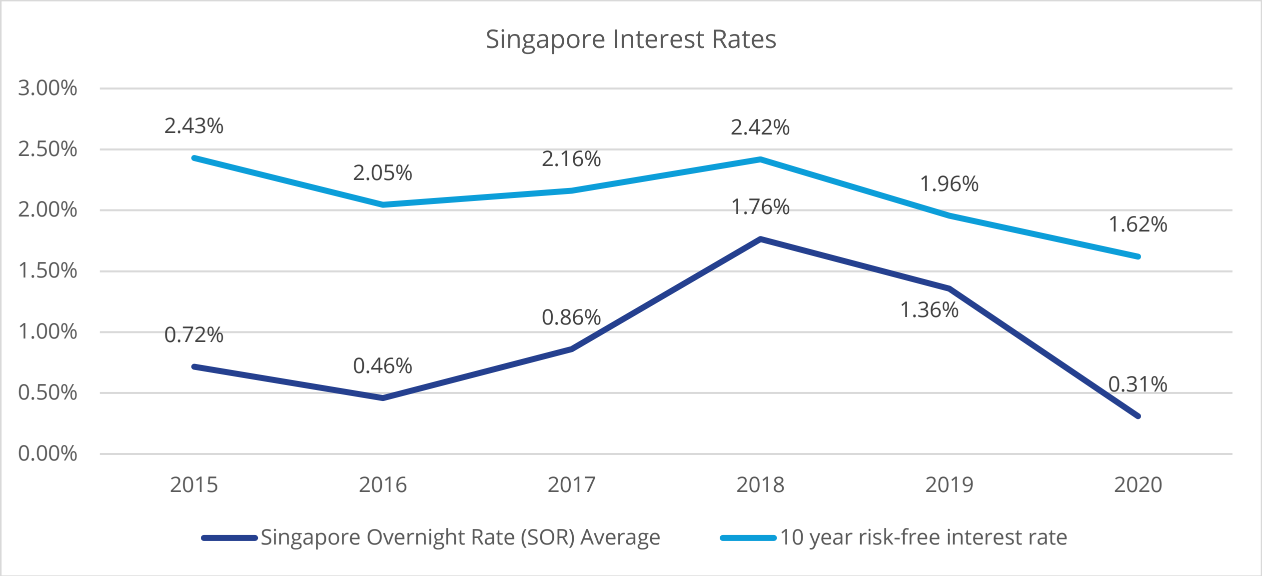
Despite the increase in the unemployment rate in 2020, the Singapore unemployment rate remains low by international standards and a key feature of the city's strong economic position, as the annual unemployment rates stayed below the rates observed during the 2003 SARS outbreak and the 2009 Global Financial Crisis. The labour market is on the recovery, with resident employment returning to pre-Covid-19 levels for the first time in 4Q 2020, with improvements in growth sectors such as info-communications and technology, financial services and professional services.



Source: Singstat

Interest Rates

Singapore's low interest rate environment has prevailed over the past five years despite multiple rounds of rate hikes implemented by central banks across the developed world since 2017. The Singapore long-term government bond rate rose from mid-2017 amid gradual rate hikes from the US Federal Reserve. The average of Singapore's overnight rate (SOR) has seen an increase from 2016 onwards with a slight dip in 2019. However, since late December 2018 the world reverted to a declining interest rate environment on the back of the global trade tensions and economic uncertainty. As of end-2020, the 10-year Singapore government bond (risk free) rate stood at 1.62%, down from 1.96% in 2018 and the Singapore Overnight Rate (SOR) average stood at 0.31%, down from 1.36% in 2018.



Source: Oxford Economics derived from data from the Monetary Authority of Singapore (MAS)

1.2. Impact of Covid-19 Pandemic & Government Measures

Covid-19 Outbreak: Economic Impact of Unprecedented Magnitude

The Covid-19 outbreak has put a dampener on the Singapore economy and had severe economic consequences in 2020. Based on MTI's press release published on 15 February 2021, the Singapore economy contracted by 5.4% on a year-on-year 2020. The economic impact of the Covid-19 has had the strongest impact in the second quarter of 2020 amid the Circuit Breaker – a Singapore government-imposed partial shutdown to curb the spread of the virus. In addition, Singapore's borders have been closed to foreigners from March 2020, with the exceptions of travellers from select countries and foreigners with residency and permission to work in Singapore. A mandatory 14-day isolation period was also imposed for all travellers entering Singapore.

The Circuit Breaker which took place from 7 April 2020 to 1 June 2020 imposed the closure of all non-essential businesses, places of work and public services in response to a sudden and rapid increase in Covid-19 cases in the City-state. It is estimated that about 80% of retail businesses temporarily ceased operations, with only the following essential retail businesses permitted to remain open subject to implementing strict social distancing and hygiene measures such as supermarkets, convenience stores, grocery stores and wet markets.

Timely and Generous Government Support Measures to Mitigate Economic impact of the Pandemic

In the face of mounting economic pressure resulting from the Covid-19 pandemic, the Singapore government acted swiftly, announcing four rounds of economic measures and packages in the Year 2020 (18 February), Resilience (26 March), Solidarity (6 April) and Fortitude (26 May) budgets – with a combined value of S$92.9 billion, equivalent to 19.2% of Singapore's GDP) – to cushion the effect of the outbreak.

The numerous government measures implemented included a deferred loan payment scheme to companies, direct financial support to self-employed workers and freelancers, direct payouts to households, job support scheme for private sector employees and property tax rebates for non-residential properties.

The properties most affected by the outbreak, including hotels, serviced apartments, tourist attractions, and retail properties received a 100% rebate on their 2020 property tax bill, while other non-residential properties such as offices and industrial properties received a 30% rebate on their property tax payable for the year. Landlords were also required to pass on the property tax rebates to their tenants in the form of temporary rent rebates.

The Singapore Tourism Board (STB), along with Enterprise Singapore and Sentosa Development Corporation, launched the SingapoRediscovers initiative aimed at boosting domestic tourism and retail spending. All adult Singaporean citizens aged 18 and above received a S$100 tourism voucher to spend on designated leisure attractions and hotels from December 2020 to June 2021. As of January 2021, more than 300,000 Singaporeans have used their vouchers to book hotels, attractions and hotels. As announced in April this year, the government will pump an extra $68.5 million into tourism fund to support the sector.

In the 2021 budget, the Singapore government announced that it will allocate S$24 billion to enable firms and workers to emerge stronger from the downturn. While the economy recovery is underway, the Singapore government continues to extend generous support to businesses, including an additional S$8 billion to support the hardest hit sectors such as aerospace, aviation and tourism. The Job Support Scheme (JSS) provides wage support to all private sector employers to retain their local employees during the outbreak and the Circuit Breaker, with a subsidy of up to 75% of employee wages (up to a maximum of S$4,600 per month) in all sectors up to March 2021, and extended by six months for more badly affected industries from April 2021 to September 2021. Other industries may benefit from a 25% employee wage subsidy for up to nine months. More firms in sectors such as construction, retail and aerospace will be eligible for higher tier wage subsidies under the enhanced JSS.

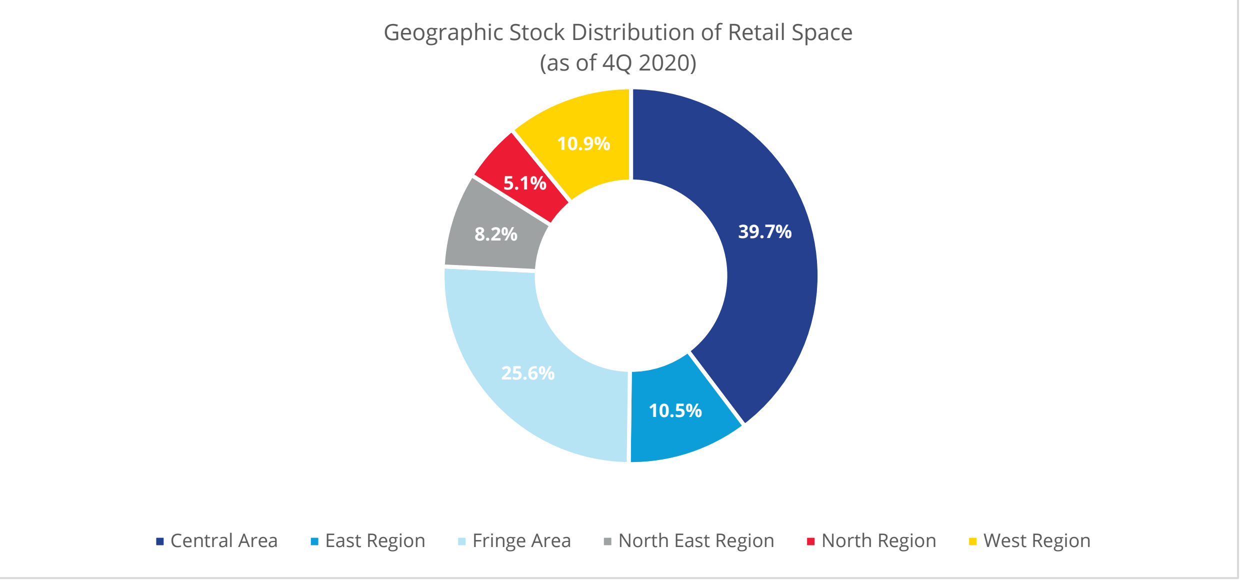
Earlier this year, Singapore's government announced a new fiscal package worth S$11 billion to support Covid-19 vaccination efforts and economic sectors that were impacted by the pandemic. A key measure was an estimated S$4.8 billion for public health and safe reopening measures, such as vaccination, contract tracing and testing capabilities. Other components of the fund include extensions of the many existing schemes to subsidise workers' wages, provide financing for businesses as well as targeted support for certain sectors such as aviation, land transportation and the arts.

Colliers is of the opinion that the overall retail demand will remain high as the disposable income and consumer expenditure levels remain higher than that in 2017 and only experienced a slight drop in 2020. The National Jobs Council will continue to work on creating jobs and continue to oversee the creation of 100,000 jobs and training opportunities under the SGUnited Jobs and Skills Package. There are plans for travel bubbles underway, including the one with Hong Kong that has been announced by the authorities and news of potential vaccination passports with Australia. The Covid-19 vaccination programme roll out has been successful, with 2,213,888 doses administered as of 18 April, 2021, equivalent to about 20% of the Singapore population having received at least one shot of the vaccine.

2. Singapore Retail Market Overview

2.1. Overview of Singapore Retail Sector

According to data from the Urban Redevelopment Authority (URA), Singapore's total existing island-wide retail stock stood at 61.7 million square feet as of Q4 2020. The bulk of the total retail stock (39.7%) is located in the Central Area, followed by the CBD Fringe Area (25.6%). The West and East Region accounted for 10.9% and 15.4% of the total island-wide retail stock respectively.



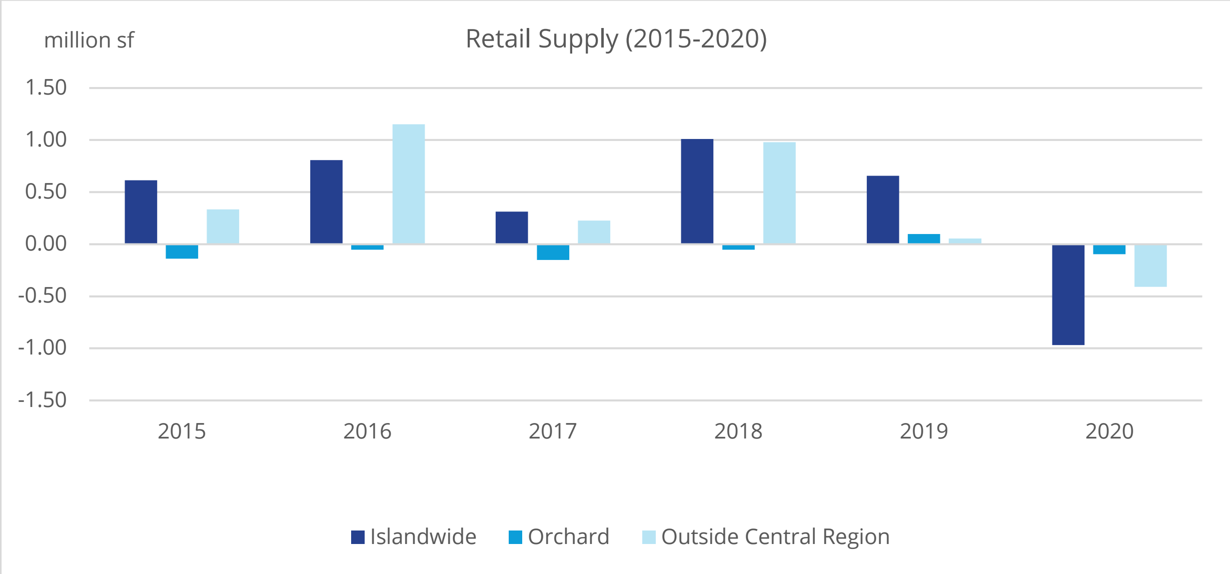
Source: REALIS/Colliers International Singapore Research

2.2. Retail Supply, Demand and Occupancy

The average net retail supply over the past five years (2016 to 2020) increased by approximately 400,000 sf per year in the suburban submarket[1] and 52,000 sf per year in the Orchard submarket[2], while the island-wide average stood at 364,000 sf per year. In 2020, the net new retail supply saw a decrease across all both the Orchard submarket and suburban submarket at approximately -97,000 sf and -409,000 sf respectively, aligning with a net withdrawal of island-wide supply of approximately 1 million sf in the same year as malls undergo refurbishments or are being converted to co-working space or other uses.

[1] The suburban submarket refers to the retail space in the suburban areas outside the Central Region as defined by the URA

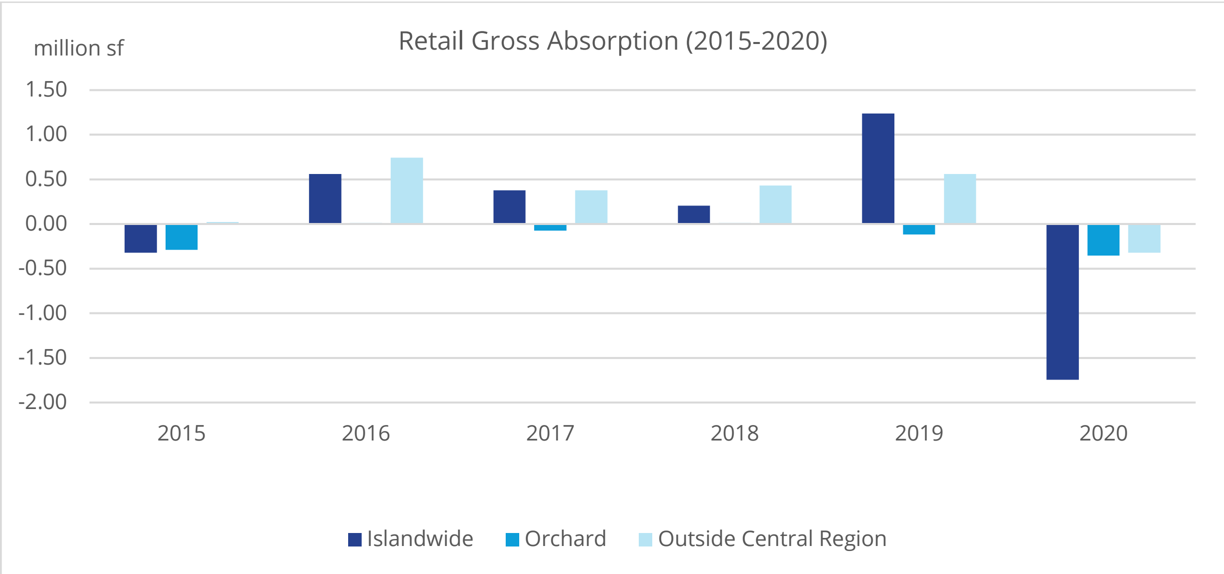
[2] The Orchard submarket refers to retail space in the Orchard Planning Area as defined by the URA



Source: URA, Colliers International

According to data from the URA, the average gross absorption of retail space over the past five years (2016 to 2020) stood at approximately 357,000 sf per year in the suburban submarket and at -105,000 sf per year in the Orchard submarket. Notably, the average net new retail supply in the suburban and Orchard submarkets exceeded demand of 400,000 sf and -50,000 sf respectively for the same period. The island-wide average gross absorption of retail space stood at 127,000 sf per year from 2016 to 2020, lower than the island-wide average supply of approximately 363,000 sf for the same period.

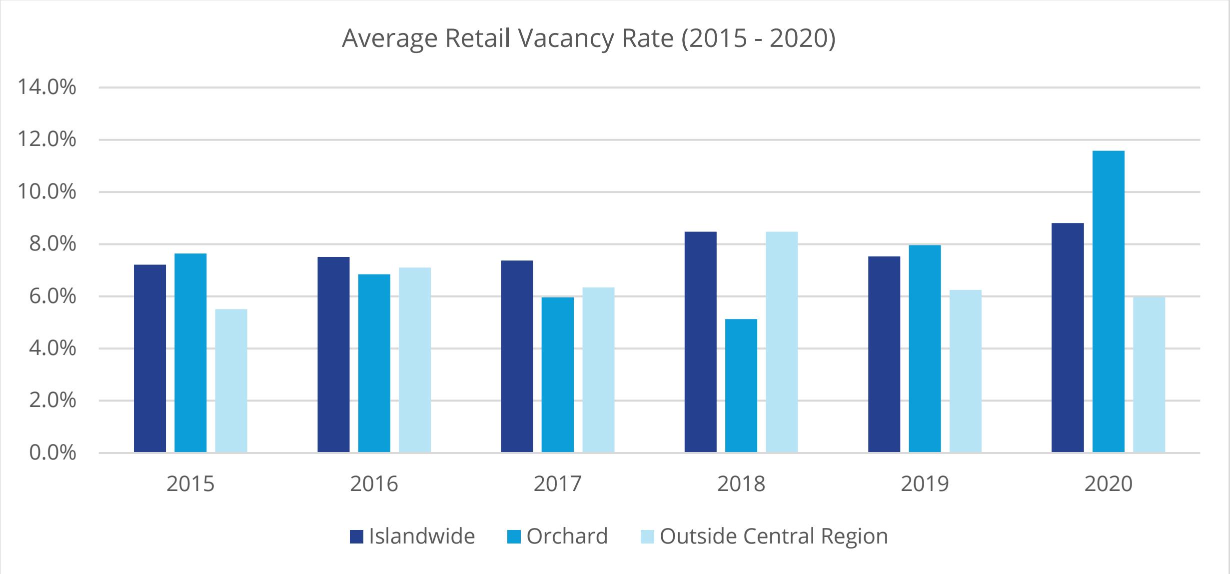
In 2020, the retail gross absorption saw its largest decrease across both the Orchard submarket and suburban submarket at approximately -355,000 sf and -322,000 sf respectively, in tandem with the decline in island-wide demand of approximately 1.7 million sf in the same year.



Source: URA, Colliers International

There were several high-profile retail brand closures including Robinsons, Esprit, Sportslink, Topshop, Kidzania, and several F&B brands, although not all of these were strictly related to Covid-19. However, some resilient brands quickly backfilled these vacated spaces with new concepts. BHG took over part of the space formerly occupied by Robinsons at Raffles City Shopping Centre and partnered with CapitaLand to launch One Assembly, which will focus on premium products and service offerings. Decathlon also took over space previously occupied by Metro at Centrepoint, with the new store having a range of "immersive and activity-based" features and concepts. Further, Courts will open a new flagship store at The Heeren by Q1 2022, taking over the space to be vacated by department store Robinsons. The IKEA deal in Jem was secured at almost the same time as Robinsons' announcement of store closures, demonstrating high confidence in the Jurong sub-market. The Jem store will be IKEA's first mall format/concept in Southeast Asia.

The island-wide retail vacancy rate increased during the same period from 7.5% in 2016 to 8.8% in 2020. In the Orchard retail submarket, the vacancy rate increased by 3.6% year-on-year, from 8.0% in 2019 to 11.6% in 2020. In comparison, the suburban retail submarket's performance improved, with its vacancy rate falling by 0.3% year-on-year, from 6.2% in 2019 to 6.0% in 2020, with the most marked improvement in 4Q 2020.



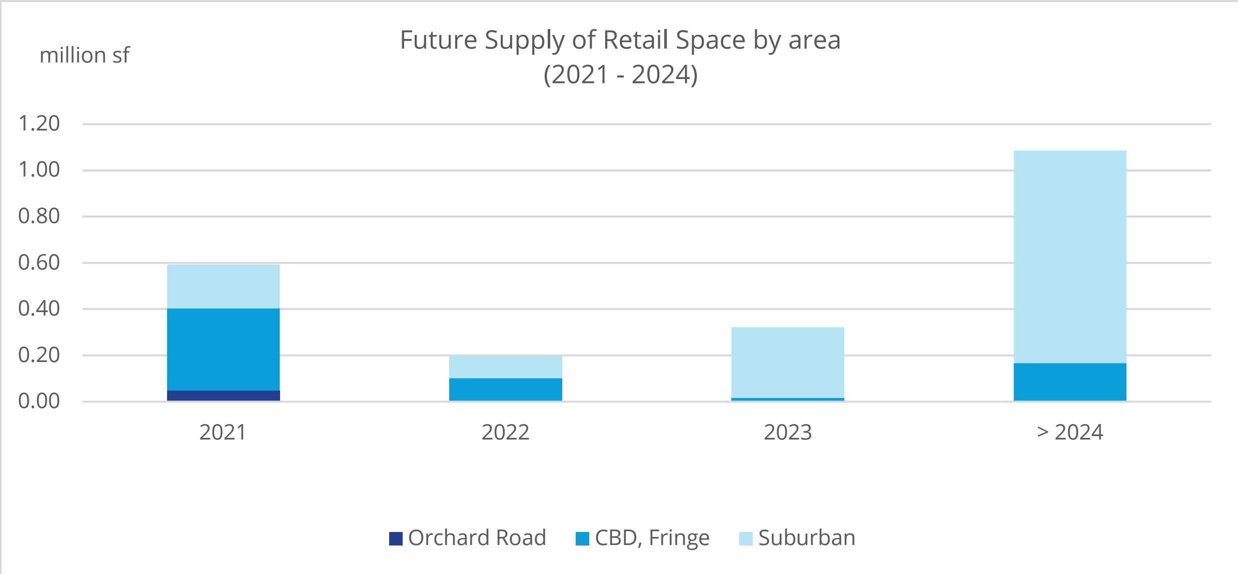
Source: URA, Colliers International

According to the URA REALIS as of March 2021, approximately 2.2 million sf of retail space is anticipated to be delivered island-wide from 2020 to 2024, averaging about 550,000 sf per year of new upcoming supply, which is considerably less than the five-year average of 680,000 sf per year from 2015 to 2019. There will be an expected 590,000 sf of retail space to be injected in 2021. An additional 198,300 sf will be delivered in 2022 and 321,000 sf in 2023, and 1.0 million sf are expected from 2024 and beyond. The new additions are mostly concentrated in the suburban retail submarket and CBD Fringe submarkets.

In 2021, 62,900 sf retail space will come from the completion of the Grantral Mall @ MacPherson in the suburban submarket and 64,400 sf will come from the asset enhancement imitative at Shaw Plaza in CBD Fringe submarket. In 2022, 81,500 sf of new supply will be completed from the mixed development at Holland Road in the City fringe submarket, 96,800 of new retail space from Woodleigh Mall in the Suburban submarket and 20,000 sf of upcoming space from Guoco Midtown in the CBD submarket.

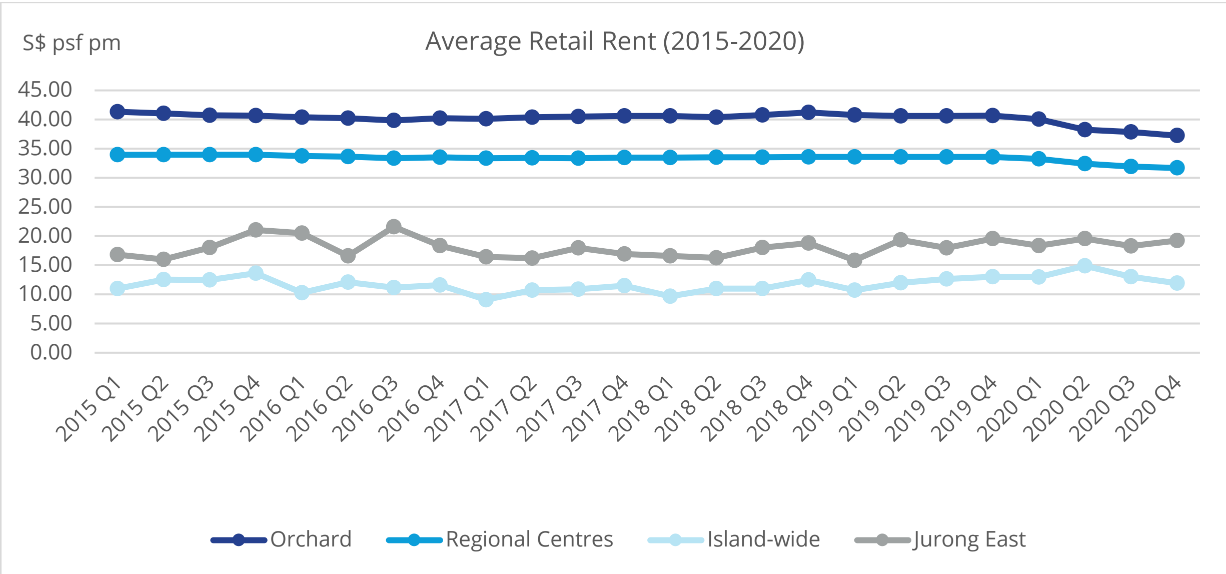
The suburban retail submarket will make up the bulk of the supply in 2023 and 2024, with an expected 307,900 sf and 478,400 sf of retail space to be completed respectively. There is limited upcoming or planned retail development in the Orchard submarket over the next few years. Most developments currently in the pipeline, such as Boulevard 88 (29,900 sf) along Orchard Boulevard to be completed by 4Q 2021, are ancillary retail spaces of mixed-use developments. There is limited upcoming supply in the Jurong East area.

As part of the Singapore government's initiative to rejuvenate Orchard Road, Lendlease Global Commercial REIT will commence redevelopment works at Grange Road Carpark in 2H 2021. There are plans to transform the carpark into a multi-functional event space with an independent cinema, hawker stalls and host concerts and events. The rejuvenation of the Grange Road Carpark is expected to be completed in 2022. Along with the approved conversion of Midpoint Orchard, OG Orchard Point and Faber House to hotels or serviced apartments as part of a mega-integrated development, the prime retail submarket would see good quality retail spaces in the medium to long term.



Source: URA, Colliers International

2.3. Retail Rents



Source: URA, Colliers International

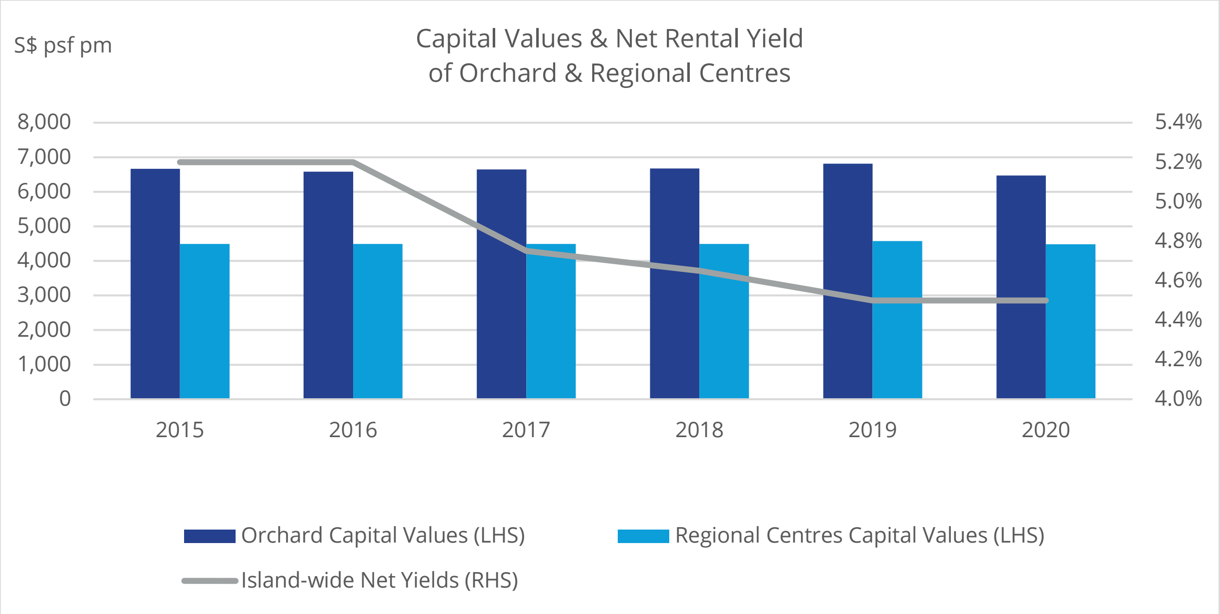
Based on Colliers' research, the ground-floor gross monthly rent in the Orchard submarket declined by 8.4% year-on-year from S$40.65 per square foot (psf) per month in 2019 to S$37.24 psf per month in 2020, while that of the Suburban submarket (Regional Centres)[3] declined by 5.7% year-on-year from S$33.60 psf per month in 2019 to S$31.68 psf per month in 2020. Likewise, the median rents for Jurong East submarket also declined albeit at a slower rate than the Orchard and Suburban submarket, by 1.8% year-on-year from S$19.59 psf per

[3] Regional centres refer to suburban malls in key regional centres such as the North (Woodlands), East (Tampines) and West (Jurong East).

month in 2019 to S$19.24 psf per month in 2020.

According to data from URA REALIS, the island-wide median gross monthly rents of retail space declined by 8.3% from S$13.02 psf pm in 2019 to S$11.94 psf pm in 2020. The decline was mainly due to weak demand of retail space amid business closures, low consumer spending and little tourism traffic. The Orchard submarket which had been the most dependent on tourism spending was the hardest hit from the travel restrictions due to the pandemic and saw the most decline in rents. Rents in Regional Centres remain the most resilient of the submarkets as they have natural local population catchments and domestic demand, and comprise a larger portion of non-discretionary trade categories as compared to malls in the prime areas.

2.4. Retail Yields and Capital Values



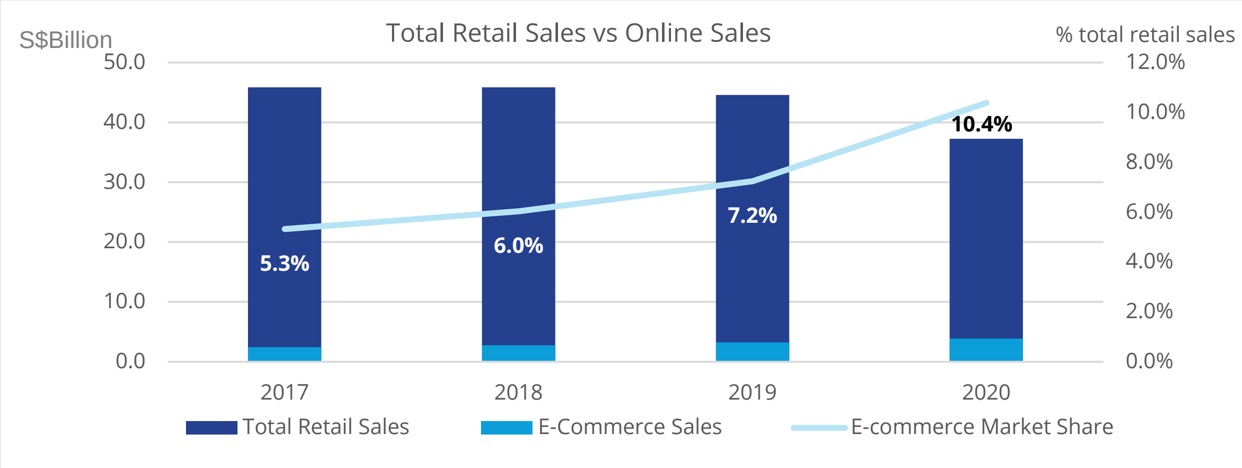
Source: Colliers International

According to Colliers International valuation metrics, prime retail yields island-wide have steadily compressed from 2016 to 2020 to stand at about 4.25% to 4.75% in 2020 amid considerable investment appetitive for but a shortage of prime Singapore assets for sale in the market. Capital values have fallen in 2020 to S$6,473 psf in the Orchard submarket and S$4,487 in the Suburban submarket. Capital values are expected to remain flat in 2021, tracking rental rates and stable yields. There is an expected increase in interest from foreign investors as the pandemic subsides. In the long run, it is expected that investors would continue to favor the retail mall asset class in Singapore due to its relative scarcity and stability, as well as the increasing capital allocation to quality assets in Asia's key gateway cities.

2.5. Retail Sales (e-commerce vs. brick and mortar)

The global retail sector is undergoing considerable transformations and the Singapore retail landscape is no exception. Key ongoing trends are driving material and rapid changes in consumers preferences and expectations, retail formats and offering and marketing channels. However, physical shopping remains relevant as an experience for consumers and we expect online and offline shopping channels to complement each other as physical shops enriches the consumers in-store experiences and consumers can enjoy browsing the online catalog in the comfort of their homes.

Continued rise of e-commerce: Singapore's e-commerce market is booming, expanding at a compounded average growth rate of 17.2% per year since 2015. According to JP Morgan's 2020 E-Commerce Report[4], Singapore's business to consumer e-commerce value totalled $6.1 billion in 2019, with an expected CAGR of 7.7% to 2023, taking into account the global economic downturn. Mobile commerce is projected to be worth S$6.52 billion, growing faster than the overall e-commerce market at 13.6% to 2023. Growth in this subsegment is expected to be focused in the 18 to 29 age group, with up to 75% using mobile devices to shop. According to Colliers International research, Singapore currently has the highest online shopping penetration rate in Southeast Asia, with 26% of Singaporeans shopping online at least once a week. The 25 to 44 age group has the highest propensity to shop online and are a driving force in the current retail environment. Brick-and-mortar grocers and retailers are increasingly leveraging on e-commerce platforms and omni-channel strategies to improve their in-store sales, including through "Click-and-Collect" options and other omni-channel marketing strategies which are proving to be popular among consumers and effective in driving in-store sales. During 2020, the Covid-19 pandemic intensified the rise of online sales as a share of total retail sales to stand at 10.4%, relative to 7.2% in 2019.

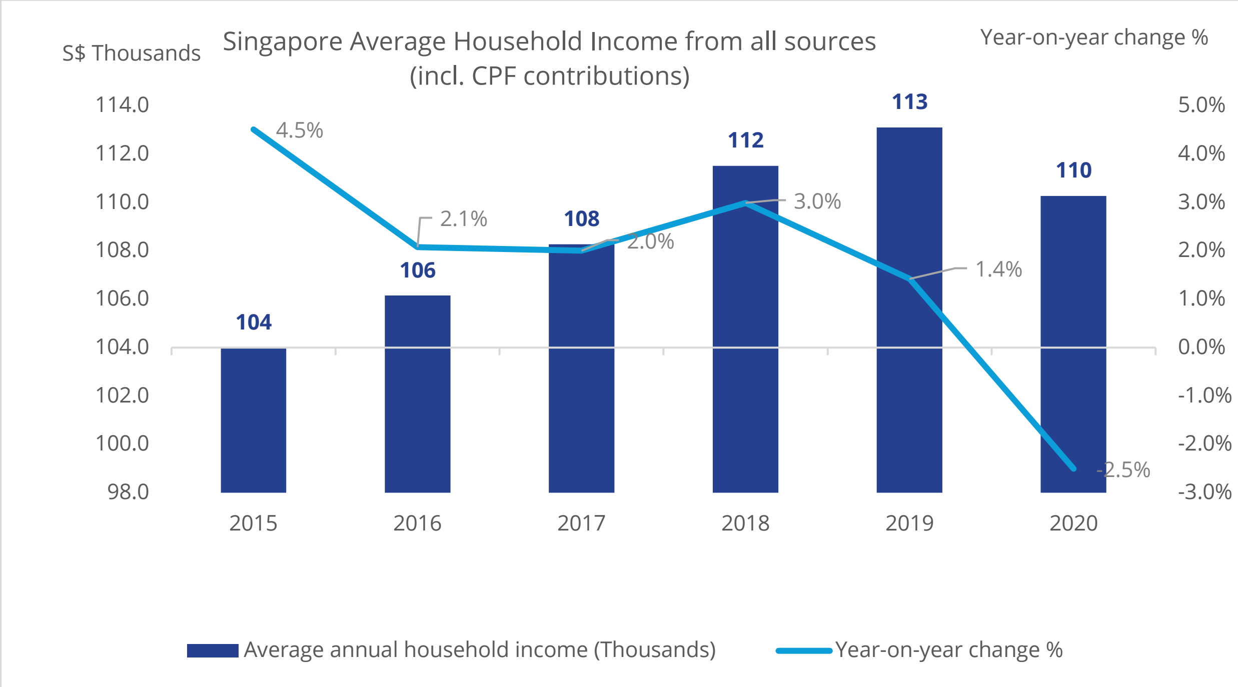


Source: E-conomy SEA 2019 Report by Google, Temasek and Bain & Company, JP Morgan's 2020 E-Commerce Report, Oxford Economics and Singstat. Chart assembled by Colliers International.

2.6. Household Income & Retail Spending power

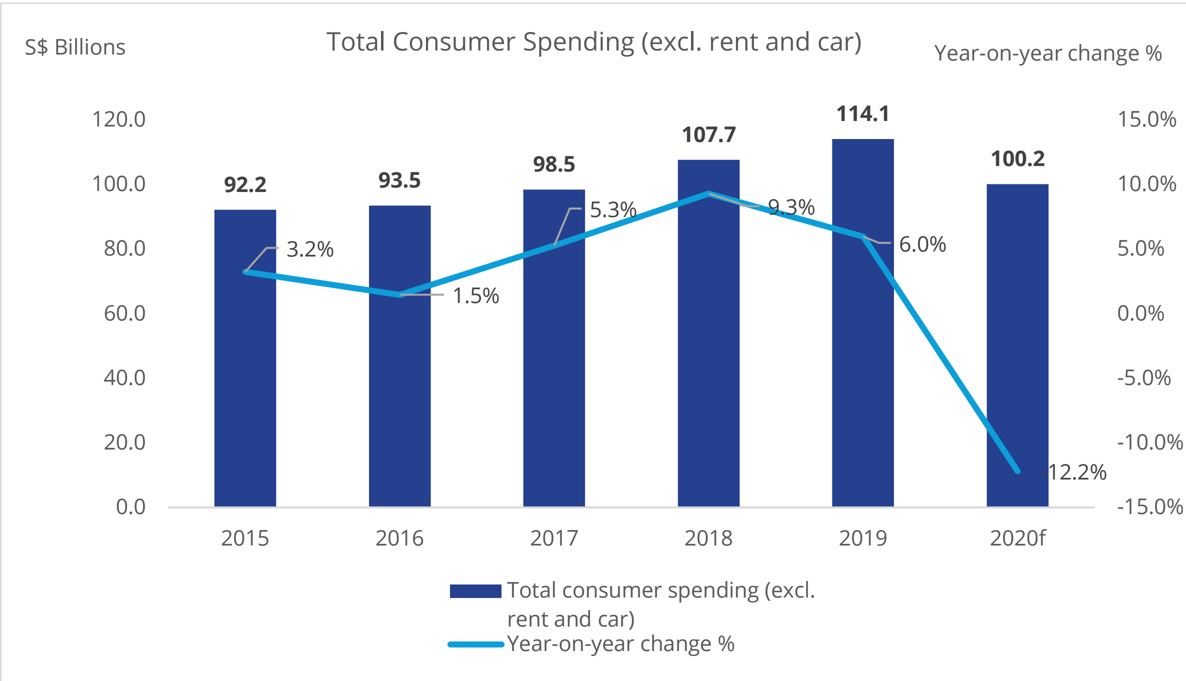
According to data from Singstat and Oxford Economics, the average household income from all sources (including CPF contributions) stood at S$110,268 in 2020, down 2.5% year-on-year from 2019. Over the previous five years prior to Covid-19, the Singapore average household income rose by an average of 2.6% per year, outpacing the five-year inflation rate average of 0.25%.

[4] https://www.jpmorgan.com/merchant-services/insights/reports/singapore-2020



Source: Singstat, Oxford Economics

Singapore's total consumer expenditures declined for the first time in the past five years amid the economic recession. Based on estimates from Oxford Economics, total consumer spending stood at about S$100.1 billion in 2020, down 12.2% year-on-year relative to 2019. Consumer spending declined across most categories of expenditures, with the largest year-on-year declines in accommodation services (-43.9%), non-personal transport services (-42.7%), packaged holidays (-49.3%) and restaurants and hotels (-36.4%), while the largest increase in consumer spending year-on-year was in alcoholic beverages (8.5%), reflecting the effects of the lockdown on the community.



Source: Oxford Economics

2.7. Retail Industry & Business Trends and Their Impacts on the Retail Sector

The Covid-19 pandemic has accelerated certain emerging trends in the Singapore retail sector, as follows:

Shifting tenant mix with food & beverage businesses anchoring malls: Food and beverage (F&B) continues to be a major growth driver of the retail sector, reinforced by the strong growth in online sales recorded in 2020. Supported by a shift in spending patterns toward food-related retail categories among customers, the share of F&B businesses in the tenancy mix is rising in malls across Singapore. Several existing malls have added new F&B components or are repositioning their tenancy mix in favour of F&B outlets, with as much as 35% to 40% of total net lettable area being dedicated to F&B outlets, to improve their F&B offering and provide new experiences to consumers. In the aftermath of the Covid-19 pandemic, F&B businesses are considered favourable tenants as they were allowed to continue operations and generate revenue during the Circuit Breaker using online delivery applications.

More experiential and community-based activities in malls: Singapore retail malls are attracting activity-based tenants and activities to entice repeat visitation and extend dwell time among patrons. Diverse lifestyle and experience-based operators, including gyms, fitness studios, education centres, entertainment operations, social kitchens, makerspaces and other concepts are growing in popularity across Singapore. Several malls also increasingly feature family-friendly and community-oriented tenants and amenities, including childhood enrichment centres, sport and cultural facilities, community centres, and host regular community events. Post-Covid-19, experiential retail will likely continue with more stringent preventive measures in place such as disinfecting public areas more frequently and registration before entering these areas to facilitate contact tracing.

Prevalence of malls as main socialisation locales in Singapore: In Singapore, shopping malls are the primary form of meeting, entertainment and community spaces. Given their strategic locations and controlled environments, shopping malls play a key role in the social fabric of Singapore, both in the primary shopping areas such as Orchard Road and in the regional centres and remain the places with the highest customer footfall and repeat visitation. As a result, many online-only retail platforms are looking for brick and mortar stores to set up a physical presence in Singapore shopping malls, because while online engagement will continue to increase, a physical presence is still very essential in the Singapore context.

Malls are bridging the gap between physical and digital retail: Singapore retail malls have made considerable efforts to become the bridge between brick-and-mortar and digital retail formats. Shopping malls are now increasingly leveraging on integrated “Click-and-Collect” options, omni-channel marketing strategies and digital marketplaces featuring the merchandising of their tenants, to enhance the shopping experience, complement in-store offering and drive sales. While these strategies were already being used by individual retailers and brands, these have barely started being implemented by shopping mall operators in Singapore. These platforms offer shoppers the flexibility to browse items online, before purchasing in-store. Simultaneously, shoppers have the option to browse in-store before purchasing items online and opt for home delivery or in-store collection. As the retail sector transitions toward a 'phy-gital' model, retail malls have an opportunity to play a key role in bridging the gap between the physical and the digital realms.

2.8. Outlook and Forecast

In the short term, retail absorption is expected to turn positive in 2021 as the economy gradually reopens, while new supply will remain muted. As tenant mixes are rejigged, average retail rents are expected to stay flat in 2021 but could improve thereafter with widespread virus containment and resumption of tourism.

Due to the limited 2021-2025 island-wide new supply, representing just 0.8% of total stock per annum compared to the 10-year historical average of 1.1%, vacancy rates should improve gradually to 8.6% in 2025 as the economy recovers. In addition, the new supply is mostly concentrated in suburban and fringe areas, where there are well-defined population catchments which will help in improving vacancy rates. Rental rates are expected to edge up in tandem with a decrease in vacancy. Capital values will continue to appreciate amid strong investors’ appetite for and limited supply of good quality retail assets for sale in Singapore. The table below summarises Colliers International’s retail forecasts for the next five years as of March 2021.

Retail Forecasts as of March 2021

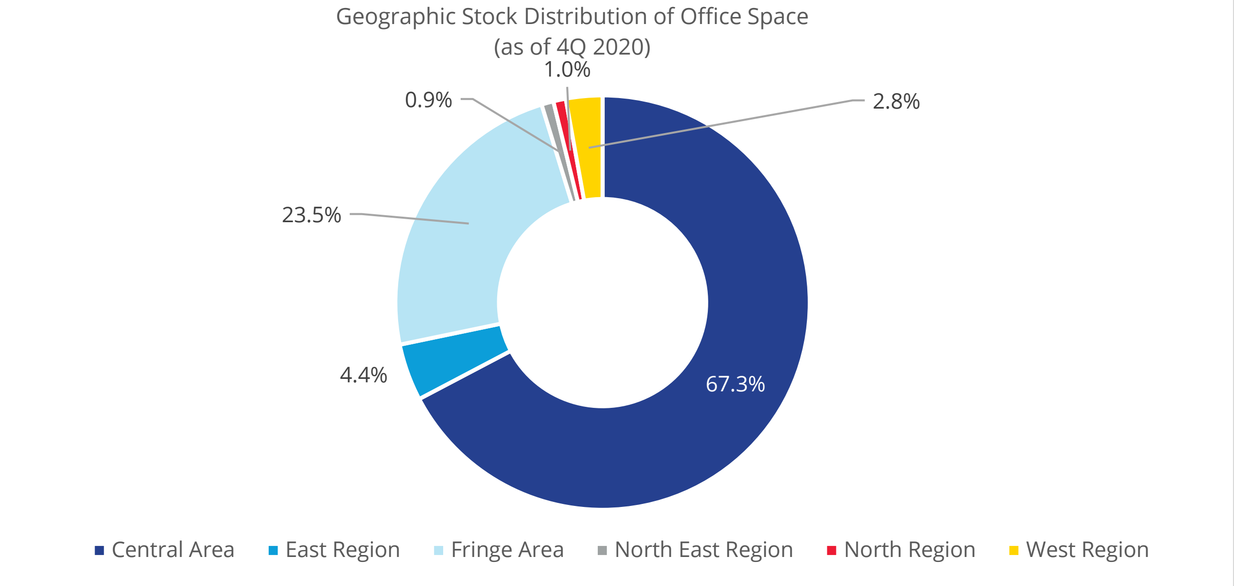
	Island-wide Demand (sf)	Island-wide Supply (sf)	Island-wide Vacancy (%)	Island-wide Stock (sf)	Orchard Rents (S$psf pm)	Regional Centre Rents (S$psf pm)	Orchard Capital Values (S$ psf)
2021F	600,186	723,334	8.9%	66,813,744	37.24	31.68	6,473
2022F	513,473	489,757	8.8%	67,303,501	37.98	32.00	6,602
2023F	541,969	519,896	8.7%	67,823,398	38.74	32.32	6,668
2024F	481,028	452,084	8.6%	68,275,482	39.32	32.81	6,735
2025F	457,000	500,000	8.6%	68,775,482	39.91	33.30	6,802

Source: Colliers International

3. Singapore Office Market Overview

3.1. Overview of Singapore Office Sector

According to data from the Urban Redevelopment Authority (URA), Singapore's existing total island-wide office stock stood at 8.0 million sf as of Q4 2020. The bulk of the total retail stock (67.3%) is located in the Central Area, followed by the Fringe Area (23.5%). The West and East Regions accounted for 2.8% and 4.4% of the total island-wide office stock respectively.



Source: Colliers International, URA

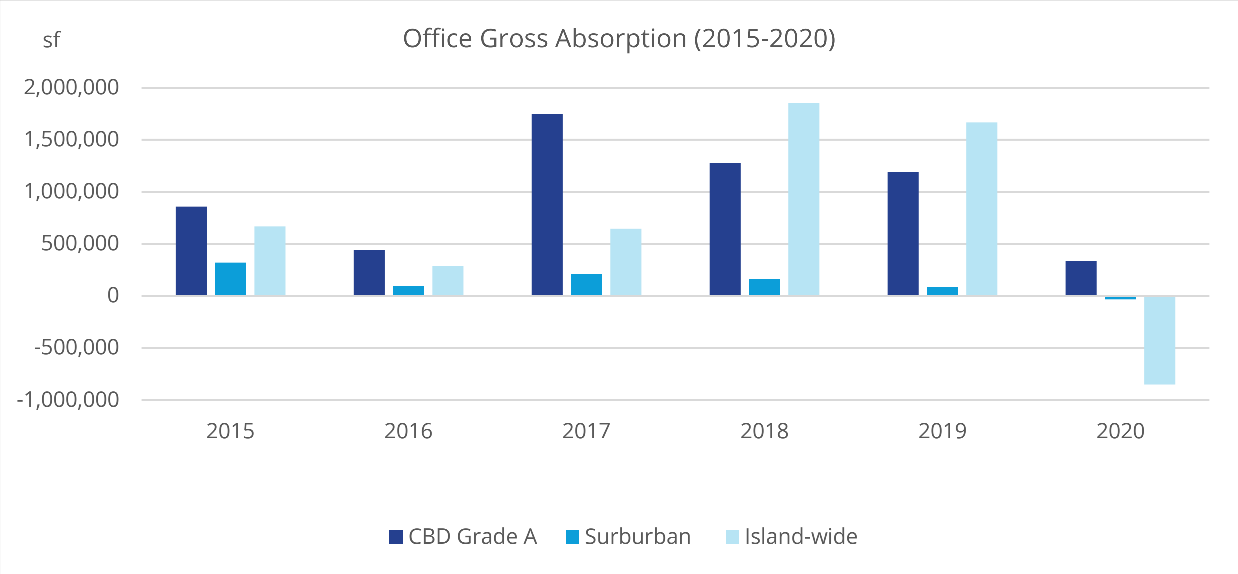
3.2. Office Supply, Demand and Vacancy

According to the URA, the island-wide gross absorption for all grades of office space turned negative in 2020 for the first time in five years, falling from approximately 1.7 million sf in 2019 to approximately -850,000 sf in 2020. The island-wide net supply has increased from approximately 280,000 sf in 2019 to approximately 320,000 sf in 2020. As a result, the vacancy rate for island-wide all office grades rose from 10.5% in 2019 to 11.8% in 2020 year-on-year. This sudden decline in absorption and occupancy occurred on the back of the cost-conscious approach of office occupiers and the implementation of work from home arrangements during and after the Circuit Breaker.

Similarly, according to Colliers Research, the gross office absorption in the CBD Grade A office segment has slowed significantly in 2020, falling from approximately 1.2 million sf in 2019 to approximately 330,000 sf in 2020. Despite the falling demand, the net supply of CBD Grade A office space increased from approximately 730,000 sf in 2019 to approximately 820,000 sf in 2020 as occupiers continue to seek new quality of space. As a result, the vacancy rate for CBD Grade A office space increased by 180 basis points year-on-year, from 3.4% in 2019 to 5.2% in 2020 amid weak occupier demand and a net supply surplus compared to previous years. The incremental new take-ups in recently completed buildings were marginal while vacancies edged up in all micro-markets except Raffles Place/New Downtown's premium buildings.

In comparison, the gross absorption for suburban office space (all office grades) was negative in 2020 for the first time in five years, falling from approximately 80,000 sf in 2019 to approximately -32,000 sf in 2020. The net supply has increased from approximately 22,000 sf in 2019 to approximately 480,000 sf in 2020. Given the surplus in supply, the vacancy rate for suburban all office grades rose from 12.6% in 2019 to 18.2% in 2020 year-on-year, the largest increase recorded across the office submarkets in 2020.

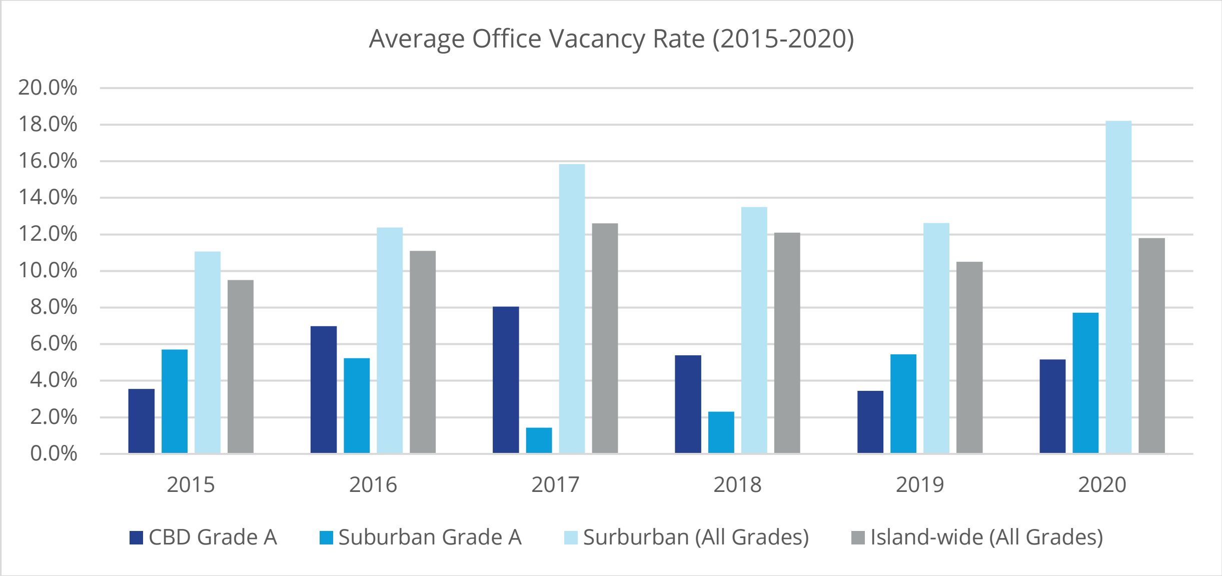
The contraction in gross absorption of office space island-wide as demand turned negative in 2020 reflects the businesses' determination to reduce costs during the pandemic. The negative gross absorption of office space island-wide could be attributed to delays in fit-out periods, as the majority of pre-committed tenants at Woods Square (in the Suburban submarket) and Centrium Square (in the CBD Fringe submarket) pushed back their move-in dates. Woods Square, developed by Far East Organization, will have a varied tenants list, including AIA Singapore, Omni Network, Tokyo Electron as well as Far East Organization's secondary Headquarters.



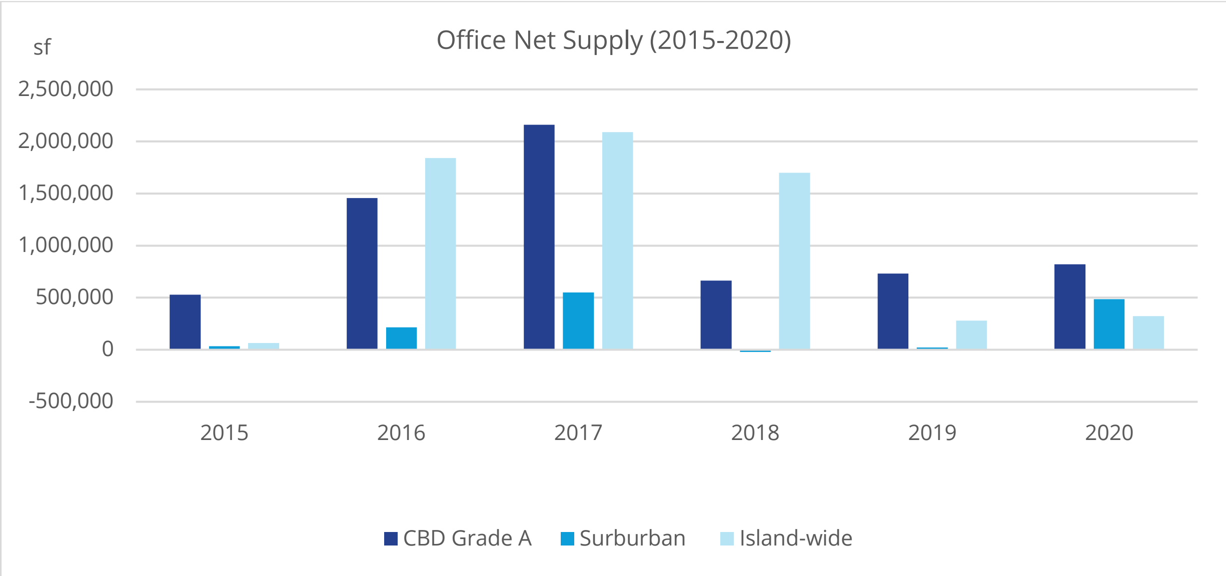
Source: Colliers International, URA

Office demand continues to be driven by the flexible workspace and technology sectors. The Great Room will occupy 37,000 sf of space at the new Afro-Asia i-Mark building after its completion in Q4 2020, while The Executive Centre plans to move and expand into the two highest floors in One Raffles Quay North Tower in 2021. It has also been reported that Twitter and Rackspace Technology, among other technology firms, are expanding their headcount in Singapore. Furthermore, ByteDance is reportedly planning to invest billions of dollars and recruit hundreds in Singapore as part of its global expansion, while Tencent intends to open a new office in Singapore that will be its regional hub for Southeast Asia. Global technology firm Amazon also recently took over three floors (approximately 90,000 sf of space) at Asia Square Tower 1 from Citigroup which will be relocating some consumer banking staff and employees in other functions to the Changi Business Park. Other firms that performed well during this period are seeking to expand, moving into recently vacated office spaces. For example, QBE Insurance which currently has its office at One Raffles Quay South Tower, will move to Guoco Tower after committing to take over one floor of space that was vacated by Grab, which will be consolidating at its new headquarters in one-north. Additional office demand was driven by companies seeking alternative space to meet their reduced space requirements or lower occupancy costs, and many are looking for offices that had been fit out to reduce capital expenditure.

The CBD Grade A vacancy is expected to rise further in 2021 given the incoming supply of Afro Asia i-Mark which is approximately 70% pre-committed. Net absorption in the CBD is expected to moderate in 2020 and return to positive levels in 2021 in face of projected economic recovery and GDP growth.



Source: Colliers International, URA



Source: Colliers International, URA

A total of approximately 5.8 million sf of new office supply will be available between 2020 and 2024 island-wide, of which an estimated 66% (or 3.8 million sf) will be in the CBD. The CBD Grade A supply is expected to be muted in 2021 and 2022, with the next major supply wave scheduled for 2023.

In 2021, there will be a projected 1.4 million sf of new office space completed, of which the majority will be in the CBD submarket[5] (770,000 sf). Notable upcoming developments include the Capital Spring which will inject 640,000 sf of Grade A office space in the CBD submarket, refurbishment works at St. James Power Station for conversion of nightlife into office use which will inject 118,000 sf of space in the CBD Fringe[6] with Dyson pre-committing to 100% of the available space, Surbana Jurong Campus @ Cleantech Loop in the CBD Fringe

[5] CBD submarket refers to office buildings located within the Central Area, as defined by the URA

[6] CBD Fringe submarket refer to office buildings located within the Fringe Area, as defined by the URA

submarket which will house the Surbana Jurong global headquarters with 200,000 sf of office space and Rochester Commons in the Suburban submarket with 260,000 sf of new office space. Both the Rochester Commons and Surbana Jurong are mixed-use developments, with the bulk of Surbana Jurong Campus to include business park uses with a white site component designated for office use and Rochester Commons at one-North to comprise office, retail and hotel components along with a shared executive learning centre.

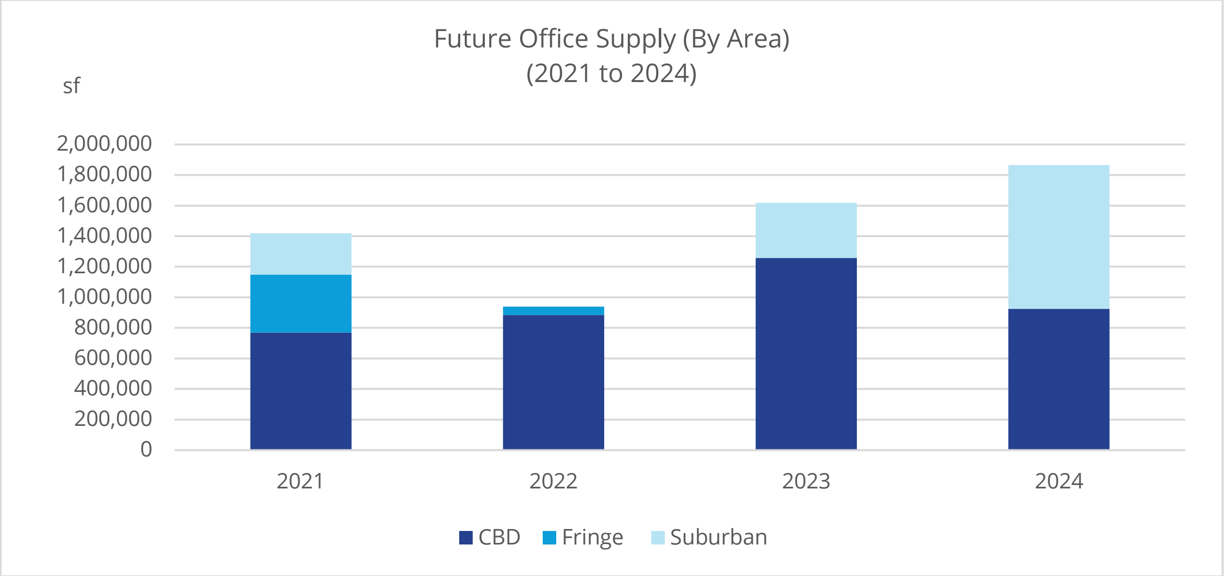
In 2022, there will be an expected 0.9 million sf of office space to be completed, with majority of the new supply (0.8 million sf) to be injected into the CBD submarket. Notable upcoming office developments include the Guoco Midtown integrated development (650,000 sf) and Hub Synergy Point redevelopment (130,000 sf), both located within the CBD.

In 2023, there will be an expected 1.6 million sf of office space to be completed, with the majority of the new supply (1.2 million sf) to be injected into the CBD submarket. The upcoming office supply in CBD will come from the Central Boulevard GLS site (1,258,000 sf) which was delayed from 2022. There is an expected 360,000 sf of office space to be completed in the Suburban submarket, taken up by the office development at the new mixed-use Punggol Digital District by JTC. The new development will feature a business park, in addition to office, residential and retail components, as well as community facilities and the Singapore Institute of Technology's new campus.

In 2024, the new upcoming office supply is estimated at approximately 1.8 million sf, half of which will be in the CBD submarket and the other half in the suburban submarket. Notable new office developments in the CBD submarket include Keppel Towers redevelopment and the Shaw Towers redevelopment which will inject approximately 525,000 sf and 400,000 sf of office space respectively.

There are three mixed use developments expected to be completed in the suburban and city fringe submarket. The office/retail development at the Jurong East Integrated Transport Hub to be constructed by the Land Transport Authority and the Ministry of Transport at Gateway Drive/Jurong Gateway Road will add 370,000 sf of space while the office/retail development Holland Road will add another 53,200 sf of office space to the total office stock. It is understood that this new development will primarily house the corporate offices of LTA and other government agencies, complementing the Jem office which is 100% leased to the Ministry of National Development (MND), including the Building Construction Agency (BCA) and Agri-food & Veterinary Authority of Singapore (AVA).

The development at Tanah Merah Coast Road will add 220,000 sf of space, with provisional permission given for an integrated hotel, office and retail development which would form part of the future Changi Terminal 5. However, construction progress of this development may be delayed for at least two years due to the pause in the construction of Changi Airport Terminal 5 amid uncertainties regarding the future of the aviation and travel industries in the post-COVID era.



Source: Colliers International, URA

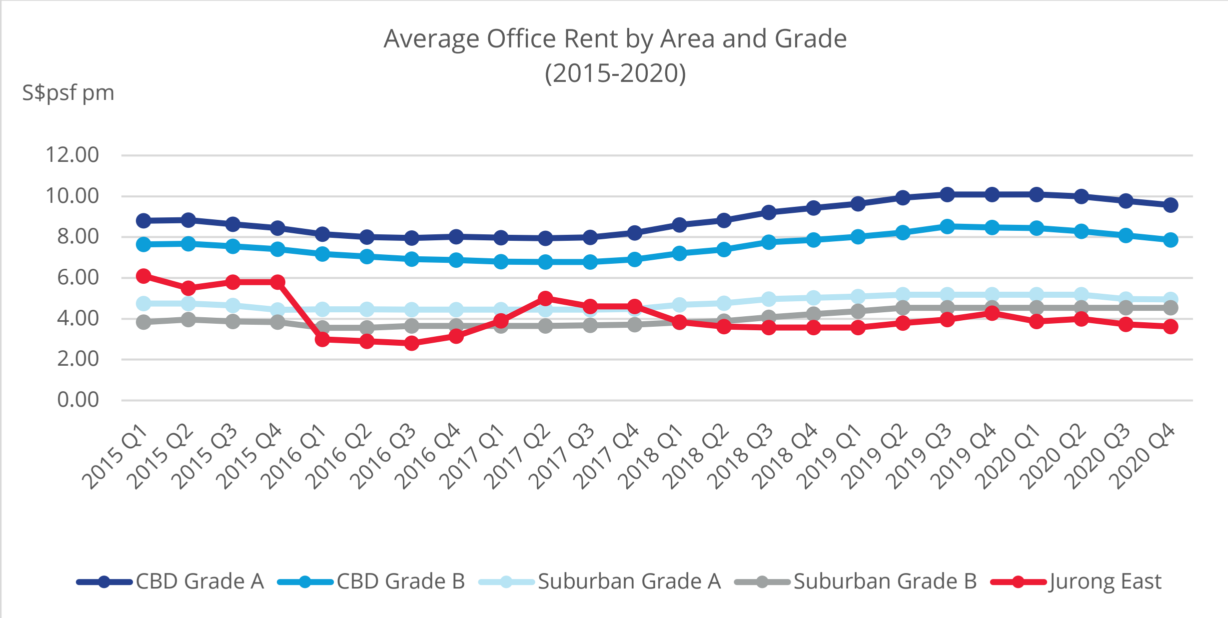
3.3. Office Rents

According to the URA, the median rent of island-wide office space fell by 15.2% year-on-year from S$6.05 psf per month in 2019 to S$5.20 psf per month in 2020 as work from home became the normal for a majority of companies amid the Covid-19 pandemic.

Based on Colliers Research, the average gross effective monthly rent of CBD Grade A office space fell by 5.4% year-on-year from S$10.09 psf per month in 2019 to S$9.57 psf per month in 2020. The average gross effective rent of CBD Grade B office space fell by 7.2% year-on-year from S$8.47 psf per month in 2019 to S$7.86 psf per month in 2020 as occupiers look for value in higher quality buildings.

By contrast, the average gross effective monthly rent of Suburban Grade A office space fell by 4.4% year-on-year from S$5.18 psf per month in 2019 to S$4.95 psf per month in 2020. The average gross effective monthly rent of Suburban Grade B office space remained flat year-on-year, at S$4.54 psf per month in 2020. The Suburban Grade A and B rents were more resilient than that of the CBD Grade A and B rents as the majority of office stock is concentrated in the CBD, which saw a larger decline in rent.

In the West region, the median rent of office space fell by 15.5% year-on-year from S$4.27 psf per month in 2019 to S$3.64 psf per month in 2020, while rents in the Jurong East planning area saw similar decline of 15.5% year-on-year from S$4.27 psf per month in 2019 to S$3.62 psf per month in 2020.

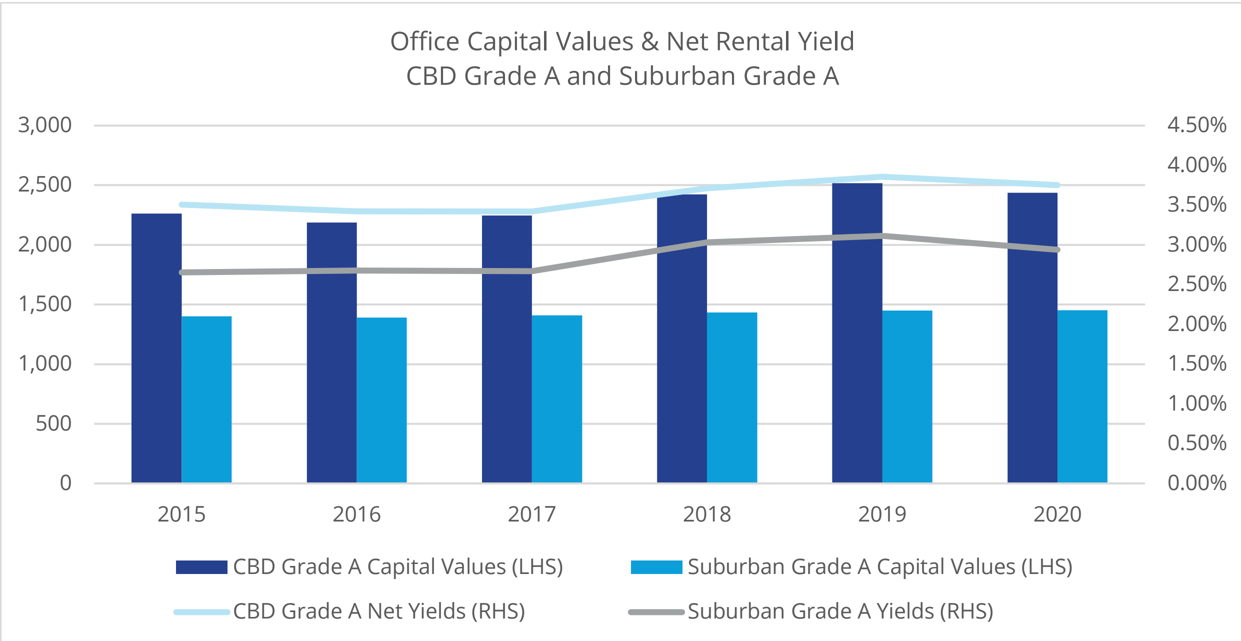


Source: Colliers International, URA

3.4. Office Capital Values and Yields

Based on Colliers Research, the average capital value of CBD Grade A office properties declined by 3.3% year-on-year from S$2,518 psf in 2019 to $2,436 psf in 2020, along with the rental declines. In contrast, the Suburban Grade A capital value increased marginally by 0.1% from S$1,450 in 2019 to S$1,452 in 2020, demonstrating the resilience of suburban assets

Based on Colliers' valuation matrix, the net rental yields for CBD Grade A office properties stood at 3.8% in 2020, declining by 270 basis points (b.p.) year-on-year from 2019 while net rental yields for Suburban Grade A office properties stood at 2.9% in 2020, declining by 560 b.p. year-on-year from 2019, in line with the rental compression in these submarkets.



Source: Colliers International, URA

3.5. Industry & Business Trends and Their Impacts on the Office Sector

The Covid-19 pandemic has accelerated certain emerging trends in the Singapore office sector, as follows:

Wellness Boom

Occupiers are increasingly looking to asset owners and flexible workspace operators to ensure that employee wellness needs are met. Colliers expects this to become a key priority for office occupiers in 2021 as the pandemic has brought a renewed focus on the employee experience and wellness, with safety and wellness now at the heart of decision making for workspace. Many occupiers are placing more emphasis on wellness criteria such as air replacement frequency and cleaning policies than merely on rental rates and are implementing integrated wellness offerings to add value to the overall office and employee experience.

Flexible Workplace

There has been a significant growth of flexible workspaces outside of central business districts amid the rise of the co-working and flexible workspace format as a suitable office space solution for corporate occupiers of all sizes. This is expected to continue in the near future given the impact of Covid-19 on the office market as occupiers seek more flexibility and lower capital costs associated with their office footprints. In addition, there will be a rise in the use of a Flex and Core strategy as it provides firms with the benefit of long-term security for core operations and allows flexibility for growth, to manage fluctuating or unpredictable headcount projections. As occupiers continue to seek a range of CBD and Suburban locations to meet the new space requirements for their distributed workforce, there is a substantial deficit of supply in suburban areas. The level of amenities for employees is elevated with access to spaces such as meeting, conferencing and event spaces, while reducing the occupier's core commitment. In 2021, Colliers expects the supply of flexible workspace in the non-CBD submarkets (suburban and fringe) to increase dramatically, coming from both existing operators and new entrants, as well as from repositioned retail and hotel assets.

Downsizing and Decentralisation of offices

There has been an acceleration of decentralising and downsizing of offices as the move towards telecommuting meant businesses seek to reduce their workforce concentration in the CBD and lower their office real estate rental costs. Several occupiers have relocated their corporate offices in their branch offices and others have adopted a flex and core approach with a smaller CBD office space and a series of decentralised office locations throughout Singapore. The rising rents and tight vacancies in the CBD over the past few years has seen a move towards a decentralised business operation model, which was made possible by the economic decentralisation policy of the Urban Redevelopment Authority (URA), promoting the development of new office precincts outside of the Central Area. The CBD Fringe and other Suburban commercial precincts, including Alexandra Road, HarbourFront, Paya Lebar, and Jurong East have become attractive options for firms, offering rental savings and a shorter and less congested commute for employees as non-customer facing backroom operations are typically located in non-CBD areas such as Changi Business Park, One-North and Pasir Panjang areas such as Google and Cisco who have moved into Mapletree Business City II. Colliers expects demand for decentralised office spaces to rise in years to come amid a rationalisation of the office rental costs and greater work flexibility provided to employees.

Sustainability and Green Buildings

As US rejoins the Paris Accord for climate change and China aims to be carbon neutral by 2060, there will be a global shift in mindset towards the environment and sustainability. Sustainability will be a key consideration for occupiers and owners, as renewable energy and efficiency increase in importance along with governmental regulations. The Building and Construction Authority (BCA) targets at least 80% of buildings (by GFA) to be green by 2030. Building owners must submit energy audits annually and those with GFA over 15,000 sqm must adhere to the minimum standards. New buildings will seek to incorporate these standards, hence increasing construction costs, as well as the cost of retrofitting for existing buildings. Based on the International Finance

Corporation (IFC), green office and industrial properties represent an investment opportunity of US$2.7 trillion in the APAC region over the next 10 years, as well as operational cost savings up to 37%, price premium of up to 37%, higher occupancy of up to 23% and annual rental incomes up by 8%.

Following on from the pandemic, there have been an increase in the preference for wellness certified buildings that optimise indoor air quality, provide acoustic and thermal comfort, maximise natural lighting, and provide high water quality. The World Green Building Council has found that green buildings with wellness features reduce employee absenteeism, with employees feeling more productive and healthier. Over the near term, we expect the increasing importance of sustainability to have the following implications for investors and owners.

Rise of Asian Technology Occupiers

The technology sector has become a major demand driver for the Singapore office sector. In November 2020, the Wall Street Journal reported that the technology sector contributed 75% of the returns of the S&P 500 up to that time in the year. While the global sector is dominated by Apple, Amazon, Microsoft, Facebook, Google and Netflix, within APAC, local and regional companies are also achieving rapid growth. Despite the threat of delisting from US stock exchanges, Alibaba, Tencent, Huawei, Meituan, JD.com, Baidu, and Xiaomi are some of APAC's fastest expanding groups. In 2020, Singapore become the focal point of this outward movement, with multiple announcements from major Chinese technology companies showed their ambitions towards both the city state and the wider ASEAN region:

- Tencent, Alibaba and ByteDance announced plans to set up and expand their regional headquarters in the city.
- Alibaba, which owns Lazada, a Singaporean e-commerce firm, also invested in the AXA Tower, which is expected to be the site of its new headquarters in the city.
- BigoLive planned to move its servers from Hong Kong to Singapore.
- The MAS (Monetary Authority of Singapore) granted two digital wholesale banking licenses, one to the Ant Group (Alibaba's financial services arm) and the other to a Chinese-led consortium comprising Greenland Financial Holdings, Beijing Co-operative Equity Investment Fund Management and Linklogis Hong Kong.
- In addition, there was interest from Haitong Securities in expanding operations, while Huawei's cloud division was planning to establish new operations.

As Asian technology occupiers will continue to dominate the office market in determining rents, incentives and deal structures, it will in effect function as benchmarks for other occupiers. There will be a move away from the Western MNCs which have traditionally been the source of occupier benchmarks and Colliers expect there to be interest from occupiers in measuring themselves against Asian technology groups recently.

As competition for talent rises in the technology sector, tech occupiers focus on workplace strategy for talent attraction and retention. Based on the results of Colliers' recent Global Workplace Survey and a recent report from Forbes indicate that staff experience, wellness, workplace flexibility, company culture, a sense of belonging as well as companies seeking and acting on employee feedback are paramount in employee retention. Hence, Colliers expect that the continued growth trajectories of Asian technology occupiers will make them attractive to building owners.

3.6. Outlook and Forecast

Despite the present economic recession, Colliers believes that the market dynamics are conducive for a recovery towards the end of 2021 based on:

i) MTI forecast a positive GDP growth of 4.0% to 6.0% for 2021
ii) New office demand to be driven by the technology sector and an overall business recovery. The recent award of the digital banks' licenses could also support demand for office space, while Jurong Gateway is well poised to support the move towards decentralisation
iii) Limited supply levels in in the short term 2021 to 2022 with the average annual expansion at 2.6% of stock as compared to 4.7% for the last five years
iv) Positive net absorption to tighten vacancy rates before the next supply hike in 2023

v) CBD stock is expected to further reduce through redevelopment by landlords, such as AXA Tower, Fuji Xerox Towers and Tower Fifteen which have all announced plans for redevelopment, and more are expected to follow in the next few years.

Colliers projects the demand for CBD Grade A space to rebound significantly in 2021, to approximately 780,000 sf, and return to pre-Covid levels by 2023. CBD Grade A supply is expected to drop slightly in the short term as landlords take some buildings offline for refurbishment works. Vacancy rates for the submarket is expected to improve in the short term but rise slightly in 2023 as the market absorbs the large injection in supply.

The demand for office space in the suburban market are likely to remain resilient in the near to long term as well, due to the decentralisation trend as more offices look to the suburban areas to save on rental costs and adopting a flex and core strategy. In addition, in view of the projected growth of the technology sector and their penchant for locating in the fringe/suburban market, we project a healthy and resilient demand for office spaces in the suburban market in the medium to long term, especially in the aforementioned commercial precincts.

	CBD GRADE A DEMAND (SF)	CBD GRADE A SUPPLY (SF)	CBD GRADE A VACANCY RATE	CBD GRADE A STOCK (SF)
2021F	784,245	780,000	5.0%	27,298,150
2022F	896,982	650,000	4.0%	27,948,150
2023F	1,061,649	1,258,000	4.5%	29,206,150
2024F	883,375	925,000	4.5%	30,131,150
2025F	841,328	800,000	4.3%	30,931,150

Source: Colliers International

Rental rates are projected to improve over the next five years in all submarkets. CBD Grade A rents are expected to rise most significantly by 5.5% to S$10.09 psf per month by 2024, while the CBD Grade B, Suburban Grade A and Suburban Grade B rents are expected to rise by 5.1%, 4.0% and 3.5% respectively amid great office space availability and possibility of new supply.

	CBD GRADE A RENTS (S$PSF PM)	CBD GRADE B RENTS (S$PSF PM)	SURBURBAN GRADE A RENTS (S$PSF PM)	SURBURBAN GRADE B RENTS (S$PSF PM)
2021F	9.54	7.83	4.89	4.54
2022F	9.67	7.93	4.94	4.58
2023F	9.80	8.03	4.99	4.62
2024F	10.09	8.27	5.15	4.70
2025F	10.22	8.36	5.20	4.74

Source: Colliers International

Colliers projects the capital value growth for the CBD Grade A and Suburban Grade A submarkets by 2.5% in 2021, in the low interest rates environment and increasing weight of capital allocation to gateway cities in Asia. Rental yields are expected to remain relatively constant amid the low interest rate environment and the desirability of Singapore office properties as an investment asset class.

	CBD GRADE A CAPITAL VALUES (S$PSF)	SUBURBAN GRADE A CAPITAL VALUES (S$PSF)	CBD GRADE A NET RENTAL YIELDS	SUBURBAN GRADE A NET RENTAL YIELDS
2021F	2,509	1,496	3.9%	3.0%
2022F	2,571	1,533	4.0%	3.0%
2023F	2,610	1,556	4.0%	3.0%
2024F	2,780	1,658	4.0%	3.0%
2025F	2,822	1,682	4.0%	3.0%

Source: Colliers International

4. Asset Overview

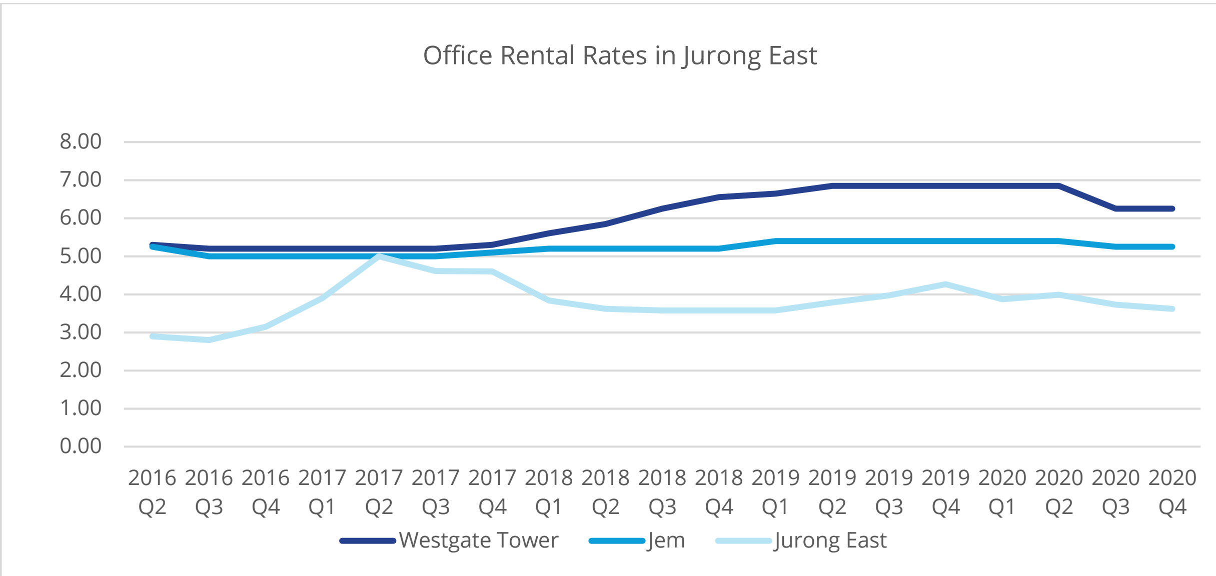
4.1. Location and catchment area analysis

Jem (the "Property") is located in the heart of Jurong Gateway, one of Singapore's designated regional centres and commercial hubs. The Jurong East Regional Centre serves the entire West Region and acts as the primary destination retail and business centre for the western and northwest parts of Singapore. In addition to its proximity to the main campuses of NUS and NTU, Jurong East is also directly connected to the CBD, One North and the Tuas Industrial district via two MRT Lines as well as via the Ayer Rajah Expressway (AYE).

Office Catchment Analysis

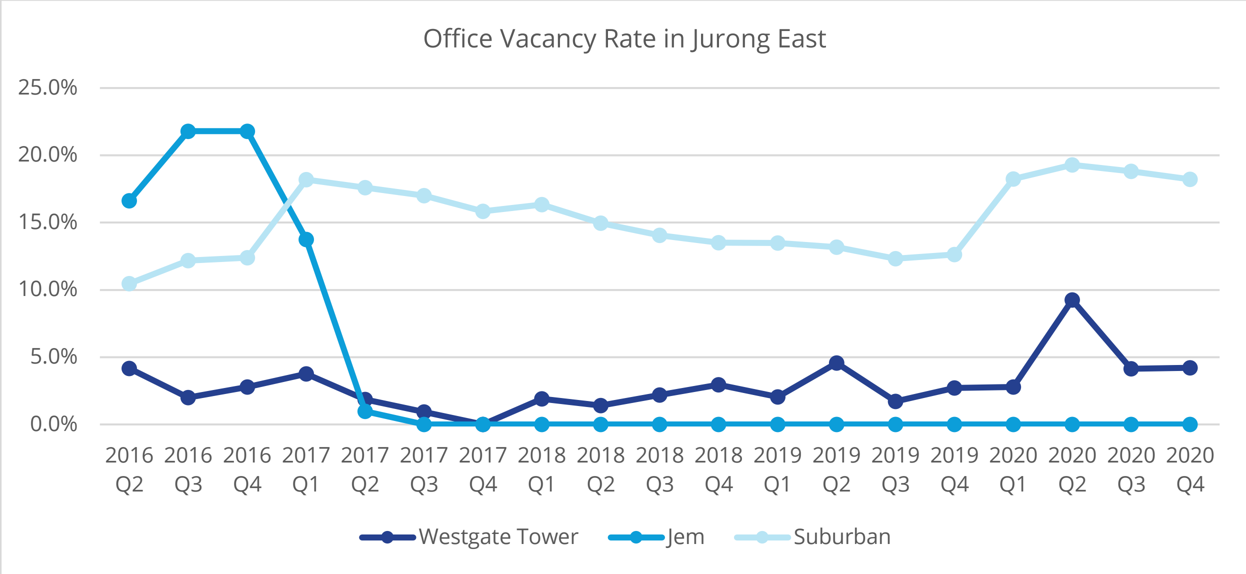
Jurong Gateway is the largest office cluster in the West Region and caters to a mixture of office occupiers, including government agencies (Jurong Town Corporation, Housing Development Board, Building Construction Authority), professional services firms, innovation-driven companies and manufacturing-related businesses with operations in the Tuas Industrial district. As part of the future Jurong Lake District, Jurong East is slated to become Singapore's largest commercial and regional centre outside the CBD. We expect the Jurong Lake District to feature strong growth prospects in the medium-to-long term, due to in the move towards decentralisation of economic activities as well as the expansion of Tuas Megaport which is expected to be completed by 2040. As the world's largest automated port terminal and a key destination for maritime activities, the projected demand for office and retail space in Jurong East will likely rise from a positive spillover effect of the Tuas Megaport as manufacturing-and-maritime-related firms seek the commercial hub closest to the Megaport.

Based on Colliers Research data on office rental rates for the Property (Jem) and Westgate, the Property consistently performed better than the average for the Jurong East planning area. The average gross office rental rates for Jem stood at S$5.25 psf per month based on sub-leases in 4Q 2020 while the median rental for Jurong East Planning Area was S$3.62 in the same period.



Source: Colliers International, URA

Based on Colliers Research data on office vacancy rates for the Property (Jem) compared with the suburban office submarket, the Property consistently performed better than the average for the suburban office submarket. The average vacancy rates for Jem was null in 4Q 2020 while the average vacancy rate for the suburban office submarket was at 18.2% in the same period.



Source: Colliers International, URA

Retail Trade Area Analysis

Due to the presence of four major destination retail malls (Jem, Westgate, IMM and JCube) and benefiting from the presence of two MRT lines serving high-density residential areas, Jurong Gateway has established itself as the primary destination retail centre in the West Region. The area has become a location of choice for both local and international brands and F&B operators wishing to serve the large and growing population of the West Region. Based on Colliers' market understanding, the total retail catchment area of Jurong Gateway extends to the entire West Region of Singapore along with the Bukit Timah and Queenstown Planning Areas.

The retail catchment area of the Jurong Gateway cluster is divided into three subtrade areas which correspond to the level of visit frequency and share of wallet spend by residents and workers. The delineation of a given catchment area is conducted based on considerations such as spending and visitation patterns, competition with other nearby retail clusters, transport connectivity, and the presence of geographical barriers.

The primary catchment area is the area from which the Jurong Gateway malls derive a large share of their footfall and sales due to regular visitation (several times per week) and a high market share of total spending. The secondary catchment area attracts customers with moderate visit frequency (once per week) and who also spend regularly at other retail clusters. The tertiary catchment area draws occasional customers (with visit frequency of about 1-2 times per month) and a relatively small wallet share at the Jurong Gateway retail cluster.

Colliers estimates the primary catchment area consists of a 2-km radius around Jurong Gateway with an estimated population of 87,295 in 2020 which includes the residents and workers of Jurong East Planning Area. The secondary catchment area extends to a 5-km radius and includes the Clementi and Jurong West Planning Area, with an estimated population of about 375,000 in 2020. The tertiary catchment area consists on the entire West Region along with Queenstown and Bukit Timah Planning Area, with an estimated population of 642,000 in 2020. Overall, the entire retail trade area of the Jurong Gateway retail cluster encompasses a broad area with an estimated combined total population of about 1.1 million residents in 2020[7].

The average annual household income in the West Region is estimated at S$115,806 as of 2020, which is 5.0% higher than the national average of S$110,258 for the same period. This indicates a higher consumer spending power in the West region. According to Oxford Economics, the estimated total consumer spending (excluding rent and car) totaled S$100.2 billion in 2020 in Singapore. Colliers estimates based on Singstat household income

[7] The population for 2020 is estimated based on the proportion of the catchment area to island-wide total population in 2015 and adjusted for 2020.

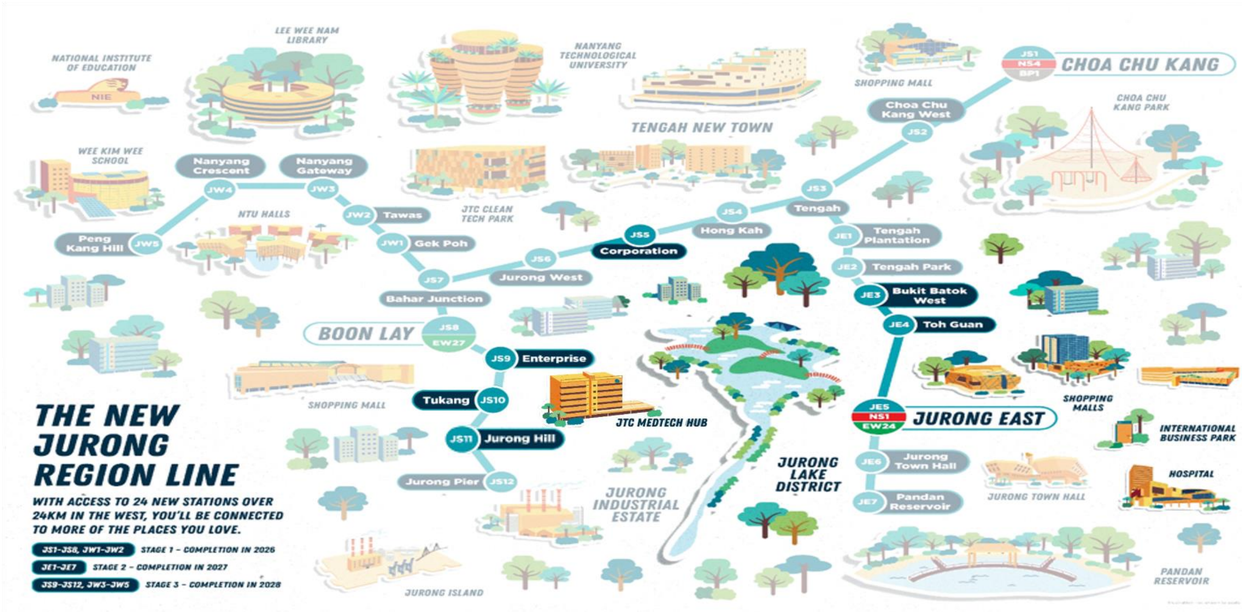
data and Oxford Economics' consumer spending that the total consumer spending in the entire trade area accounts for about 23.9% of the Singapore total, totaling approximately S$23.94 billion of estimated consumer spending potential in 2020.

Note: The catchment area analysis is a high-level estimate based on Colliers knowledge of spending and visitation patterns, Colliers' real estate market understanding and available information from Singstat.

Future Development Plans

The Tengah Forest Town masterplanned by HDB (Housing and Development Board) will feature a smart and sustainable development with an emphasis on nature and community living. The upcoming new town will complement the neighboring Jurong Lake District and Jurong Innovation District, adding an expected 42,000 new homes upon completion. First phase for the Tengah Forest Town is expected to be completed in 2022.

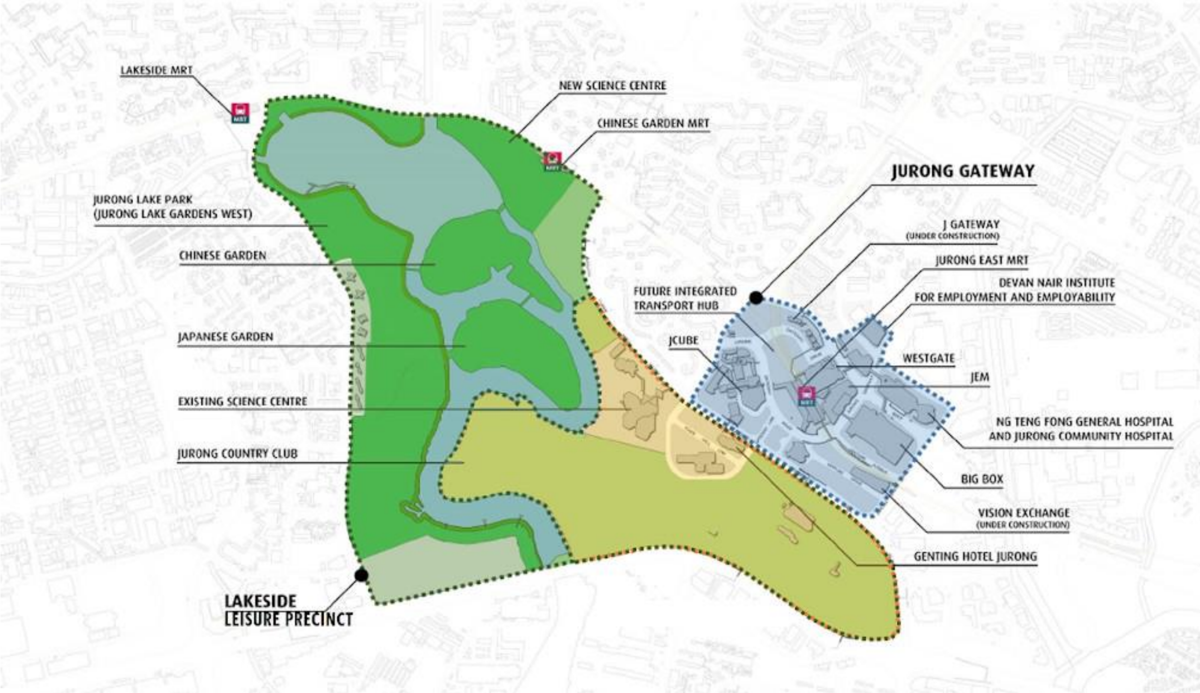
Colliers expect Jurong Gateway to remain a strategic commercial location due the development of the Jurong Lake District and the construction of new transport infrastructure. Most notably, the future Jurong Region MRT Line (JRL) and the new Jurong East Integrated Transport Hub, which are expected to be completed from 2027 to 2029, will enhance connectivity between NTU, Tengah and Jurong East, thereby driving consumer traffic from western residential areas into Jurong Gateway. Improved connectivity with surrounding areas in the West Region is expected to strengthen the role of Jurong East as a major mixed-use office and retail hub, in line with the government's efforts to promote decentralisation.



Source: Jurong-Clementi Town Council

In addition, the 600ha Jurong Innovation District with its first phase near completion in 2022 will function as an advanced manufacturing hub and create over 95,000 new jobs when completed. Plans for conversion of the former Big Box by acquired by Perennial Estate Holdings will invest over S$70 million to redevelop it into a business park and will be completed progressively from 4Q 2021. Also, IKEA recently opened its third outlet in

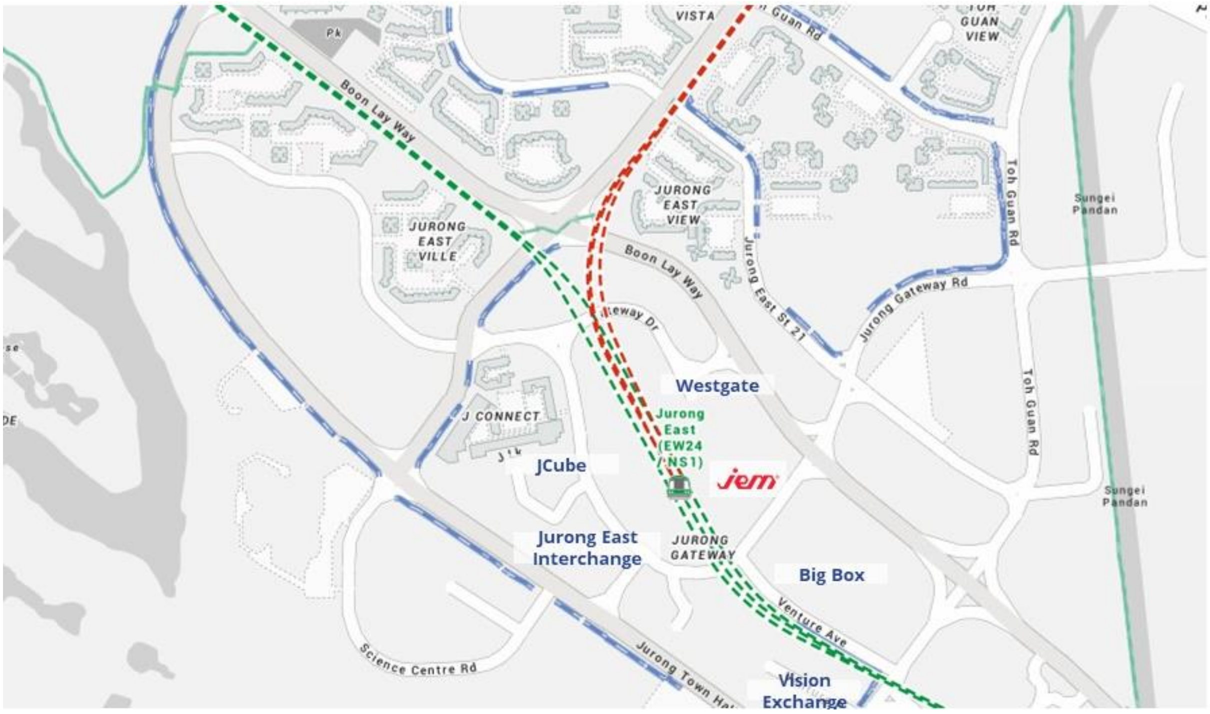
Singapore in Jem in April 2021, its first store in a shopping mall in the City-State. The ample pipeline of projects in Jurong East will ensure vibrancy in the area and its function as a commercial hub of the West.



Source: URA

4.2.Property Comparison and Competitive Review

Within the Jurong Gateway micro-market, the Property’s key competitors include Westgate Tower (office), Westgate Mall (retail), JCube and Vision Exchange due to their locational attributes and positioning. Colliers has conducted a competitive review comprising these four assets to assess the performance of the property relative to these four properties.



Description and Key Performance Indicators of Jem

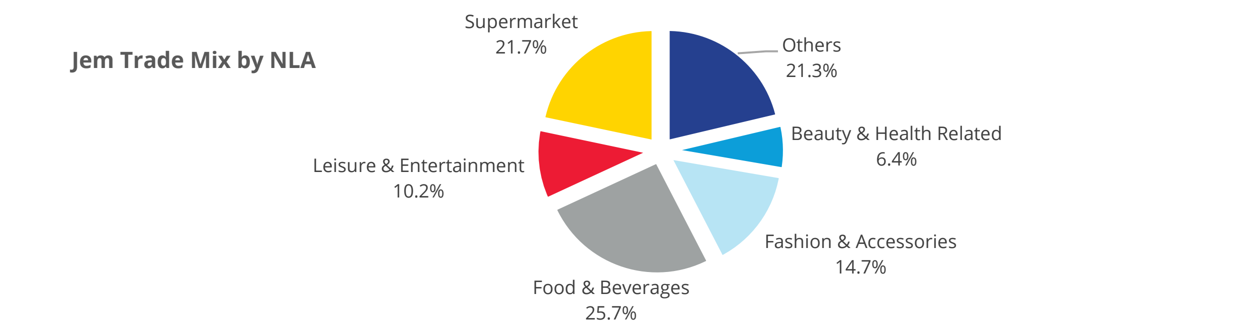
Jem is an 892,148 sf mixed-use retail and commercial development built in 2014 located in Jurong Gateway. The mixed-use development is directly connected to the Jurong East MRT and bus interchange and is part of the J Walk - an elevated pedestrian walkway - connecting major surrounding developments (Westgate, IMM, Big Box and the Ng Teng Fong General Hospital). Jem presently has a nearly full overall occupancy of 99.7% of its retail and office components as at 31 March 2021.

The retail component of Jem spans six-stories and is positioned as a prime suburban destination shopping mall. The top three trade mix by NLA are F&B at 25.7%, supermarket at 21.7%, fashion and accessories at 14.7% as at 31 March 2021. The key anchor tenants include IKEA, Cathay Cineplex theatre, Fairprice Xtra hypermarket, H&M, Don Don Donki.

The office component sits atop the retail mall taking up 12 stories, with an ergonomic design that uses natural light. It has large efficient floorplates of approximately 24,000 sf with column free Grade A spaces and raised flooring. The entire office component is fully leased to the Ministry of National Development.

Subject Property	Tenure	NLA (sf)	Occupancy Rate	Valuation S$ psf NLA	Key Tenants
Jem	99 years LH w.e.f from 2010	892,148	99.7%	2,328	Ministry of National Development, IKEA, Fairprice Xtra, Cathay Cineplex, Don Don Donki, Koufu, Uniqlo, Courts, H&M

Source: Lendlease Global Commercial REIT



Source: Lendlease Global Commercial REIT

Property	Owner	Tenure	NLA (sf)	Rents S$ psf pm	Gross Revenue S$ psf NLA	Occupancy Rate	Valuation S$ psf NLA	Valuation Cap Rate	Tenant Mix
Westgate Mall (Retail)	Capitaland Integrated Commercial Trust	99 years LH w.e.f from 2011	410,535	15.2	182.4	99.9%	2,657	4.5%	Paradise Group, Fitness First, Spotlight, Beauty One International
JCube (Retail)	Capitaland Integrated Commercial Trust	99 years LH w.e.f from 1991	206,938	20.3	151.7	92.8%	1,392	4.9%	Pan Pacific Retail Management, Shaw Theatres, Aston Food & Beverage Specialities, Singapore Sports Council
Westgate Tower (Office)	Sun Ventures Homes & Low Keng Huat JV	99 years LH w.e.f from 2011	304,963	6.3	N.A.	95.8%	1,899	N.A.	Platinum Yoga, CPG Corporation, Great Eastern, JustCo
Vision Exchange	Sim Lian Group	99 years LH w.e.f from 2013	500,000	4.5	N.A.	82.7%	N.A.	2.7% (rental yield)	Regus, Air Liquide Asia, AIA, Maybank, Magic life

Source: Colliers International, Capitaland Integrated Commercial Trust Annual Report 2020

Westgate Mall, built in 2013, is one of the malls located in Jurong Gateway and directly accessible via J Walk from Jurong East MRT and bus interchange. With an almost full occupancy of 99.9% and an NLA of 410,535 sf of retail space, it is owned and managed by Capitaland Integrated Commercial Trust. As a premier family and lifestyle mall with amenities such as the Ng Teng Fong General Hospital, it offers a holistic shopping experience featuring a ventilated alfresco dining options and children playground, as well a mix of mid and high end offering of retail and F&B family restaurants, food kiosks, fast food and casual dining (Miam Miam, Crystal Jade, Breadtalk, Beauty in a Pot, Genki Sushi), specialty marts (Japan Home and Miniso), wellness and beauty (Sephora, Kiehl's, Fitness First) and fashion (Bata, ECCO, FILA, Pandora, Editor's Market). Westgate caters to a wide range of shopping needs for families, and students in the local catchment area.

JCube, built in 2012, is one of the malls located in Jurong Gateway and across the road from Jurong East MRT and bus interchange. With an occupancy of 92.8% and retail NLA of 206,938 sf, it is owned and managed by Capitaland Integrated Commercial Trust. It is a leisure and edutainment mall housing Singapore's one and only Olympic-sized ice-skating rink and IMAX theatre in the regional centres, and offers a variety of education centres, convenience retail (QB House, Watsons, Daiso, Don Don Donki) and F&B options of family restaurants, food kiosks, fast food and casual dining (Aston's, KFC, KOI, McDonald's, MOS Burger, Saizeriya). JCube caters to a wide range of shopping needs for young families in the neighbourhood.

Vision Exchange is a 25-storey premier commercial building located in Jurong Gateway and across the road from Jurong East MRT and bus interchange, comprising of offices, medical suites and ancillary F&B space. Built in 2018, it is owned by Sim Lian Group and has an occupancy of 82.7%. As the only strata-titled commercial development for sale in Jurong Gateway, it also features high-grade specifications such as raised flooring, fibre-optics connectivity, chilled water system, full height floor-to-ceiling. With floor plates of 25,000 sf and options to subdivide the area, it is home to a mix of SMEs and MNCs in financial institutions, chemical and oil, manufacturing etc. such as Regus, Air Liquide Asia, AIA and Hitachi.

Westgate Tower (office) is a 20-storey commercial building located in Jurong Gateway and integrated with Westgate Mall, accessible directly from Jurong East MRT and bus interchange. With an average floorplate of 17,000 sf, it is developed by Capitaland in 2014 and subsequently owned by Sun Ventures Homes & Low Keng Huat JV. With an occupancy of 95.8%, it has a centralized air-conditioning system, raised flooring and attractive views. Current occupiers include Platinum yoga, Great Eastern, JustCo and CPG Corporation.

Jem to Maintain Competitive Positioning and Benefit from Rejuvenation of Jurong East

Since its completion in 2014, Jem has established itself as one of Jurong Gateway's best performing retail and office mixed-use developments. Strategically located adjacent to and with direct access to the Jurong East MRT station, Jem enjoys a high level of committed occupancy in both its retail and office components even after the Covid-19 pandemic, with 99.7% overall committed occupancy as at 31 March 2021. The rapid taking over of the former Robinsons department store space by the new IKEA store, despite the challenging retail environment and the Covid-19 pandemic, is a strong demonstration of Jem's attractiveness as a retail destination in the West region of Singapore.

The development is well-positioned relative to its competitors in terms of both its tenancy mix, presence of key anchor tenants, retail offering and quality of its space. Jem's unique retail positioning benefits from the active tenancy management and curation strategies to attract and retain unique retail tenants such as IKEA, Don Don Donki, Tsui Wah, Scoop Wholefoods and to maintain a high-level of footfall. The basement F&B area recently underwent an asset enhancement initiative (AEI) and offers plenty of seating area for on-site consumption while catering well to the growing food takeaway business. The balanced retail offering of Jem, with a mix of specialty retail, destination dining options, and local-oriented offering, including the presence of a large FairPrice Xtra supermarket, provides an unequal level of resiliency and future-proofing to changes in the retail environment. Essential services trade mix such as food and beverages, services, supermarket and hypermarket, beauty and health account for circa 58% of its retail NLA. These conditions provide Jem with the potential to rebound faster than its competitors from the Covid-19 downturn, given its ability to attract customers from a vast catchment area, while capturing a high proportion of spending from residents of the Jurong area. In fact, regional suburban malls which are well-tenanted like Jem have already proven to do well during the pandemic due to its higher proportion of non-discretionary uses.

Jem provides one of the very few options of Grade A office space as part of a mixed-use asset with direct access to the MRT station in the West Region. Jem's office component also benefits from a 30-year lease with a stable Singapore government agency, the Ministry of National Development (MND). MND's long-term lease leads the way in the government's push for decentralisation away from the Central Business District and into the regional centres. This validates Jem's positioning as a mixed-use asset that captures the future benefits of the suburban Grade A office sector. With the expected office decentralisation trend as a result of the Covid-19 pandemic and the adoption of remote working, Jem will be particularly well-positioned as it provides conveniently located good quality office spaces near residential communities. Jem's large food & beverage and retail offering also constitutes a strong advantage for office occupiers and workers who increasingly value convenience and experiential considerations when choosing an office location.

Jem is expected to benefit strongly from the further development of the Jurong Gateway area and the adjacent Jurong Lake District as Singapore's second central business district and new tourism destination. With the densification and rejuvenation of the Jurong East area, Jem will benefit from the growing residential and office workers' population as well from the larger number of tourists and visitors. The completion of the new transportation infrastructure in the area, including the new Jurong East Integrated Transport Hub, the Jurong Region Line (JRL) and the Cross Island Line (CRL) will materially improve connectivity to the precinct and expand Jem's retail and office catchment area to a broader area within the West Region and beyond. The relocation of the port activities to the Tuas Mega Port will also have considerable benefits for Jem as many port-oriented companies will consider moving their offices closer to port facilities, with Jurong East being the preferred location.

In short, as a mixed-use development, Jem provides unparalleled conditions for a stable and resilient performance amid a rapidly changing retail and office environment in Singapore. Colliers is of the opinion that Jem will not only maintain its unique and attractive market positioning moving forward but also materially benefit from the numerous exciting urban and infrastructure development projects to occur in the surrounding environment.

4.3. Outlook

Despite the considerable impact of the Covid-19 outbreak and Circuit Breaker in the first half of 2020, the economy rebounded in the second half of 2020. The outlook for 2021 remains favorable with the MTI's GDP projections at 4.0% to 6.0% on the back of solid economic fundamentals, healthy household balance sheet and strong overall economic position. Widespread vaccine rollout globally also indicates a likely recovery of global economies, especially China, Europe and the United States which will drive global demand and positively impact Singapore's export-oriented economy. This is especially true for the Jurong East Regional Centre given its rising role to Singapore's commercial landscape.

The Jurong East Regional Centre will remain resilient due to its favorable location as the second CBD of Singapore and the healthy pipeline in the medium to long term will ensure vibrancy and high commercial traffic in the area from manufacturing-and-maritime related firms, government agencies and dense residential catchment area of the entire West Region. Jem is expected to remain competitive and to perform well during the post-Covid-19 recovery due to its strategic location, large catchment area, destination retail offering, high proportion of non-discretionary trades, good quality office space and connectivity to the rest of Singapore. With its mix of mass market, destination retail and family-oriented positioning, Jem is also expected to record a faster recovery from the Covid-19 outbreak as compared to other mixed-use properties in the Jurong East micro-market and elsewhere in Singapore.

Limiting Conditions

1. MARKET PROJECTIONS

1. Any market projections incorporated within our Services including, but not limited to, growth rates, stock and occupancy rates are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
2. Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections. Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

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2. All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
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4. For the avoidance of doubt, our directors and employees shall have no liability in respect of their private assets.

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APPENDIX E

EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of all Existing Interested Person Transactions entered into between (1) LREIT and (2) the Sponsor Group and its associates, during the course of FY2021, which are the subject of aggregation pursuant to Chapter 9 of the Listing Manual.

No.	Interested Person	Nature of Transaction	Value of Transaction (S$ million)
1.	Lendlease International Pty Limited	Acquisition of 5% interest in ARIF3	45.0
2.	Lendlease Retail Pte. Ltd.	Renewal of portal licence agreement for 313@somerset	0.3
3.	Lendlease Retail Pte. Ltd.	Provision of development management services for the redevelopment of the Grange Road car park	0.3
4.	Lendlease Singapore Pte. Ltd.	Provision of project and construction management services for the redevelopment of the Grange Road car park	2.0
Total			**47.6**

APPENDIX F

PROCEDURES FOR EXTRAORDINARY GENERAL MEETING

Steps for pre-registration, pre-submission of questions and voting at the EGM

Unitholders will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream by pre-registering, submit questions in advance of the EGM and vote by appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	Pre-registration	Unitholders and CPF/SRS investors must pre-register at LREIT's pre-registration website at https://www.lendleaseglobalcommercialreit.com/ from now till 1.00 p.m. on 23 July 2021 to enable the Manager to verify their status as Unitholders. Following the verification, authenticated Unitholders will receive an email which will contain the instructions as well as the link to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the EGM proceedings (the "**Confirmation Email**"). Authenticated Unitholders who do not receive the Confirmation Email by 10.00 a.m. on 25 July 2021, but have registered by the 23 July 2021 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 or email LREIT2021@boardroomlimited.com. Investors who hold Units through a relevant intermediary (other than CPF/SRS investors) will not be able to pre-register at https://www.lendleaseglobalcommercialreit.com/ for the live broadcast of the EGM. Such investors who wish to participate in the live broadcast of the EGM should instead approach their relevant intermediary as soon as possible in order to make the necessary arrangements.
2.	Pre-submission of questions	**Unitholders will not be able to ask questions live at the EGM during the webcast or audio stream, and therefore it is important for Unitholders to pre-register and submit their questions in advance of the EGM.**

No.	Steps	Details
		Submission of questions: Unitholders may submit questions related to the resolution(s) to be tabled for approval at the EGM in advance of the EGM, in the following manner: (a) if submitted electronically, be submitted: i) via LREIT's pre-registration website at https://www.lendleaseglobalcommercialreit.com/; or ii) via email to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at LREIT2021@boardroomlimited.com; or (b) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. (c) Unitholders who submit questions via email or by post to the Unit Registrar must provide the following information: i) the Unitholder's full name; ii) the Unitholder's address; and iii) the manner in which the Unitholder holds the Units (e.g., via CDP, CPF or SRS). (d) In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit their questions via the pre-registration website or by email. (e) **Deadline to submit questions**: All questions must be submitted by 1.00 p.m. on 23 July 2021. **Addressing substantial and relevant questions**: The Manager will endeavour to address all substantial and relevant questions, submitted in advance of the EGM, prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the EGM, on LREIT's website and on SGXNET prior to the EGM. **Minutes of EGM**: The Manager will publish the minutes of the EGM on LREIT's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the EGM.

<table>
<tr><th>No.</th><th>Steps</th><th>Details</th></tr>
<tr><td>3.</td><td>Submission of Proxy Form to vote</td><td> Appointment of Chairman of the EGM as proxy: Unitholders (whether individual or corporate) who wish to vote on the resolution(s) to be tabled at the EGM must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form. Specific voting instructions to be given: Where Unitholders (whether individual or corporate) appoint the Chairman of the EGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid. Submission of Proxy Forms: Proxy Forms must be submitted in the following manner: (a) if submitted by post, be lodged at the registered office of LREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or (b) if submitted electronically, be submitted via email to LREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at <u>LREIT2021@boardroomlimited.com</u>; in either case, not later than 1.00 p.m. (Singapore time) on 23 July 2021, being not less than 72 hours before the time fixed for holding the EGM. A Unitholder who wishes to submit the Proxy Form by post or via email must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation in Singapore and the related safe distancing measures, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email to <u>LREIT2021@boardroomlimited.com</u>. </td></tr>
</table>

No.	Steps	Details
		CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 5.00 p.m. on 13 July 2021. Other persons holding Units through other relevant intermediary who wish to vote should approach their relevant intermediary as soon as possible to specify their voting instructions.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of Lendlease Global Commercial REIT ("**LREIT**", and holders of units in LREIT, the "**Unitholders**") will be convened and held by way of electronic means on 26 July 2021 at 1.00 p.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular to Unitholders dated 2 July 2021 (the "**Circular**")):

1. **THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)**

That:

(i) approval be and is hereby given for the proposed acquisition by RBC Investor Services Trust Singapore Limited, as trustee of LREIT (the "**Trustee**" or the "**Purchaser**") or its nominated wholly-owned subsidiary, of 53.0% of the total issued share capital of Lendlease Jem Partners Fund Limited ("**LLJP**") from two funds advised by affiliates of UBS Asset Management AG and Aviva Ltd. on the terms and conditions set out in the LLJP UBS Aviva SPA (as described in the Circular), and from Sumitomo Mitsui Banking Corporation on the terms and conditions set out in the LLJP SMBC SPA (as described in the Circular), for a purchase consideration of S$159.1 million, and the entry into the LLJP UBS Aviva SPA and LLJP SMBC SPA be and is hereby approved and ratified;

(ii) approval be and is hereby given for the proposed acquisition by the Purchaser of 5.0% to 19.8% of the total issued share capital of Lendlease Asian Retail Investment Fund 3 Limited ("**ARIF3**") from one or more of the other existing shareholders of ARIF3 who are not related to LREIT (the "**Third Party ARIF3 Vendors**") in accordance with the bye-laws of ARIF3 (in the event that the Purchaser acquires any ARIF3 shares from the Third Party ARIF3 Vendors) and/or Lendlease International Pty Limited on the terms and conditions set out in the ARIF3 LLI SPA, for a total purchase consideration of between S$45.0 million to S$178.2 million, and the entry into the ARIF3 LLI SPA be and is hereby approved and ratified;

(iii) approval be and is hereby given for the proposed issue of new units in LREIT for payment of the acquisition fee to Lendlease Global Commercial Trust Management Pte. Ltd., as manager of LREIT, for the proposed Acquisition;

(iv) approval be and is hereby given for the payment of all fees and expenses relating to the proposed Acquisition;

(v) approval be and is hereby given for the entry by LREIT (whether directly or indirectly through its subsidiaries) into all agreements and transactions in connection with the proposed Acquisition and all ancillary agreements contemplated thereby or incidental thereto, or which are necessary to give effect to the proposed Acquisition; and

(vi) the Manager, any director of the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of LREIT to give effect to the proposed Acquisition and the entry into the share purchase agreements and all transactions in connection therewith.

BY ORDER OF THE BOARD

Lendlease Global Commercial Trust Management Pte. Ltd.
(as manager of Lendlease Global Commercial REIT)
(Company Registration No. 201902535N)

Ms Ng Hsueh Ling
Chairman and Non-Independent Non-Executive Director
2 July 2021

Important Notice:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. In addition to printed copies of this Notice that will be sent to Unitholders, this Notice will also be sent to Unitholders by electronic means via publication on LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/ and will also be made available on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements.

2. **Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below. Any reference to a time of day is made by reference to Singapore time.

3. Unitholders will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must pre-register at LREIT's pre-registration website at the URL https://www.lendleaseglobalcommercialreit.com/ from now till 1.00 p.m. on 23 July 2021 to enable the Manager to verify their status as Unitholders.

   Following the verification, authenticated Unitholders will receive an email, which will contain user ID and password details as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings, by 10.00 a.m. on 25 July 2021. Unitholders who do not receive an email by 10.00 a.m. on 25 July 2021 but have registered by the 23 July 2021 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or by email at LREIT2021@boardroomlimited.com.

4. Unitholders may also submit questions related to the resolution to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM. In order to do so, their questions must be submitted in the following manner by 1.00 p.m. on 23 July 2021:

   (a) via LREIT's pre-registration website at https://www.lendleaseglobalcommercialreit.com/ ; or

(b) via email to the Manager, at enquiry@lendleaseglobalcommercialreit.com; or

(c) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions by email or by post must provide the following information:

(1) the Unitholder's full name;

(2) the Unitholder's address; and

(3) the manner in which the Unitholder holds Units in LREIT (e.g., via CDP, CPF or SRS).

The Manager will endeavour to address all substantial and relevant questions received in advance of the EGM prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the EGM, on LREIT's website and on SGXNET prior to the EGM. The Manager will publish the minutes of the EGM on LREIT's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

Unitholders will not be able to ask questions at the EGM live during the webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the EGM.

5. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In addition to the printed copies of the Proxy Form which will be sent to Unitholders, the Proxy Form is available on LREIT's website and on the website of the SGX-ST at the URLs https://www.lendleaseglobalcommercialreit.com/ and https://www.sgx.com/securities/company-announcements , respectively.

   In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

6. The Proxy Form must be submitted to the Manager c/o the Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to the Unit Registrar at LREIT2021@boardroomlimited.com,

   in either case, by 1.00 p.m. on 23 July 2021, being 72 hours before the time fixed for the EGM.

   A Unitholder who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

7. Persons who hold Units through relevant intermediaries (as defined below), and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

   For the avoidance of doubt, CPF and SRS Investors who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream and/or (b) submitting questions in advance of the EGM should refer to paragraphs 3 and 4 above respectively. However, CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 July 2021, being seven (7) working days before the date of the EGM.

"**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

(iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. The Chairman of the EGM, as proxy, need not be a Unitholder of LREIT.

9. The Circular may be accessed at LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/ .

10. Due to the COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check LREIT's website at the URL https://www.lendleaseglobalcommercialreit.com/ for the latest updates on the status of the EGM.

Personal data privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

LENDLEASE GLOBAL COMMERCIAL REIT
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 28 JANUARY 2019 (AS AMENDED, RESTATED AND SUPPLEMENTED))

PROXY FORM
EXTRAORDINARY GENERAL MEETING

NOTE: This Proxy Form may be accessed at Lendlease Global Commercial REIT's website at https://www.lendleaseglobalcommercialreit.com/, and will be made available on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements.

Personal Data Privacy
By submitting an instrument appointing the Chairman of the EGM (as defined below) as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 2 July 2021.

IMPORTANT:
1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. In addition to the printed copies of the Notice of EGM dated 2 July 2021 which will be sent to unitholders, the Notice of EGM will also be available through electronic means via publication on Lendlease Global Commercial REIT's website at https://www.lendleaseglobalcommercialreit.com/, and will also be made available on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.
3. **Due to the current COVID-19 situation in Singapore, a unitholder will not be able to attend the EGM in person. If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the EGM as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 5.00 p.m. on 13 July 2021, being 7 working days before the date of the EGM.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

I/We ______________________________ (Name(s) and NRIC No./Passport No./Company Registration No.)
______________ of ______________________________ (Address)
being a unitholder/unitholders of Lendlease Global Commercial REIT ("**LREIT**"), hereby appoint the Chairman of the EGM as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting (the "**EGM**") of LREIT to be convened and held by way of electronic means on **Monday, 26 July 2021 at 1.00 p.m.** and at any adjournment thereof.

I/We direct the Chairman of the EGM as my/our proxy to vote for or against, or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder.

No.	Resolution	No. of Votes For*	No. of Votes Against*	No. of Votes to Abstain*
	ORDINARY BUSINESS			
1	To approve the proposed Acquisition, as an interested person transaction (Ordinary Resolution)			

* *Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate a "√" in the space provided under "Abstain". Alternatively, please indicate the number of units that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.*

Dated this ________ day of ______________ 2021.

Total No. of Units held	

IMPORTANT: Please read notes on the reverse side

____
Signature(s) of Unitholder(s) or
Common Seal of Corporate Unitholder

Notes:

1. **Due to the current COVID-19 situation in Singapore, a unitholder will not be able to attend the EGM in person.** If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. This Proxy Form will be sent to Unitholders and may be accessed at LREIT's website at https://www.lendleaseglobalcommercialreit.com/, and on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements. In appointing the Chairman of the EGM as proxy, a unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
2. CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 July 2021, being 7 working days before the date of the EGM.
3. The Chairman of the EGM, as proxy, need not be a unitholder of LREIT.
4. A unitholder should insert the total number of units held. If the unitholder has units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited, the unitholder should insert that number of units. If the unitholder has units registered in the unitholder's name in the Register of Unitholders of LREIT, the unitholder should insert that number of units. If the unitholder has units entered against the unitholder's name in the said Depository Register and registered in the unitholder's name in the Register of Unitholders of LREIT, the unitholder should insert the aggregate number of units. If no number is inserted, this Proxy Form will be deemed to relate to all the units held by the unitholder.

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lendlease
GLOBAL COMMERCIAL REIT

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09581

Lendlease Global Commercial Trust Management Pte. Ltd.
c/o Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2nd fold here

5. The Proxy Form must be submitted to the Manager c/o LREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
   (a) if submitted by post, be lodged at the office of LREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
   (b) if submitted electronically, be submitted via email to LREIT's Unit Registrar at LREIT2021@boardroomlimited.com,

   in either case, by 1.00 p.m. on 23 July 2021, being 72 hours before the time fixed for the EGM.

   A unitholder who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the COVID-19 situation in Singapore which may make it difficult for unitholders to submit completed Proxy Forms by post, unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power or authority must (failing previous registration with the Manager) if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Any reference to a time of day is made by reference to Singapore time.

General

The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.

3rd fold here and seal