

Dear Unitholder,

On 14 December 2020, Lippo Malls Indonesia Retail Trust (“LMIR Trust” or the “Trust”) will convene an extraordinary general meeting (“EGM”) to seek Unitholders’ approval for four resolutions that are important for shaping LMIR Trust’s future. If approved, these resolutions will enable us to take the necessary steps in executing our asset optimisation strategy, to enhance our Trust’s portfolio and strengthen ourselves for long-term growth.

At the crux of the matter is the **proposed acquisition of Lippo Mall Puri** (the “Property”), a strategic and iconic retail mall in West Jakarta and the flagship property of LMIR Trust’s sponsor, PT Lippo Karawaci Tbk. Amid the Covid-19 pandemic, both parties have agreed for the Property to change hands at a revised price of Rp.3,500 billion (\$336.5 million), which is a discount to the valuations by each of the two independent valuation companies engaged for the transaction. The proposed acquisition follows the divestment in the third quarter of 2020 of Pejaten Village and Binjai Supermalls, two smaller and mature malls.

In the run-up to the EGM, some Unitholders have asked **what it is about the Property that makes it a compelling buy**. The circular that you have received together with this letter explains, among other things, why the Property is an attractive acquisition target. Appended to the circular is a summary of the independent market research report relating to the Property by Savills Valuation and Professional Services (“**Savills Report**”), substantiating our rationale for making the acquisition. These points have also been extracted into the gatefold of the circular for your ease of reference:

- It is a strategic and iconic retail asset located in an area with favourable demand and supply dynamics;
- It represents an opportunity to acquire a high-quality retail mall at an attractive price and net property income (“NPI”) yield with potential for capital appreciation;
- Its addition to our portfolio will lead to significant growth in assets under management and net lettable area (“NLA”) for LMIR Trust. The Property’s NLA of 122,862 sqm is almost equivalent to the combined retail space of Singapore’s Ngee Ann City and Wisma Atria;
- It will enhance LMIR Trust’s product offering across the fashion, leisure & entertainment and F&B trade sectors; and
- It will improve LMIR Trust’s portfolio mix and strengthen the Trust for long-term growth.

That leads us to the second question: **Why now?** Why not wait for sentiments on the Indonesia retail scene to improve before making the acquisition? Delaying the acquisition would be ideal as long as all operating indicators such as rental, occupancy and footfall increase while the price of the asset remains unchanged. However, it would be an unrealistic expectation, as the value of the Property would naturally increase in tandem with its operating fundamentals. So if, as the Savills Report says, retail sentiments are expected to improve, then making the acquisition now would be a good move as the Property should stand to benefit from positive rental reversions and consequently an upward revaluation in a post Covid-19 environment. To protect ourselves in the event of further deterioration in sentiments, we will have a **Vendor Support Agreement**, which commits the seller to lease certain vacant leasable space within the Property to ensure that we achieve a target NPI on a quarterly basis. This will help to mitigate the short-term uncertainties arising from the Covid-19 pandemic.

The third question that we need to address is **whether the Trust is over-stretching its balance sheet**. Subject to your approval, we intend to finance the acquisition via a combination of borrowings and a proposed **Rights Issue**. All going as planned, the Trust's aggregate leverage will remain well within the MAS regulated gearing ratio.

We are proposing to raise approximately S\$281 million through **the Rights Issue** to partially finance the acquisition. This exercise will increase our market capitalisation and liquidity, and potentially increase our visibility and coverage within the investment community. We are encouraged that the Sponsor has undertaken to take up its full *pro rata* stake in the Rights Issue and apply for all the Excess Rights Units. We see this demonstration of support as a sign of the Sponsor's confidence in LMIR Trust's growth prospects.

Over the years, the Manager of LMIR Trust has been focused on improving the operations and value of the Trust, optimising our capital and funding structure as well as stabilising distributions to unitholders. This was reinforced in 2019 when we also commenced asset enhancement initiatives on two aging malls and divested two others with limited growth potential. Our focus on the **rapidly growing middle-class consumers in Jakarta** who are becoming increasingly affluent has enabled us to deliver a 35% annual total return to Unitholders and be ranked 11th out of the 44 REITS and Business Trusts listed on the Singapore Exchange for the 2019 financial year. It is in this context that the acquisition of Lippo Mall Puri was announced in early 2019. Although the Covid-19 pandemic has affected LMIR Trust's mall operations, we believe that the impact is temporary, and that the pandemic presents an opportunity for LMIR Trust to acquire the Property at a reduced price.

We sincerely hope that you will continue to support LMIR Trust, as we give off our best to enhance its value for unitholders. We are happy to discuss the proposed acquisition and the Rights Issue further with you and take any questions that you may have over a virtual dialogue session on Wednesday, 2 December 2020 at 6:00 p.m.. Do register for it at <https://sias.org.sg/lmirtrust>.

Till then, do stay safe.

Yours faithfully,

Murray D. Bell

Chairman and
Lead Independent Director

James Liew

Executive Director and
Chief Executive Officer

尊敬的信托单位持有者：

力宝商产信托（简称“LMIR信托”或“信托”）将于2020年12月14日召开临时股东大会（简称“EGM”）以征求信托单位持有者对四项决议的同意。这些对于塑造LMIR信托的未来至关重要的决议让我们能够采取必要的行动来执行资产优化策略，从而增强信托的投资组合，从而实现自强不息的长期增长。

其中的关键事项就是力宝购物中心普里（**Lippo Mall Puri**，简称“产业”）的收购计划。这个战略性且标志性的零售购物中心位于西雅加达，是LMIR信托的保荐方力宝卡拉瓦西（PT Lippo Karawaci Tbk）的旗舰产业。面对2019冠状病毒疫情时期，双方同意以3万5000亿印尼盾（约合3亿3650万新元）的修订价格买卖该产业。这个价格低于参与估值的两家独立估值公司各自提出的估计价值。在此之前，LMIR信托已在2020年第三季完成售Pejaten Village和Binjai Supermalls这两间规模较小楼龄较旧的购物中心。

在临时股东大会召开之前，一些信托单位持有者问及这个产业有哪些方面促成我们希望购入的原因。您手上的函件阐明了有关该产业为何是具吸引力的收购目标以及其他事项的解释。函件也附上第一太平戴维斯（Savills）估价与专业顾问公司就该物业的独立市场研究报告的摘要（简称“戴维斯报告”），以证实我们希望进行此项收购的理由。为了方便您参考，以下这些论点也摘录在函件的折叠插页中：

- 这个零售资产位于需求和供应动态良好的区域，具备战略性和标志性的优势；
- 这是一个以诱人的价格和净资产收益收益率（net property income yield）收购具有资本增值潜力的高质量零售购物中心的良机；
- 将这个产业添加到我们的投资组合中，能促使LMIR信托的管理资产和净可出租面积（net lettable area）显著增长。该产业的净可出租面积为122,862平方米，几乎相当于新加坡义安城和威士马广场的总零售面积；
- 这将强化LMIR信托在时尚、休闲和娱乐以及餐饮行业的产品组合；以及
- 这将改善LMIR信托的投资组合，并增强信托的长期增长。

您可能会想：为什么要现在收购？为什么不等到印度尼西亚的零售业环境稳定后再收购呢？只要在资产价格保持不变的同时，所有的经营指标（如租金、出租率和人流量）亦均增加，那么延迟收购将是明智之举。然而，这是不切实际的期望，因为该产业的价值自然会随着其经营基本面的增长而提高。因此，就如戴维斯报告所指出，零售市场环境将会有改善，那么现在进行收购就是上上之策。这是因为该产业能从积极的租金调升中受益，从而在冠病疫情后的环境中升值。为了保护信托免受市场气氛进一步恶化的影响。我们将签订《卖方支持协议》，要求卖方承诺在该物业内租赁某些空置的可出租空间，以确保我们每季度达到目标净资产收益。这将有助于缓解冠病疫情带来的短期不确定性。

第三个迫切的问题是，我们的决策是否会导致LMIR信托的资产负债状况过于紧张。经您的同意，我们打算通过借款和发行附加单位的方式为收购计划筹集资金。由此一来，信托的总杠杆率将保持在新加坡金融管理局规定的负债比率之内。

我们建议通过配售附加单位筹集大约2亿8100万新元的金额，以资助收购计划的一部分资金。这将会提高我们的市值和交易流动性，并可能提高我们在投资界的知名度和覆盖面。

令我们感到鼓舞的是，保荐方已承诺将按其股权比例认购附加单位，并申请所有多余的附加单位。保荐方的鼎力支持表明其对LMIR信托的增长前景充满信心。

多年来，LMIR信托经理一直致力于改善信托的运营和价值，优化信托的资本和资金结构，并确保单位持有者所获得的股息分配保持稳定。在2019年，我们也通过两个楼龄较久的购物中心的资产提升计划，以及脱售另外两个增长潜力有限的购物中心来加强上述举措。我们重点集中于日益富裕的雅加达快速增长的中产阶级消费者，从而为单位持有者提供35%的年度总回报，并在2019年财政年度新加坡交易所挂牌的44个房地产投资信托和商业信托中排名第11位。我们把握良机，于2019年初宣布了对力宝购物中心普里的收购。尽管2019冠病疫情对LMIR信托的购物中心运营带来影响，但我们认为这只是暂时性的，疫情甚至为LMIR信托提供了一个以优惠价格购买该产业的良机。

在LMIR信托，我们致力于为信托单位持有者提升信托单位的价值，因此希望您能继续支持我们。如果您对收购计划以及配售附加单位的拟议或其他方面有任何疑问，我们将很乐意地在星期三，2020年12月2日下午6点召开的网上对话上为您解答。请在<https://sias.org.sg/lmirtrust>为参与对话提前注册。

祝愿您平安健康。

Murray D. Bell

主席及首席独立董事

James Liew

执行董事及行政总裁

YOUR VOTE COUNTS

Thank you for attending our past unitholders' meetings to vote and make your voice heard. We are sorry that we will not be able to meet physically at the upcoming extraordinary general meeting ("EGM") at **10:00 a.m. (Singapore Time) on Monday, 14 December 2020** due to the current Covid-19 restriction orders in Singapore.

However, your participation is still important to us and we hope that you will continue to lend your voice by submitting in your votes via proxy for the resolutions tabled. The Circular that you have received, together with this flyer, explains, amongst other things, the importance of the acquisition of Lippo Mall Puri and the rights issue. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

In keeping with our tradition of showing appreciation for our Unitholders' participation at the physical meetings, we will be sending a **\$15 Fairprice voucher** to all Unitholders who hold Units through their securities accounts with The Central Depository (Pte) Limited (excluding securities sub-accounts) and participate in this virtual EGM by submitting their votes.

Your completed Proxy Form must reach the Unit Registrar by 10:00 a.m. (Singapore Time) on Friday, 11 December 2020 in order for your participation to be counted as valid¹.

VOTE NOW IN 3 SIMPLE STEPS

Step 1: Locate the Proxy Form

The Proxy Form is enclosed in the Circular that has been despatched to you. You can also access it on the LMIR Trust website at <http://lmir.listedcompany.com/lippo-mall-puri-acquisition.html> and the SGX website at <https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname>

Step 2: Complete the Proxy Form



- A **FILL** in your name and particulars to appoint the Chairman of the EGM as your proxy to attend, speak and vote on your behalf at the EGM.
- B Indicate with an "X" in the box labelled **FOR, AGAINST** or **ABSTAIN** on how the Chairman of the EGM should cast your votes or abstain from voting for each of the Resolutions.¹
- C Indicate the number of Units you hold.
- D **MUST SIGN** and **INDICATE** the date on the Proxy Form.²

Step 3: Submit the completed Proxy Form to the Unit Registrar



By post:

Seal the Proxy Form and drop it in any SingPost mailbox or deliver by hand to:

*Unit Registrar c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623*

Your Proxy Form must reach the Unit Registrar by 10:00 a.m. (Singapore Time) on Friday, 11 December 2020, being 72 hours before the time appointed for holding the EGM.



By email:

Email to lmirtegm2020@boardroomlimited.com

Your Proxy Form must reach the Unit Registrar 10:00 a.m. (Singapore Time) on Friday, 11 December 2020, being 72 hours before the time appointed for holding the EGM.

CPFIS Members or SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective approved CPF agent banks or SRS Approved Banks to submit their votes by 5:00 p.m. (Singapore Time) on Wednesday, on 2 December 2020.

Notes:

¹ You are advised to read the notes to the Proxy Form carefully for details on how you may complete the Proxy Form. Circumstances that will render your Proxy Form invalid and disqualify you from receiving the voucher include:

- when you do not indicate how the Chairman of the EGM should cast your vote in respect of each specific resolution is given on the proxy form;
 - when your name does not appear on the Depository Register by 10:00 a.m. (Singapore Time) on Friday, 11 December 2020, being 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager; and/or
 - where the Proxy Form is not received by our Unit Register by 10:00 a.m. (Singapore Time) on Friday, 11 December 2020, being 72 hours before the appointed for holding the EGM.
- ² The Proxy Form must be executed under the hand of the appointor or of his or 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 an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.



您的一票至关重要

感谢您参加以往的信托单位持有者会议，并通过投票表达您的意愿。由于新加坡所实施的2019冠状病毒疫情的限制，我们很遗憾这次无法在2020年12月14日（星期一），新加坡时间上午10点召开的临时股东大会上亲自会面。

然而，您的参与对我们而言非常重要。我们希望您通过代理针对决议案投票表决，继续表达您的意愿。您所收到的函件，包括这张传单，阐明了力宝购物中心普里的收购计划和配售附加单位的拟议的重要性。如果您不清楚应该采取什么行动，请立刻向您的股票经纪人、银行经理、律师、会计师或其他专业顾问咨询。

为了持续我们向信托单位持有者亲临会议表达谢意的一贯做法，我们将寄给所有参加此虚拟临时股东大会并对其进行投票的信托单位持有人价值 15 新元的 NTUC 超市优惠券。信托单位持有人必须通过中央托收私人有限公司（CDP）证券帐户持有单位（不包括证券子帐户）才有资格收到优惠券。

您填妥的代理委任表格必须在2020年12月11日（星期五），新加坡时间上午10点之前提交给信托单位登记处，方能有效参与¹。

通过三个简单的步骤投票表决

第一步：取得代理授权表格

您所收到的函件中已经包括一张代理授权表格。您也可以通过LMIR信托的网页 (<http://lmir.listedcompany.com/lippo-mall-puri-acquisition.html>) 以及新加坡交易所网页 (<https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname>) 下载授权表格。

第二步：填妥代理委任表格



- A 填入您的姓名和其他详情，授权临时股东大会主席作为您的代理出席临时股东大会，并代表您在会上发言和投票。
- B 在注明 **FOR**（即赞成）、**AGAINST**（即不赞成）或 **ABSTAIN**（即弃权）的格子上记下“X”符号，以表明您希望临时股东大会主席针对每项决议案应该代表您如何投票或弃权。¹
- C 注明您所拥有的信托单位数量。
- D 请务必在代理委任表格上签名及注上日期。²

第三步：向信托单位登记处提交填妥的代理授权任表格



通过邮寄：

将代理授权表格放入信封中，然后投入任何新邮政邮箱中，或递交致：

*Unit Registrar clo Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623*

您的代理授权表格必须在2020年12月11日（星期五），新加坡时间上午10点之前，即临时股东大会召开前的72小时之前，送到信托单位登记处。



通过电邮：

请附上您的代理授权表格，并电邮寄致 lmirtegm2020@boardroomlimited.com

您的代理委任表格必须在2020年12月11日（星期五），新加坡时间上午10点之前，即临时股东大会召开前的72小时之前，送到信托单位登记处。

希望授权临时股东大会主席为代表的公积金投资计划会员或退休辅助计划投资者，应与其指定的公积金代理银行或退休辅助计划的指定银行联系，以在**2020年12月2日（星期三），新加坡时间下午5点之前**提交投票意向。

注：

¹ 请仔细阅读代理授权表格的注释，以获取有关如何填写代理委任表格的详细信息。可能导致您的代理授权表格无效，从而使您失去获得礼券资格的情况包括：

- 您没有在代理委任表格上注明临时股东大会主席应如何就每项特定决议案投票；
- 经中央托收公司向信托经理证明，您的姓名未在2020年12月11日（星期五），新加坡时间上午10点之前（即指定召开临时股东大会的时间前的72小时之内）出现在存托人名册；和/or
- 在2020年12月11日（星期五），新加坡时间上午10点之前，即在指定召开临时股东大会的时间前的72小时之前，我们的单位登记处尚未收到代理授权表格。

² 代理委任表格必须在委托人或其律师以书面方式授权委任。如果代理授权表格是由公司签立的，则必须以其公章或经正式授权的高级职员或律师的名义签署。如果代理委任表格是由律师代表委托人签立的，则代理委任表格中必须随附委托书、公证书或经公证证明的副本，否则该代理委任表格可能被视为无效。

