



LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to
a trust deed dated 8 August 2007 (as amended))

ANNOUNCEMENT

PROPOSED JOINT ACQUISITION

Unless otherwise indicated in this announcement, all conversions from Rupiah amounts into Singapore Dollar amounts in this announcement are based on an illustrative exchange rate of S\$1.00 to Rp.9,800.

1. INTRODUCTION

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” and as manager of LMIR Trust, the “**Manager**”), is pleased to announce that LMIR Trust, through a wholly-owned Singapore-incorporated subsidiary, has entered into a joint venture with First Real Estate Investment Trust (“**First REIT**”), through its wholly-owned Singapore-incorporated subsidiary in connection with the joint acquisition of an integrated development, comprising a hospital component known as “Siloam Hospitals Yogyakarta” (“**SHYG**”) and a retail mall component known as “Lippo Plaza Jogja” (“**LPJ**”, together with SHYG, the “**Property**”, and the acquisition of the Property, the “**Joint Acquisition**”), located at Demangan Subdistrict, Gondokusuman District, Yogyakarta¹, with postal address Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta.

For purposes of the Joint Acquisition:

- (i) HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT (the “**First REIT Trustee**”) has on 3 February 2016 entered into a share purchase agreement with HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust (the “**LMIR Trust Trustee**”) for the acquisition by First REIT of 100.0% of the shares of Icon1 Holdings Pte. Ltd. (“**First REIT SingCo**”) from LMIR Trust for S\$100.00² (the “**Share Purchase Agreement**”). The acquisition of First REIT SingCo (“**First REIT SingCo Transfer**”) by First REIT has been completed and as at the date of this announcement, First REIT SingCo is a wholly-owned subsidiary of First REIT.
- (ii) Immediately following the First REIT SingCo Transfer, First REIT SingCo has on 3 February 2016 entered into a joint venture deed (“**JVA**”) with Icon2 Investments Pte. Ltd. (“**LMIR Trust SingCo**”, together with First REIT SingCo, the “**Purchasers**”), which is a wholly-owned Singapore-incorporated subsidiary of LMIR Trust, for the purposes of governing the relationship between First REIT SingCo and LMIR Trust SingCo as shareholders of PT Yogya Central Terpadu

¹ Yogyakarta is also commonly referred to as “Yogya”, “Jogjakarta” or “Jogja”.

² Equivalent to the issued share capital of First REIT SingCo which was satisfied wholly in cash.

("JV IndoCo"), a limited liability company to be incorporated in Indonesia. First REIT SingCo and LMIR Trust SingCo will each hold 100.0% of the Class A ordinary shares ("Class A Shares") and 100.0% of the Class B ordinary shares ("Class B Shares") in JV IndoCo, respectively³. Please refer to paragraph 2.2 below for further details of the Class A Shares and Class B Shares.

- (iii) The Purchasers have on 3 February 2016 entered into a conditional sale and purchase agreement with PT Mulia Citra Abadi (the "Vendor") pursuant to which the Purchasers propose to acquire the Property from the Vendor (the "Property CSPA"). As Indonesian Agrarian Law does not allow a foreign entity or individual to directly own Indonesian real estate, the Property CSPA provides that the Purchasers have the right to nominate an Indonesian company to enter into a conditional sale and purchase agreement with the Vendor on the same terms as that of the Property CSPA (the "New Property CSPA"), and upon such entry, the Purchasers and the Vendor will enter into a termination agreement (the "Termination Agreement") to terminate the Property CSPA. For the avoidance of doubt, the Indonesian company which the Purchasers intend to nominate to enter into the New Property CSPA will be JV IndoCo⁴.

The Joint Acquisition is structured as set out above because the Manager understands that currently in Yogyakarta there are no regulations permitting the regional government of Yogyakarta to subdivide the Property and issue separate strata titles (*Hak Milik Atas Satuan Rumah Susun* certificate)⁵. JV IndoCo will therefore hold the Property under one "Right to Build" (*Hak Guna Bangunan* or "HGB") title certificate⁶ which will expire on 27 December 2043. Under the JVA, First REIT SingCo has agreed to indemnify LMIR Trust SingCo against any and all losses which LMIR Trust SingCo may suffer or incur which arises out of or in connection with SHYG while LMIR Trust SingCo has agreed to indemnify First REIT SingCo against any and all losses which First REIT SingCo may suffer or incur which arises out of or in connection with LPJ. The effect of the JVA and the holding of the Class A Shares and Class B Shares is that First REIT will only have exposure to all the economic rights and obligations in respect of SHYG through its indirect interest in the Class A Shares, while LMIR Trust will only have exposure to all the economic rights and obligations in respect of LPJ through its indirect interest in Class B Shares, as if they had each acquired SHYG and LPJ separately.

The Vendor is a limited liability company incorporated in Indonesia and a wholly-owned subsidiary of PT Lippo Karawaci Tbk, the sponsor of First REIT and LMIR Trust (the "Sponsor").

3 The JVA is conditional upon obtaining the approval from the unitholders of First REIT ("First REIT Unitholders") and unitholders of LMIR Trust ("LMIR Trust Unitholders").

4 The New Property CSPA will only be entered into after obtaining the approval from the First REIT Unitholders and the LMIR Trust Unitholders.

5 In the event that the laws and regulations prevailing in Jogjakarta changes to allow strata titles, the Manager and the First REIT Manager (as defined below) may consider subdividing the Property and having separate strata titles issued in respect of LPJ and SHYG.

6 In Indonesia, a HGB title is the closest form of land title to the internationally recognised concept of "leasehold" title and under Indonesian Agrarian Law, the highest title which can be obtained by a company incorporated or located in Indonesia is a "Right to Build" or HGB title. HGB title certificates can only be obtained by an Indonesian citizen, or by a legal entity which is incorporated under Indonesian law and located in Indonesia including foreign capital investment companies. A holder of the HGB title has the right to erect, occupy and use buildings on the parcel of land and sell all or part of such parcel. A HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years.

The purchase consideration of the Property is Rp.900.0 billion (S\$91.8 million)^{7,8} (the “**Property Purchase Consideration**”), which comprises:

- (a) the consideration attributable to SHYG of Rp.400.0 billion (S\$40.8 million) (the “**SHYG Purchase Consideration**”); and
- (b) the consideration attributable to LPJ of Rp.500.0 billion (S\$51.0 million) (the “**LPJ Purchase Consideration**”).

Further details in respect of the structure of the Joint Acquisition are set out at paragraph 2 below.

In connection with the Joint Acquisition, it is proposed that JV IndoCo (as the master lessor) will enter into the following leases:

- (I) a car park lease agreement with PT. Andhikarya Sukses Pratama (“**PT ASP**”) (the “**LPJ Car Park Lease Agreement**”);
- (II) a casual leasing space lease agreement with PT. Manunggal Megah Serasi (“**PT MMS**”) (the “**LPJ Casual Leasing Space Lease Agreement**”);
- (III) specialty tenants lease agreements over certain specialty areas with PT. Mulia Cipta Sarana Sukses (“**PT MCSS**”) (the “**LPJ Specialty Tenants Lease Agreements**”); and
- (IV) an art gallery lease agreement with PT MCSS (the “**LPJ Art Gallery Lease Agreement**”),

(collectively, the “**LPJ Master Lease Agreements**”).

PT ASP, PT MMS and PT MCSS (collectively, the “**LPJ Lessees**”) are limited liability companies incorporated in Indonesia and are indirect wholly-owned subsidiaries of the Sponsor.

The leases pursuant to the LPJ Master Lease Agreements (the “**LPJ Master Leases**”) are intended to be granted for a lease term of five years each, with the exception of the LPJ Art Gallery Lease Agreement, of which the intended lease term is 12 months, commencing from the date of completion of the LPJ Acquisition (as defined below).

Pursuant to the Property CSPA, for three years commencing from the completion of the LPJ Acquisition, the Vendor shall collect all service charges and utilities recoveries and other operations-related income from the tenants of LPJ, and shall bear all costs and expenses of operation and maintenance of LPJ.

Further, in connection with the Joint Acquisition, it is proposed that JV IndoCo (as the master lessor) will enter into a master lease agreement (the “**SHYG Master Lease Agreement**”) with the Sponsor (as the master lessee) pursuant to which JV IndoCo will lease SHYG (the “**SHYG Master Lease**”). For the avoidance of doubt, pursuant to the JVA, LMIR Trust will neither be entitled to the income earned, nor responsible for the obligations, under the SHYG Master Lease Agreement.

7 The Purchase Consideration is inclusive of the applicable land and building acquisition expenses (*Biaya Perolehan Hak Atas Tanah dan Bangunan*) to be paid to the relevant tax office.

8 Based on an illustrative rupiah exchange rate of S\$1.00 to Rp. 9,800 (the “**Illustrative Rupiah Exchange Rate**”). Unless otherwise stated, all conversions of Rp. amounts into S\$ in this announcement shall be based on the Illustrative Rupiah Exchange Rate and all amounts in Rp. and S\$ in this announcement shall, where such amount exceeds one million, be rounded to one decimal number.

2. THE JOINT ACQUISITION

2.1 Description of the Property

The Property, which is located at Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, comprises a 10-storey building (including one basement and one mezzanine level) which was built in 2005, erected on land with a total land area of 13,715 square metres (“sq m”) as specified in Right-to-Build Certificate No. 00131/Kelurahan Demangan. It has a shared multi-storey vehicle parking area on the upper levels totalling 752 and 875 car and motorcycle lots, respectively, and a helipad on the roof.

LPJ has a gross floor area (“GFA”) of 66,098 sq m (comprising 35,965 sq m for the mall and 30,133 sq m for the parking area) with a diverse range of tenants including a cinema, food retailers and a hypermarket. LPJ underwent major refurbishment from 2013 to 2015 and recommenced operations in June 2015. After the major refurbishment, LPJ is one of the newest malls in Yogyakarta and adjoins SHYG. LPJ is expected to serve the people of Yogyakarta and those from the surrounding areas. It offers a diverse range of tenants including Matahari Department Store, Hypermart, Maxx Cineplex, Celebrity Fitness and Time Zone.

SHYG has a GFA of 12,474 sq m with a maximum capacity of 240 beds. Before completion of the Joint Acquisition, SHYG will commence operations under the “Siloam Hospitals” brand and will be a Centre of Excellence for Neuroscience and Cardiology.

2.2 Structure of the Joint Acquisition

First REIT and LMIR Trust are seeking to jointly acquire the Property for a total purchase consideration of Rp.900.0 billion (S\$91.8 million) from the Vendor, which is an indirect wholly-owned subsidiary of the Sponsor. Just prior to the entry into of the Property CSPA by the Purchasers, First REIT has acquired 100.0% of the shares of First REIT SingCo from LMIR Trust for consideration of S\$100.00, pursuant to the First REIT SingCo Transfer.

As Indonesian Agrarian Law does not allow a foreign entity or individual to directly own Indonesian real estate, the Property CSPA provides that the Purchasers have the right to nominate an Indonesian company to enter into the New Property CSPA, and upon such entry, the Purchasers and the Vendor will enter into a Termination Agreement to terminate the Property CSPA. For the avoidance of doubt, the Indonesian company which the Purchasers intend to nominate to enter into the New Property CSPA will be JV IndoCo⁹. JV IndoCo will be a limited liability company to be incorporated in Indonesia, of which 100.0% of its Class A Shares and 100.0% of its Class B Shares will be held by First REIT SingCo and LMIR Trust SingCo, respectively. Accordingly, First REIT will indirectly hold 100.0% of the Class A Shares through First REIT SingCo and LMIR Trust will indirectly hold 100.0% of the Class B Shares through LMIR Trust SingCo.

Pursuant to the JVA:

- (i) the holder of the Class A Shares are entitled to, among others, all the economic rights of all the assets and undertakings relating to SHYG and all the rights to the revenue, profits and dividends attributable to SHYG. The holder of the Class A

⁹ The New Property CSPA will only be entered into after obtaining the approval from the First REIT Unitholders and the LMIR Trust Unitholders.

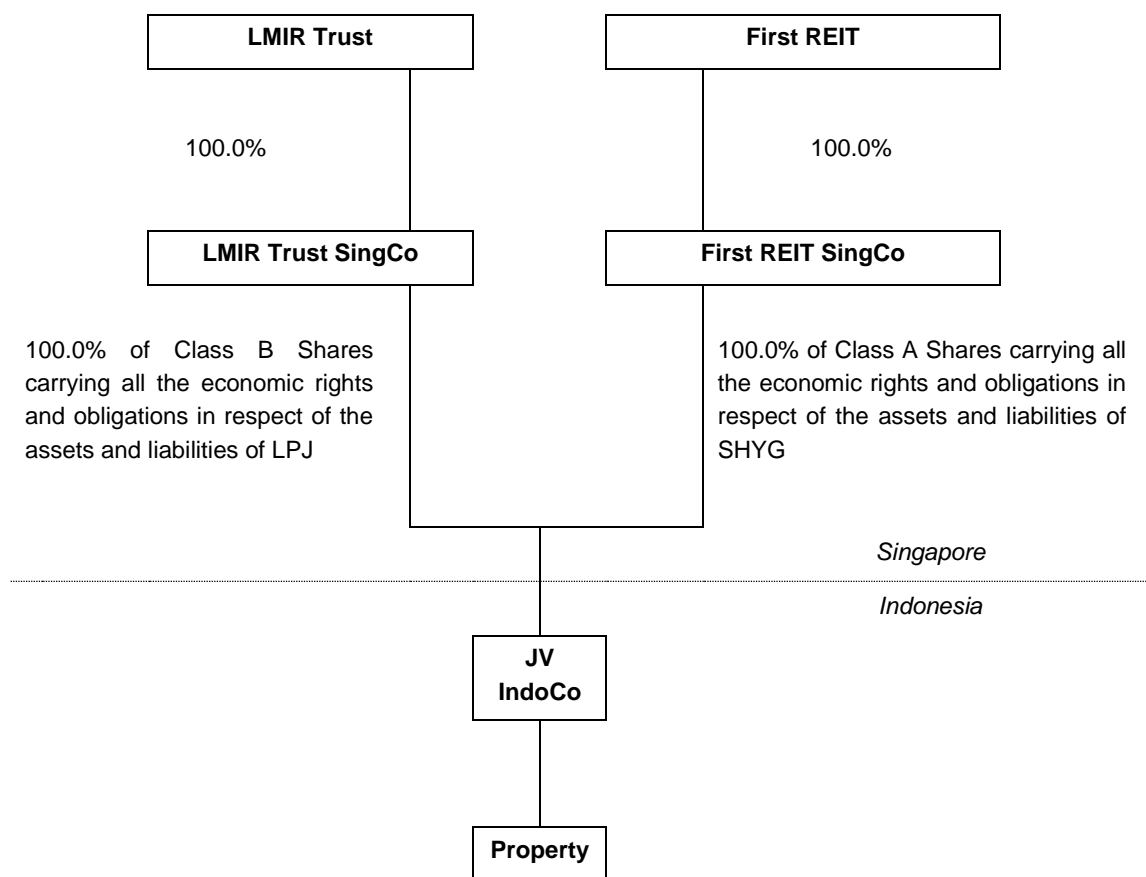
Shares is also responsible for all the liabilities, obligations, costs, expenses and losses attributable to SHYG, howsoever arising; and

- (ii) the holder of the Class B Shares are entitled to, among others, all the economic rights of all the assets and undertakings relating to LPJ and all the rights to the revenue, profits and dividends attributable to LPJ. The holder of the Class B Shares is also responsible for all the liabilities, obligations, costs, expenses and losses attributable to LPJ, howsoever arising.

In addition, under the JVA, First REIT SingCo has agreed to indemnify LMIR Trust SingCo against any and all losses which LMIR Trust SingCo may suffer or incur which arises out of or in connection with SHYG while LMIR Trust SingCo has agreed to indemnify First REIT SingCo against any and all losses which First REIT SingCo may suffer or incur which arises out of or in connection with LPJ. Further, under the JVA, First REIT SingCo agrees and shall procure the First REIT Trustee to agree that any and all losses which LMIR Trust SingCo may suffer or incur which arises out of or in connection with SHYG shall be satisfied out of the assets of or held on trust for First REIT over which the First REIT Trustee has recourse while LMIR Trust SingCo agrees and shall procure the LMIR Trust Trustee to agree that any and all losses which First REIT SingCo may suffer or incur which arises out of or in connection with LPJ shall be satisfied out of the assets of or held on trust for LMIR Trust over which the LMIR Trust Trustee has recourse.

The effect of the JVA and the holding of the Class A Shares and Class B Shares is that First REIT will only have exposure to all the economic rights and obligations in respect of SHYG through its indirect interest in the Class A Shares, while LMIR Trust will only have exposure to all the economic rights and obligations in respect of LPJ through its indirect interest in Class B Shares, as if they had each acquired SHYG and LPJ separately.

The chart below sets out the structure under which the Property is proposed to be held by First REIT and LMIR Trust upon completion of the Joint Acquisition.



2.3 Valuation and Property Purchase Consideration

Two independent property valuers, KJPP Willson & Rekan (in association with Knight Frank) (“**W&R**”) and KJPP Rengganis, Hamid & Rekan (in strategic alliance with CBRE) (“**Rengganis**”), were appointed by the First REIT Trustee and Bowsprit Capital Corporation Limited, as manager of First REIT (the “**First REIT Manager**”) respectively to value the Property (the “**First REIT Property Valuations**”), while W&R and Rengganis, were separately appointed as independent property valuers by the LMIR Trust Trustee and the Manager respectively to value the Property (the “**LMIRT Property Valuations**”).

The Property Purchase Consideration, being the aggregate of the SHYG Purchase Consideration and the LPJ Purchase Consideration, was arrived at on a willing-buyer willing-seller basis after taking into account the First REIT Property Valuations (in respect of SHYG only) and the LMIRT Property Valuations (in respect of LPJ only). The First REIT Property Valuations and LMIRT Property Valuations were derived using the income approach utilising the discounted cash flow method. This approach considers the subject property as an income producing property. The following table sets out the appraised values of LPJ based on the LMIRT Property Valuations, the respective dates of such appraisal and the LPJ Purchase Consideration:

Property	Appraised Value ⁽¹⁾				Purchase Consideration (\$ million)
	By W&R as at 30 September 2015		By Rengganis as at 30 September 2015		
	(\$ million)	(Rp. billion)	(\$ million)	(Rp. billion)	
LPJ	53.7 ⁽³⁾	526.0	55.9 ⁽³⁾	548.2	51.0 ⁽²⁾

Notes:

- (1) As the Property is held under one HGB title, each of the First REIT Property Valuations and the LMIRT Property Valuations valued the Property as a whole while providing a breakdown between the values of SHYG and LPJ. Pursuant to the LMIRT Property Valuations, the appraised value of the Property as a whole by W&R and Rengganis as at 30 September 2015 is Rp.952.5 billion and Rp.1,012.6 billion respectively. The appraised value of the Property and the breakdown between SHYG and LPJ in the First REIT Property Valuations is the same as the LMIRT Property Valuations. Please refer to the announcement of First REIT in relation to the Joint Acquisition released on the same date as this announcement (the “**First REIT Announcement**”) for further details of the First REIT Property Valuations.
- (2) Only the value of LPJ in the LMIRT Property Valuations was taken into account in determining the LPJ Purchase Consideration.
- (3) Based on the illustrative exchange rate of S\$1.00 to Rp.9,800.

The LPJ Purchase Consideration is below the two independent valuations obtained in relation to LPJ pursuant to the LMIRT Property Valuations and represents a discount of 6.9% to S\$54.8 million, which is the average of the two independent valuations of LPJ pursuant to the LMIRT Property Valuations.

2.4 Property Acquisition Cost

The total cost to LMIR Trust of the Joint Acquisition, comprising (i) the LPJ Purchase Consideration of Rp.500.0 billion (S\$51.0 million)¹⁰, (ii) the value-added tax (*Pajak Pertambahan Nilai*) for the LPJ Acquisition of Rp.47.6 billion (S\$4.9 million)¹¹, (iii) the acquisition fee¹² of S\$0.5 million (the “**LPJ Acquisition Fee**”) payable to the Manager pursuant to the Trust Deed which is payable in the form of units of LMIR Trust (“**Units**”), as well as (iv) the professional and other fees and expenses of approximately S\$1.5 million to be incurred by LMIR Trust in connection with the Joint Acquisition, is estimated to be approximately S\$57.9 million (the “**LPJ Acquisition Cost**”). Please refer to the First REIT Announcement for details of the total cost to First REIT of the Joint Acquisition.

2.5 Method of Financing

The LPJ Purchase Consideration will be paid in cash. The LPJ Acquisition Cost is expected to be financed via proceeds from the issuance of bonds and/or debt financing facilities from banks. The final decision regarding the method of financing to be employed will be made at the appropriate time taking into account the relevant market conditions.

2.6 Conditions Precedent to the Completion of the Joint Acquisition

Pursuant to the Property CSPA, completion of the Joint Acquisition under the Property CSPA may take place in two separate stages for SHYG and LPJ. Completion for the acquisition of LPJ pursuant to the Joint Acquisition (the “**LPJ Acquisition**”) is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

¹⁰ For the avoidance of doubt, the LPJ Purchase Consideration is inclusive of the applicable land and building acquisition tax (*Bea Perolehan Hak Atas Tanah dan Bangunan*) (“**BPHTB**”) to be paid to the relevant tax office.

¹¹ Reimbursement of the VAT will be sought from the relevant tax office post-completion of the LPJ Acquisition.

¹² Being 1.0% of the LPJ Purchase Consideration.

- 2.6.1 the obtainment of approval from the respective Audit Committees and the Boards of Directors of the Manager and First REIT Manager;
- 2.6.2 the obtainment of approval from the unitholders of First REIT ("**First REIT Unitholders**") and unitholders of LMIR Trust ("**LMIR Trust Unitholders**") to be given at extraordinary general meetings ("**EGM**") of First REIT Unitholders and LMIR Trust Unitholders for the Joint Acquisition of the Property together by LMIR Trust and First REIT under the Transaction Documents (as defined in the Property CSPA) including the sale and purchase of the Property pursuant to the Property CSPA and for the relevant Contracts (as defined in the Property CSPA);
- 2.6.3 the obtainment of approval from the shareholders of the Purchasers;
- 2.6.4 the entry into of a trademark licensing agreement between JV IndoCo and PT Sentra Dwimandiri for the grant of the right to JV IndoCo to use the trademark or word "Lippo Plaza";
- 2.6.5 the obtainment of other approvals (if required) including those of the Monetary Authority of Singapore and Singapore Exchange Securities Trading Limited (the "**SGX-ST**");
- 2.6.6 the Purchasers, First REIT Trustee and LMIR Trust Trustee being satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by the Purchasers, First REIT Trustee and LMIR Trust Trustee and/or its counsels or advisers, which the Purchasers, First REIT Trustee and/or LMIR Trust Trustee may consider to be relevant, including due diligence and court searches conducted on or in connection with the Vendor and the Property;
- 2.6.7 LMIR Trust securing sufficient financing to undertake the payment of the LPJ Purchase Consideration and the agreement for such financing not having been terminated and being unconditional in all respects;
- 2.6.8 the receipt by the Purchasers of relevant legal opinions;
- 2.6.9 there being no adverse change to the financial condition of the Vendor and PT Wisma Jatim Propertindo ("**PT WJP**"), which is a wholly-owned subsidiary of the Sponsor and which will be entering into the Deed of Indemnity (as defined below), or their ability to perform any of their obligations under the Transaction Documents;
- 2.6.10 the licenses, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals necessary for or in respect of the proposed sale and purchase of the Property pursuant to the Transaction Documents having been obtained by the Vendor from third parties (including governmental or official authorities, courts or other regulatory bodies) on terms satisfactory to the Purchasers and such licenses, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals remain in full force and effect;
- 2.6.11 no law, regulation or decision which would prohibit, restrict or delay or adversely affect the sale and purchase of the Property or the operation of the Property having been proposed, enacted or taken by any governmental or official authority;
- 2.6.12 the obtainment of the Vendor, of corporate approvals from its shareholders, board of commissioners and board of directors approving, among others, the sale of the

Property and the transactions contemplated in the Transaction Documents to which the Vendor is a party;

- 2.6.13** the obtainment by PT WJP, of corporate approvals from its shareholders, board of commissioners and board of directors approving, among others, to act as a guarantor by providing indemnification for the Vendor and the transactions contemplated in the Transaction Documents to which PT WJP is a party;
- 2.6.14** the submission of the 2014 duly audited financial statement of PT WJP as indemnifier and if required by the Purchasers, the First REIT Trustee or the LMIR Trust Trustee in their discretion, the change of identity of the indemnifier to a party acceptable to the Purchasers, the First REIT Trustee and the LMIR Trust Trustee and any amendments, supplements, novation, assignments, and/or extensions of to the Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Purchasers, the First REIT Trustee and the LMIR Trust Trustee (as the case may be);
- 2.6.15** the due execution of novation agreements to novate contracts involving the Property to the Purchaser;
- 2.6.16** the due execution of the New Property CSPA by the Vendor and the JV IndoCo, with the same terms and conditions as provided in the Property CSPA;
- 2.6.17** the due execution of the Termination Agreement, with terms mutually agreed upon by the parties to terminate the Property CSPA on the same date with the execution of the New Property CSPA;
- 2.6.18** the due execution of a confirmation agreement by all parties to the Deed of Indemnity;
- 2.6.19** there being no compulsory acquisition of the Property or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, or is anticipated by the government or other competent authority;
- 2.6.20** subject to the provisions of the Property CSPA, the Property or any part thereof is not materially damaged;
- 2.6.21** the receipt of the Purchaser of a duly executed land confirmation letter (*surat keterangan pendaftaran tanah*) from the authorised land office, stating the legal title of the Vendor over the HGB and expiration of such legal title;
- 2.6.22** the obtainment by the Vendor of all licenses required for the construction and operation of the Property in respect of the retail mall component in accordance with applicable laws and regulations;
- 2.6.23** the rectification of discrepancies with the name of the shopping centre in the material agreements;
- 2.6.24** all requirements, including but not limited to, the obtainment, the timely renewal and/or extension and/or undertaking to renew and/or to extend of all requisite insurances, licenses and certifications having been obtained by the Vendor in relation to LPJ;
- 2.6.25** there having been no breach of any of the representations, warranties, covenants and/or undertakings provided in the Transaction Documents which, in the reasonable opinion of the Purchasers, will or is likely to (a) have a material

adverse effect on the Property, (b) affect the effectiveness, legality, validity and/or enforceability of the sale and transfer of the Property from the Vendor to the Purchasers free of any encumbrances in accordance with the Transaction Documents, (c) affect the effectiveness, legality, validity and/or enforceability of the Transaction Documents or the transactions contemplated thereby, (d) affect the performance of obligations of the Vendor under any Transaction Document, (e) affect or impair the rights, entitlements, authorities and/or benefits of a purchaser group member under the Transaction Documents, and/or (f) affect the legal title and beneficial ownership of the Property by the Vendor prior to or on completion of the LPJ Acquisition;

- 2.6.26 all the Vendor's rights and obligations under the Contracts (including but not limited to tenancy agreements of LPJ representing at least 50% of the total lease revenue of LPJ (the "**Required Tenancy Agreements**")¹³) being irrevocably and unconditionally novated to the Purchasers;
- 2.6.27 the termination agreement of the existing lease agreements in relation to LPJ for the car park, the casual leasing space, the specialty tenants and the art gallery;
- 2.6.28 the entry into a supplemental property conditional sale and purchase agreement in form and substance satisfactory to the Purchasers which attaches the agreed forms of the LPJ Master Lease Agreements;
- 2.6.29 the execution of the LPJ Master Lease Agreements;
- 2.6.30 due execution of other Transaction Documents;
- 2.6.31 the assignment to the Purchaser of all warranties, including those as set out in the Property CSPA; and
- 2.6.32 the rectification of the defects as set out in the Property CSPA.

In the event that there are contracts, agreements, leases and/or letters of intent (excluding the Required Tenancy Agreements) in relation to the Property which are not novated from the Vendor to JV IndoCo from the date of completion of the LPJ Acquisition, the Vendor shall novate the remaining tenancy agreements to JV IndoCo within six months commencing from the date of completion of the LPJ Acquisition and within such six month period, JV IndoCo shall be entitled to receive all rental fees and service charges in relation to the remaining tenancy agreements from the Vendor without any deductions. If the Vendor has not fully novated the remaining tenancy agreements at the end of the above six month period, the Vendor shall pay JV IndoCo the total rental fees and service charges for the remaining terms of such tenancy agreements.

Completion for the acquisition of SHYG pursuant to the Joint Acquisition (the "**SHYG Acquisition**") is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) the completion of the LPJ Acquisition has occurred and the deed of sale and purchase (*akta jual beli*) (the "**Deed of SPA**") is executed;

13 "**Total lease revenue of LPJ**" means the total amount of rental fees and other amounts payable to the Vendor by all tenants at LPJ under all tenancy agreements in relation to LPJ commencing from the date of the completion of the LPJ Acquisition until the expiry of the remaining lease terms of such tenancy agreements.

- (ii) First REIT securing sufficient financing to undertake the payment of the SHYG Purchase Consideration and the agreement for such financing not having been terminated and being unconditional in all respects;
- (iii) the obtainment by the Vendor of all licenses required for the construction and operation of the Property in respect of the hospital component in accordance with applicable laws and regulations;
- (iv) all requirements, including but not limited to, the obtainment, the timely renewal and/or extension and/or undertaking to renew and/or to extend of all requisite insurances, licenses and certifications having been obtained by the Vendor in relation to SHYG;
- (v) no law, regulation or decision which would prohibit, restrict or delay or adversely affect the sale and purchase of SHYG or the operation of SHYG having been proposed, enacted or taken by any governmental or official authority;
- (vi) the entry into of the SHYG Master Lease Agreement; and
- (vii) there having been no breach of any of the representations, warranties, covenants and/or undertakings provided in the Transaction Documents which, in the reasonable opinion of the Purchasers, will or is likely to (a) have a material adverse effect on the Property, (b) affect the effectiveness, legality, validity and/or enforceability of the sale and transfer of the Property from the Vendor to the Purchasers free of any encumbrances in accordance with the Transaction Documents, (c) affect the effectiveness, legality, validity and/or enforceability of the Transaction Documents or the transactions contemplated thereby, (d) affect the performance of obligations of the Vendor under any Transaction Document, (e) affect or impair the rights, entitlements, authorities and/or benefits of the purchaser group members under the transaction documents, and/or (f) affect the legal title and beneficial ownership of the Property by the Vendor prior to or on the completion of the SHYG Acquisition.

Upon the completion of the LPJ Acquisition, the Vendor and JV IndoCo will enter into the Deed of SPA which shall be executed before the authorised Land Deed Officer (*Pejabat Pembuat Akta Tanah*) in accordance with the applicable Indonesia Laws.

2.7 Indemnity in relation to the Property CSPA

The First REIT Trustee and the LMIR Trust Trustee have on 3 February 2016 also entered into a deed of indemnity with PT WJP, which is a wholly-owned subsidiary of the Sponsor, pursuant to which PT WJP will, subject to certain conditions, indemnify First REIT Trustee and LMIR Trust Trustee against liabilities or damages suffered by First REIT Trustee and LMIR Trust Trustee arising from the Joint Acquisition (the “**Deed of Indemnity**”). Under the Deed of Indemnity, the maximum aggregate liability of PT WJP to the First REIT Trustee and the LMIR Trust Trustee is limited to the SHYG Purchase Consideration and the LPJ Purchase Consideration, respectively.

2.8 The LPJ Master Lease Agreements

It is currently intended that upon completion of the LPJ Acquisition, JV IndoCo will enter into:

- (i) the LPJ Car Park Lease Agreement pursuant to which the lease over the car park space will be granted for an annual rental of Rp.9,763 million, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis;
- (ii) the LPJ Casual Leasing Space Lease Agreement pursuant to which the lease over the casual leasing space will be granted for an annual rental of Rp.12,404 million, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis;
- (iii) the LPJ Specialty Tenants Lease Agreements pursuant to which the lease over the specialty space will be granted for an annual rental of Rp.19,895 million, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis; and
- (iv) the LPJ Art Gallery Lease Agreement pursuant to which the lease over the art gallery space will be granted for an annual rental of Rp.1,484 million, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis.

The LPJ Lessees are limited liability companies incorporated in Indonesia and are indirect wholly-owned subsidiaries of the Sponsor.

The LPJ Master Leases are intended to be granted for a lease term of five years each, with the exception of the LPJ Art Gallery Lease Agreement, of which the intended lease term is 12 months, commencing from the date of completion of the LPJ Acquisition. The Manager will make a separate announcement once the full terms of the LPJ Master Lease Agreements have been agreed.

The Manager understands from the Vendor that the actual rental received by the LPJ Lessees from the underlying tenants of the LPJ Master Leases for the period from 1 June 2015 to 30 September 2015 is Rp.150.0 million in respect of the casual leasing space and specialty space¹⁴ and that no rental was received by the LPJ Lessees in respect of the car park space and art gallery space.

2.9 Related Tenancy Agreements relating to the Joint Acquisition

Upon the completion of the LPJ Acquisition, and assuming that all of the leases of LPJ are novated to JV IndoCo immediately prior to the completion of the LPJ Acquisition, LMIR Trust will, through JV IndoCo, take over all of the tenancy agreements with respect to LPJ, including various tenancy agreements entered into with certain associates and subsidiaries of the Sponsor (the "**Related Tenancy Agreements**"). The aggregate rental fees derived or to be derived from the Related Tenancy Agreements is estimated at Rp.126.5 billion (S\$12.9 million).

The rental rates under the Related Tenancy Agreements are comparable to the rental rates paid by the other anchor tenants of LPJ who are not "interested persons" of LMIR Trust, and are also generally comparable with the rental rates of leases signed with other malls within LMIR Trust's existing portfolio, after taking into account the differences between each mall. Based on the Manager's experience in relation to the existing portfolio of LMIR Trust, the Manager is of the view that the Related Tenancy Agreements are made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

¹⁴ No rental income was received by the LPJ Lessees in respect of the car park space and the art gallery space for the period from 1 June 2015 to 30 September 2015.

2.10 The SHYG Master Lease Agreement

On or about the date of the completion of the SHYG Acquisition, JV IndoCo will enter into the SHYG Master Lease Agreement with the Sponsor (as master lessee of SHYG).

Please refer to the First REIT Announcement for further details of the terms of the SHYG Master Lease Agreement. For the avoidance of doubt, pursuant to the JVA, LMIR Trust will neither be entitled to the income earned, nor responsible for the obligations, under the SHYG Master Lease Agreement.

2.11 Interested Person Transaction and Interested Party Transaction

As at the date of this announcement, the Manager has a direct interest in 116,438,144 Units (comprising 4.16% of the total number of issued Units). The Manager is wholly-owned by Peninsula Investment Limited (“**Peninsula**”), a wholly-owned subsidiary of Jesselton Investment Ltd which is in turn a wholly-owned subsidiary of the Sponsor. The Sponsor directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) 29.20% in LMIR Trust and (ii) 100.0% in the Manager, and is therefore regarded as a “Controlling Unitholder”¹⁵ of LMIR Trust and a “Controlling Shareholder”¹⁶ of the Manager respectively under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and the Property Funds Appendix. The Sponsor also directly and/or through its subsidiaries and through its interest in the First REIT Manager, has deemed interests of (i) 33.20% in First REIT and (ii) 100.0% in the First REIT Manager and is therefore regarded as a Controlling Unitholder of First REIT and a Controlling Shareholder of the First REIT Manager respectively under both the Listing Manual and the Property Funds Appendix.

For the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Vendor, being an indirect wholly-owned subsidiary of the Sponsor (which in turn is a Controlling Unitholder of LMIR Trust and a Controlling Shareholder of the Manager) is an Interested Person¹⁷ and Interested Party¹⁸ of LMIR Trust. In addition, LMIR Trust and First REIT have the same Controlling Unitholder and the Manager and the First REIT Manager have the same Controlling Shareholder.

As such, the transactions comprising the Joint Acquisition and the JVA pursuant to which First REIT will only have exposure to all the economic rights and obligations in respect of SHYG (including the SHYG Master Lease) and LMIR Trust will only have exposure to all

15 “**Controlling Unitholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or
- (b) in fact exercises control over the property fund.

16 “**Controlling Shareholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over a company.

17 As defined in the Listing Manual, means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of First REIT or, as the case may be, LMIR Trust; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of First REIT or, as the case may be, LMIR Trust.

18 As defined in the Property Funds Appendix, means:

- (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of First REIT or, as the case may be, LMIR Trust; or
- (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of First REIT or, as the case may be, LMIR Trust.

the economic rights and obligations in respect of LPJ (including the LPJ Master Leases) (the “**Transactions**”) will constitute Interested Person Transactions under Chapter 9 of the Listing Manual and also Interested Party Transactions under paragraph 5 of the Property Funds Appendix for which LMIR Trust Unitholders’ approval is required. Accordingly, the approval of LMIR Trust Unitholders is sought for the Transactions.

3. RATIONALE FOR THE JOINT ACQUISITION

The Manager believes that the Joint Acquisition will bring, among others, the following key benefits to LMIR Trust Unitholders:

3.1 Strategically Located Property with Organic Growth Potential

The Property is located at Gondokusuman, Yogyakarta. LPJ, which is part of the Property, is strategically located in the boundary of Yogyakarta and Sleman. Yogyakarta, the capital of the Yogyakarta Special Region in Java, Indonesia, is renowned as a centre of education with large numbers of schools and universities, as well as classical Javanese fine art. As such, the city has attracted large numbers of students from all over Indonesia. Yogyakarta also attracts plenty of foreign visitors, majority of whom are foreign students that usually stay to learn Bahasa or Javanese culture.

After the major refurbishment, LPJ is one of the newest malls in Yogyakarta and adjoins SHYG. LPJ is expected to serve the people of Yogyakarta and those from the surrounding areas. The mall offers a diverse mix of international and local brands such as Matahari department store, Hypermart, Maxx Cineplex, Celebrity Fitness, Time Zone, Books & Beyond and many more.

3.2 Opportunity to Increase the Size and Enhance the Earnings of LMIR Trust

The Joint Acquisition (which, for the avoidance of doubt, includes the LPJ Acquisition) is expected to increase LMIR Trust’s Net Property Income (as defined below), thereby enhancing the earnings of LMIR Trust, and returns to Unitholders. Further, upon the completion of the Joint Acquisition, the size of LMIR Trust’s portfolio is expected to increase by approximately 2.8%, from S\$1,796.9 million¹⁹ (as at 30 September 2015) to S\$1,847.9 million.

3.3 Increased Economies of Scale in Operations, Marketing and Financing

The Joint Acquisition will enable LMIR Trust to enlarge its presence in the retail mall sector in Indonesia and to benefit from increased economies of scale as the Manager and the property manager(s) of the Enlarged Portfolio²⁰ can potentially spread certain operating costs (for example, staff and personnel costs) over a larger portfolio, and increase their bargaining power with suppliers and service providers.

The Joint Acquisition is also expected to deliver economies of scale and benefit the marketing and leasing activities of LMIR Trust by expanding and deepening LMIR Trust’s portfolio of key tenant relationships, especially with tenants of LPJ which are currently not tenants of LMIR Trust’s existing malls. Given the Joint Acquisition will enlarge LMIR Trust’s asset value and capital base, LMIR Trust can expect to benefit from increased economies of scale in obtaining debt and equity financing.

¹⁹ Includes intangible asset of S\$23.5 million.

²⁰ “**Enlarged Portfolio**” consists of LPJ and LMIR Trust’s existing portfolio.

3.4 Diversification of Asset Portfolio to Minimise Concentration Risk

The Joint Acquisition will allow LMIR Trust to diversify its portfolio geographically across Indonesia, thereby reducing asset concentration risks within LMIR Trust's Enlarged Portfolio. The Manager believes that further income diversification potentially results in greater resilience and stability of income streams for LMIR Trust, thus benefiting its Unitholders.

4. MAJOR TRANSACTIONS

4.1 Major Transactions – Chapter 10 of the Listing Manual

A proposed acquisition by LMIR Trust may fall into any of the categories set out in Rule 1004 of the Listing Manual depending on the size of the relative figures computed on the following bases of comparison as stated in Rule 1006 of the Listing Manual:

- (i) the net asset value of the assets to be disposed of, compared with net asset value (not applicable to the Joint Acquisition);
- (ii) the net profits attributable to the assets acquired, compared with LMIR Trust's net profits;
- (iii) the aggregate value of the consideration given, compared with LMIR Trust's market capitalisation; and
- (iv) the number of equity securities issued as consideration for an acquisition, compared with the number of equity securities previously in issue (not applicable to the Joint Acquisition).

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a "major transaction" under Rule 1014 of the Listing Manual which would be subject to the approval of LMIR Trust Unitholders, unless such transaction is in the ordinary course of LMIR Trust's business.

None of the relative figures in relation to the LPJ Acquisition pursuant to the Joint Acquisition computed on the bases set out above exceed 20.0%. Furthermore, the Joint Acquisition is not a major transaction under Chapter 10 of the Listing Manual as it is within LMIR Trust's ordinary course of business.

However for the purposes of illustration to LMIR Trust Unitholders, the relative figures for the LPJ Acquisition pursuant to the Joint Acquisition using the applicable bases of comparison described in sub-paragraphs 4.1(ii) and 4.1(iii) are set out in the table below.

Comparison of:	LPJ	LMIR Trust	Relative Figure
Net Property Income ⁽¹⁾	LPJ: S\$1.9 million ⁽²⁾	S\$118.4 million ⁽³⁾	1.6%
LPJ Purchase Consideration against LMIR Trust's market capitalisation	LPJ: S\$51.00 million ⁽⁴⁾	LMIR Trust's market capitalisation: S\$867.3 million ^{(5),(6)}	5.9%

Notes:

- (1) In the case of a real estate investment trust, the Net Property Income is a close proxy to the net profits attributable to its assets. "Net Property Income" refers to property revenue less property operating expenses.
- (2) Relates to LPJ's Net Property Income contribution from 1 June 2015 (date of commencement of operations) to 30 September 2015.
- (3) Based on the unaudited consolidated financial statements of LMIR Trust and its subsidiaries for the nine months ended 30 September 2015.
- (4) Does not include transaction costs.
- (5) Based on the closing price of S\$0.31 per Unit on the SGX-ST on the date preceding this announcement.
- (6) Based on Units in issue as at the date preceding this announcement.

5. PRO FORMA FINANCIAL EFFECTS OF THE JOINT ACQUISITION

5.1 Pro Forma Financial Effects of the Joint Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY:

The Pro Forma Financial Effects are for illustrative purposes and does not represent LMIR Trust's Financial Effects following completion of the Joint Acquisition.

The pro forma financial effects of the Joint Acquisition presented below are **strictly for illustrative purposes only** and were prepared based on the unaudited financial statements of LMIR Trust and its subsidiaries for the nine months ended 30 September 2015 ("**9M2015**" and the unaudited financial statements of LMIR Trust and its subsidiaries for 9M2015, "**9M2015 Unaudited Financial Statements**")²¹ and assuming:

- (a) the LPJ Acquisition Cost of S\$57.9 million, of which S\$57.4 million will be paid in cash;
- (b) S\$57.4 million of the cash component of the LPJ Acquisition Cost is funded by proceeds from the issuance of five-year bonds²²; and
- (c) LPJ Acquisition and fund raising for LPJ Acquisition occurred on 1 June 2015, being the date of commencement of operations of LPJ,

and taking into account the revenue that LMIR Trust would receive from the LPJ Master Leases.

²¹ As LPJ only commenced operations in June 2015, the Manager is of the view that the pro forma financial effects for the period of 1 January 2014 to 31 December 2014 will not be meaningful as at the date of this announcement. However, the LMIR Trust Unitholders' circular (the "**Unitholders' Circular**") will disclose the pro forma financial effects for the period of 1 January 2015 to 31 December 2015.

²² For the avoidance of doubt, the actual method of funding could be via issuance of bonds and/or debt financing facilities from banks and the final decision regarding the method of financing to be employed will be made at the appropriate time taking into account the relevant market conditions.

5.2 Nine Months ended 30 September 2015

Pro Forma DPU

The pro forma financial effects the Joint Acquisition on the DPU for the nine months ended 30 September 2015, as if LMIR Trust had purchased LPJ on 1 June 2015, and held and operated LPJ through to 30 September 2015, are as follows:

	As at 30 September 2015	
	Before the Joint Acquisition ⁽¹⁾	After the Joint Acquisition
Distributable Income (S\$'000)	62,863	63,348
Units in issue and to be issued	2,792,798,480	2,794,453,391 ⁽²⁾
DPU (cents)	2.29	2.31
Distribution yield (annualised)	9.5% ⁽³⁾	9.6% ⁽³⁾

Notes:

- (1) Based on the 9M2015 Unaudited Consolidated Financial Statements.
- (2) The number of Units is arrived at after taking into account the issuance of new Units in payment of (i) the LPJ Acquisition Fee in Units, and (ii) the performance fees as a result of additional Net Property Income after the LPJ Acquisition.
- (3) Based on the DPU divided by the closing price on 30 September 2015 of S\$0.32.

Pro Forma NAV per Unit

The pro forma financial effects of the Joint Acquisition on the NAV per Unit as at 30 September 2015, as if LMIR Trust had purchased LPJ on 30 September 2015, are as follows:

	As at 30 September 2015	
	Before the Joint Acquisition ⁽¹⁾	After the Joint Acquisition
NAV (S\$'000)	1,042,113	1,042,603
Units in issue and to be issued	2,792,798,480	2,794,330,944 ⁽²⁾
NAV per Unit (cents)	37.31	37.31

Notes:

- (1) Based on the 9M2015 Unaudited Consolidated Financial Statements.
- (2) The number of Units is arrived at after taking into account the issuance of new Units in payment of the LPJ Acquisition Fee in Units.

Pro Forma capitalisation

The following table sets forth the pro forma capitalisation of LMIR Trust as at 30 September 2015, as if LMIR Trust had purchased LPJ on 30 September 2015.

	As at 30 September 2015	
	Actual	As adjusted for the Joint Acquisition
	(S\$'000)	(S\$'000)
Short-term debt:		
Unsecured	200,000	200,000
Secured	-	-
Total short-term debt	200,000	200,000
Long-term debt:		
Unsecured	350,000	408,000
Secured	145,000	145,000
Total long-term debt	495,000	553,000
Total Debt	695,000	753,000
Unitholders funds	1,042,113	1,042,603
Total Capitalisation	1,737,113	1,795,603

6. OTHER INFORMATION

6.1 Interests of Directors and Substantial Unitholders²³

6.1.1 Interests of Directors of the Manager

As at the date of this announcement, the details of the unitholdings of the directors of the Manager ("**Directors**") are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Mr Albert Saychuan Cheok	400,000	0.014	-	-	400,000	0.014
Mr Lee Soo Hoon, Phillip	-	-	-	-	-	-
Mr Goh Tiam Lock	-	-	-	-	-	-
Mr Douglas Chew	-	-	-	-	-	-
Ms Viven Gouw Sitiabudi	-	-	-	-	-	-

²³ "**Substantial Unitholders**" refers to LMIR Trust Unitholders with an interest in more than 5.0% of all Units in issue.

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Mr Alvin Cheng Yu Dong	-	-	-	-	-	-
Mr Ketut Budi Wijaya	-	-	-	-	-	-

Note:

(1) Percentage interest is based on 2,797,814,196 Units in issue as at the date of this announcement.

Mr Albert Saychuan Cheok and Mr Goh Tiam Lock are also independent non-executive directors of the First REIT Manager. Save as disclosed above and based on information available to the Manager, none of the Directors has an interest, direct or indirect, in the Transactions.

6.1.2 Interests of Substantial Unitholders

As at the date of this announcement, the details of the unitholdings of the Substantial Unitholders are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Bridgewater International Ltd ("BIL")	700,444,940	25.04	-	-	700,444,940	25.04
PT Sentra Dwimandiri ("PTSD")	-	-	700,444,940	25.04	700,444,940	25.04
The Sponsor	-	-	816,883,084	29.20	816,883,084	29.20
Wealthy Fountain Holdings Inc	202,938,500	7.25	-	-	202,938,500	7.25
Shanghai Summit Pte Ltd	-	-	224,938,500	8.04	224,938,500	8.04
Tong Jinquan	-	-	224,938,500	8.04	224,938,500	8.04

Notes:

- (1) Percentage interest is based on 2,797,814,196 Units in issue as at the date of this announcement.
- (2) BIL is controlled by PTSD. PTSD is therefore deemed to be interested in 700,444,940 Units in which BIL has an interest.
- (3) BIL is controlled by PTSD, which is in turn controlled by the Sponsor. The Sponsor is therefore deemed to have an interest in 700,444,940 Units in which BIL has an interest. The Manager is controlled by Peninsula, which in turn is controlled by the Sponsor. The Sponsor is therefore also deemed to be interested in 116,438,144 Units held by the Manager.
- (4) Shanghai Summit Pte Ltd is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and is therefore deemed to be interested in 202,938,500 Units held by Wealthy Fountain Holdings Inc and 22,000,000 Units held Skyline Horizon Consortium Ltd.

- (5) Tong Jinquan is the sole shareholder of Shanghai Summit Pte Ltd which is the sole shareholder of Wealthy Fountain Holdings Inc and Skyline Horizon Consortium Ltd and accordingly is deemed to be interested in 202,938,500 Units held by Wealthy Fountain Holdings Inc and 22,000,000 Units held by Skyline Consortium Ltd.

As at the date of this announcement, the Sponsor, through its indirect wholly-owned subsidiaries BIL and through its 100% interest in the Manager, holds an aggregate indirect interest of 29.20% in LMIR Trust and is deemed to be a Controlling Unitholder of LMIR Trust.

6.2 Directors' Service Contracts

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

6.3 Existing Interested Person Transactions

Prior to the date of this announcement, LMIR Trust has not entered into any Interested Person Transactions, including leases, with the Sponsor and/or any associate of the Sponsor in the current financial year²⁴.

6.4 Opinion of the Audit and Risk Committee and Independent Financial Adviser

Pursuant to Rule 917(4)(a)(ii) of the Listing Manual, the audit and risk committee of the Manager, comprising Mr Lee Soo Hoon Phillip, Mr Albert Saychuan Cheok, Mr Goh Tiam Lock and Mr Douglas Chew (the "**Audit and Risk Committee**"), will obtain an opinion from an independent financial adviser (the "**IFA**") to be appointed, on whether or not the Transactions are (a) on normal commercial terms and (b) prejudicial to the interests of LMIR Trust and its minority Unitholders.

The Audit and Risk Committee will form its views on the Transactions after taking into account the opinion of the IFA.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay, #06-07, OUE Bayfront, Singapore 049321 from the date of this announcement up to and including the date falling three months after the date of the LMIR Trust Unitholders' Circular to be issued for purposes of seeking approval of LMIR Trust Unitholders for the Transactions²⁵:

- (i) the Property CSPA (which contains the forms of the SHYG Master Lease Agreement and the New Property CSPA);
- (ii) the Share Purchase Agreement;
- (iii) the JVA;
- (iv) the Deed of Indemnity;
- (v) the full valuation report on the Property commissioned by the LMIR Trust Trustee issued by W&R;

²⁴ Excluding the conditional sale and purchase agreement for the proposed acquisition of Lippo Mall Kuta which was entered into on 8 January 2016 and which has not yet been completed. Please refer to the announcement dated 8 January 2016 for further details.

²⁵ Prior appointment with the Manager will be appreciated.

- (vi) the full valuation report on Property commissioned by the Manager issued by Rengganis; and
- (vii) the 9M2015 Unaudited Consolidated Financial Statements.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as LMIR Trust continues to be in existence.

8. DOCUMENTS FOR INSPECTION

The Unitholders' Circular, together with a notice of the EGM to be convened, will be despatched to LMIR Trust Unitholders in due course after approval has been received from the SGX-ST in relation to the Unitholders' Circular.

By Order of the Board

LMIRT MANAGEMENT LTD.

(as manager of Lippo Malls Indonesia Retail Trust)

(Company registration number: 200707703M)

Mr Alvin Cheng Yu Dong

Executive Director and Chief Executive Officer

3 February 2016

Important Notice

The value of Units and the income derived from them may fall as well as rise. The 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.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

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