



LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

EXTENSION OF PROPERTY MANAGEMENT AGREEMENTS

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**”) wishes to announce that it has today extended the terms of (i) the master property management agreement entered into on 18 October 2007 between HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust (the “**Trustee**”), the Manager and PT Lippo Malls Indonesia (formerly known as PT Consulting & Management Services Division), as property manager for the properties of LMIR Trust (the “**Property Manager**”) (as amended) (the “**Master Property Management Agreement**”) and (ii) each of the individual property management agreements between the relevant Indonesian subsidiary of LMIR Trust which holds the Indonesian retail malls set out in **Appendix A**, the Manager and the Property Manager (as amended) (the “**Individual Property Management Agreements**”, together with the Master Property Management Agreement, the “**Property Management Agreements**”), up to 31 December 2017. The Property Management Agreements expired on 1 July 2017.

Save for the extension of the term of the Property Management Agreements to 31 December 2017, there are no material changes to the terms of the Property Management Agreements (including the fees payable to the Property Manager). Under the Property Management Agreements, the Property Manager is entitled to the following fees:

- (i) 2.0% per annum of the gross revenue for the relevant retail mall;
- (ii) 2.0% per annum of the net property income for the relevant retail mall (after accounting for the fee of 2.0% per annum of the gross revenue for the relevant retail mall); and
- (iii) 0.5% per annum of the net property income for the relevant retail mall in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

Please refer to the prospectus of LMIR Trust dated 9 November 2007 for further details of the terms of the Property Management Agreements.

2. Rationale for Extension of the Property Management Agreements

The Manager is of the view that the extension of the Property Management Agreements and the continued appointment of the Property Manager will ensure that there will be continuity in the management of the retail malls until new arrangements for the management of the retail malls held by LMIR Trust are finalised. The Manager therefore believes that the extension of the Property Management Agreements until 31 December 2017 will be beneficial to LMIR Trust and Unitholders while the Manager evaluates the new terms and arrangements to be put in place for the management of LMIR Trust's properties.

3. Interested Person Transaction

As at the date of this announcement, the Manager has a direct interest in 142,611,671 Units (comprising 5.05% of the total number of issued Units). The Manager is wholly-owned by Peninsula Investment Limited, a wholly-owned subsidiary of Jesselton Investment Ltd which is in turn a wholly-owned subsidiary of PT Lippo Karawaci Tbk (the "**Sponsor**"). The Sponsor directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) 29.85% in LMIR Trust and (ii) 100% in the Manager, and is therefore regarded as a "Controlling Unitholder"¹ of LMIR Trust and a "Controlling Shareholder"² of the Manager respectively under both the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and Appendix 6 of the Code on Collective Investment Schemes (the "Property Funds Appendix").

For the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Property Manager, 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 person and interested party of LMIR Trust.

Under Chapter 9 of the Listing Manual of the SGX-ST, where LMIR Trust 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 person during the same financial year) is equal to or exceeds 3.0% of LMIR Trust's latest audited net tangible assets ("**NTA**"), LMIR Trust must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Prior to the extension of the Property Management Agreements, the total value of Interested Person Transactions between LMIR Trust and the Sponsor and/or its associates, for the current financial year, is approximately S\$41.2 million, which is approximately 3.40% of the latest audited NTA of LMIR Trust as at 31 December 2016. The Manager is therefore making this announcement in compliance with the requirements of the Listing Manual.

1 "**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.

2 "**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.

As at the date of this announcement, the total value of Interested Person Transactions (including the extension of the Property Management Agreements) between LMIR Trust and the Sponsor and/or its associates, for the current financial year, is approximately S\$43.4 million, which is approximately 3.58% of the latest audited NTA of LMIR Trust as at 31 December 2016.

As at the date of this announcement, the total value of all Interested Person Transactions (including the extension of the Property Management Agreements) for the same financial year is the same as the total value of Interested Person Transactions between LMIR Trust and the Sponsor and/or its associates.

4. Audit and Risk Committee Statement

Having considered the rationale for the extension of the Property Management Agreements, 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, is of the view that the extension of the Property Management Agreements is made on normal commercial terms and is not prejudicial to the interests of LMIR Trust and its minority Unitholders.

By Order of the Board

LMIRT MANAGEMENT LTD.

(as manager of Lippo Malls Indonesia Retail Trust)

(Company registration number: 200707703M)

Ms Chan Lie Leng

Executive Director and Chief Executive Officer

3 July 2017

APPENDIX A

Indonesian Asset Companies	Retail Mall
PT Graha Baru Raya	Gajah Mada Plaza
PT Cibubur Utama	Cibubur Junction
PT Primatama Nusa Indah	The Plaza Semanggi
PT Graha Nusa Raya	Mal Lippo Cikarang
PT Indah Pesona Bogor	Ekalokasari Plaza
PT Megah Semesta Abadi	Bandung Indah Plaza
PT Suryana Istana Pasundan	Istana Plaza
PT Manunggal Wiratama	Sun Plaza
PT Dusa Wisata Loka	Pluit Village
PT Anugrah Prima	Plaza Medan Fair
PT Benteng Teguh Perkasa	Lippo Plaza Kramat Jati
PT Palembangparagon Mall	Palembang Square Extension
PT Jaya Integritas	Palembang Square
PT Cahaya Megah Nusantara	Tamini Square
PT Panca Permata Pejaten	Pejaten Village
PT Amanda Cipta Utama	Binjai Supermall
PT Kemang Mall Terpadu	Lippo Mall Kemang
PT Griya Inti Sejahtera Insani	Palembang Icon
PT Palladium Megah Lestari	Lippo Plaza Batu
PT Rekreasi Pantai Terpadu	Lippo Mall Kuta
PT Mitra Anda Sukses Bersama	Lippo Plaza Kendari

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.