



LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

RENEWAL OF PROPERTY INSURANCE COVERAGE

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 renewed LMIR Trust’s property insurance coverage in relation to all the retail malls (save for Lippo Plaza Kendari) (“**Retail Malls**”) and retail spaces (“**Retail Spaces**”) in LMIR Trust’s existing portfolio with PT AON Indonesia representing Lippo General Insurance (“**LGI**”) for a term of 1 year which will expire on 1 August 2018 (“**Property Insurance**”).

The Manager believes that the coverage of the Property Insurance is consistent with industry practice in Indonesia and includes Property All Risk and Earthquake and Terrorism and Sabotage and in relation to the Retail Malls, Public Liability and Machinery Breakdown. There are no significant or unusual excess or deductible payments required under the policies.

The total premium payable for the Property Insurance is approximately Rp. 37.5 billion with a total sum insured of approximately Rp. 15,961.7 billion and Rp. 124.5 billion for the Retail Malls and Retail Spaces, respectively. The total sum insured was determined taking into account a reinstatement cost valuation by KJPP Willson & Rekan which was commissioned by the Manager.

2. Rationale for Renewal of the Property Insurance

The Property Insurance was renewed with LGI after a competitive bid process with quotations from three insurers obtained. The Manager is of the view that the renewal of the Property Insurance and the continued appointment of LGI as the insurance provider will ensure that there will be continuity in the coverage and a smooth claims process, if required, in view of LGI’s familiarity with the properties. The Manager therefore believes that the renewal of the Property Insurance with LGI will be beneficial to LMIR Trust and Unitholders.

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 (“**Peninsula**”), 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**”).

Certain beneficial owners of the Sponsor exercise control over LGI. For the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, LGI, is considered 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 renewal of the Property Insurance, 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\$43.4 million, which is approximately 3.58% 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.

As at the date of this announcement, the total value of Interested Person Transactions (including the renewal of the Property Insurance) between LMIR Trust and the Sponsor and/or its associates, for the current financial year, is approximately S\$47.4 million, which is approximately 3.91% 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 renewal of the Property Insurance) 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.

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- 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.

4. Audit and Risk Committee Statement

Having considered the rationale for the renewal of the Property Insurance, 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 renewal of the Property Insurance is made on normal commercial terms and are 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

1 August 2017

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.