CIRCULAR DATED 5 DECEMBER 2017

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If you have sold or transferred all your units in Lippo Malls Indonesia Retail Trust ("**LMIR Trust**" and the units in LMIR Trust, "**Units**"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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LMIR TRUST

LIPPO MALLS INDONESIA RETAIL TRUST

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

MANAGED BY

LMIRT MANAGEMENT LTD.

(Company Registration Number: 200707703M)

CIRCULAR TO UNITHOLDERS

IN RELATION TO:

(1) THE YOGYAKARTA TRANSACTION WITH AN INTERESTED PERSON; AND

(2) THE PROPOSED ACQUISITION OF KEDIRI TOWN SQUARE FROM AN INTERESTED PERSON

Independent Financial Adviser to the Independent Directors of LMIRT Management Ltd. and the Trustee

KPMG Corporate Finance Pte Ltd

(Company Registration Number: 198500417D)

KPMG

IMPORTANT DATES AND TIMES FOR UNITHOLDERS		
Last date and time for lodgement of Proxy Forms	:	**17 December 2017, Sunday at 9:30 a.m.**
Date and time of Extraordinary General Meeting	:	**20 December 2017, Wednesday at 9:30 a.m.**
Place of Extraordinary General Meeting	:	**Marina Mandarin Ballroom (Level 1) Marina Mandarin Singapore 6 Raffles Boulevard, Marina Square Singapore 039594**

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CORPORATE INFORMATION

Directors of the Manager ("Directors")	:	Mr Ketut Budi Wijaya (Chairman and Non-Independent Non-Executive Director) Mr Lee Soo Hoon, Phillip (Independent Director) Mr Goh Tiam Lock (Independent Director) Mr Douglas Chew (Lead Independent Director) Ms Chan Lie Leng (Executive Director and Chief Executive Officer)
Registered Office of the Manager	:	50 Collyer Quay #06-07 OUE Bayfront Singapore 049321
Trustee of LMIR Trust (the "Trustee")	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of LMIR Trust) 21 Collyer Quay #13-02 HSBC Building Singapore 049320
Legal Adviser to the Manager for the Transactions (as defined herein) as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager and the Trustee for the Yogyakarta Transaction as to Indonesian Law	:	Hadiputranto, Hadinoto & Partners The Indonesia Stock Exchange Building Tower II, 21st Floor Sudirman Central Business District Jl. Jendral Sudirman Kav 52-53 Jakarta 12190, Indonesia
Legal Adviser to the Manager for the KTS Acquisition (as defined herein) as to Indonesian Law	:	Melli Darsa & Co., a member firm of PWC Global Network Menara Standard Chartered, 19th Floor Jl. Prof. Dr. Satrio No. 164 Jakarta 12930 Indonesia
Legal Adviser to the Trustee for the KTS Acquisition (as defined herein) as to Indonesian Law	:	Hadiputranto, Hadinoto & Partners The Indonesia Stock Exchange Building Tower II, 21st Floor Sudirman Central Business District Jl. Jendral Sudirman Kav 52-53 Jakarta 12190, Indonesia
Legal Adviser to the Trustee as to Singapore Law	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

Independent Financial Adviser to the Independent Directors of the Manager and the Trustee in relation to the Transactions	:	KPMG Corporate Finance Pte Ltd 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Independent Reporting Accountant	:	RSM Chio Lim LLP 8 Wilkie Road #03-08 Wilkie Edge Singapore 228095
Independent Singapore Tax Adviser	:	Ernst & Young Solutions LLP One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Indonesia Accounting and Tax Adviser (the "Independent Indonesia Tax Adviser")	:	PB Taxand Menara Imperium 27th Floor Jl. H.R. Rasuna Said Kav. 1 Jakarta 12980 Indonesia
Independent Valuers	:	KJPP Rengganis, Hamid & Rekan ("**Rengganis**") in strategic alliance with CBRE Pte. Ltd. (appointed by the Manager for the valuation of the Yogyakarta Property and Kediri Town Square) Wisma Nugra Santana # 17-03 Jl. Jend. Sudirman Kav. 7-8 Jakarta 10220, Indonesia KJPP Willson dan Rekan ("**W&R**") (an affiliate of Knight Frank) (appointed by the Trustee for the valuation of the Yogyakarta Property and Kediri Town Square) Menara Kuningan 8th Floor Jl. HR. Rasuna said Blok X-7 Kav. 5 Jakarta 12940, Indonesia
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

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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 67 to 76 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

ABOUT LMIR TRUST

Listed on the SGX-ST on 19 November 2007, LMIR Trust is a Singapore-based real estate investment trust ("**REIT**") with a diversified portfolio of income-producing retail and retail-related properties in Indonesia. LMIR Trust was established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes, and real estate-related assets in connection with the purposes mentioned in the foregoing. LMIR Trust's existing portfolio comprises twenty-one high-quality retail malls and seven major retail spaces located within other malls with a combined net lettable area ("**NLA**") of 872,858 square metres ("**sq m**") and a valuation of S$1.89 billion[1].

SUMMARY OF APPROVALS SOUGHT

In furtherance of LMIR Trust's investment policy, the Manager is seeking the approval of unitholders of LMIR Trust ("**Unitholders**") to carry out the following:

(a) **Resolution 1:** The proposed joint acquisition with First Real Estate Investment Trust ("**First REIT**") 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 "**Yogyakarta Property**", and the acquisition of the Yogyakarta Property, the "**Joint Acquisition**"), located at Demangan Subdistrict, Gondokusuman District, Yogyakarta[2], with postal address Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta from PT Mulia Citra Abadi (the "**Yogyakarta Vendor**") and the proposed joint venture with First REIT in connection with the Joint Acquisition (the "**Joint Venture**") pursuant to which First REIT will have exposure to all the economic rights and obligations in respect of SHYG (including the SHYG Master Lease (as defined herein)) and LMIR Trust will have exposure to all the economic rights and obligations in respect of LPJ (including the LPJ Master Leases (as defined herein)) (the "**Yogyakarta Transaction**"). The Yogyakarta Vendor is indirectly wholly-owned by PT Lippo Karawaci Tbk, the sponsor of LMIR Trust (the "**Sponsor**") (Ordinary Resolution[3]); and

(b) **Resolution 2:** The proposed acquisition of the property known as "Kediri Town Square", a two storey retail mall which is located at Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java ("**KTS**", and the proposed acquisition of KTS, the "**KTS Acquisition**") from PT Prima Gerbang Persada (the "**KTS Vendor**"). The KTS Vendor and the Sponsor are under common control by the same beneficial owner (Ordinary Resolution).

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1 Includes intangible assets of S$10.1 million.

2 Yogyakarta is also commonly referred to as "Yogya", "Jogjakarta" or "Jogja".

3 "**Ordinary Resolution**" refers to a resolution proposed and passed as such by a majority being more 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 dated 8 August 2007 constituting LMIR Trust, entered into between the Trustee and the Manager, as amended, varied or supplemented from time to time (the "**Trust Deed**").

RESOLUTION 1: THE YOGYAKARTA TRANSACTION

In furtherance of the Yogyakarta Transaction:

(i) Icon1 Holdings Pte. Ltd. ("**Icon1**"), a wholly-owned Singapore-incorporated subsidiary of First REIT, has on 13 October 2017 entered into a joint venture deed ("**JV Deed**") with Icon2 Investments Pte. Ltd. ("**Icon2**"), which is a wholly-owned Singapore-incorporated subsidiary of LMIR Trust, for the purposes of governing the relationship between Icon1 and Icon2 as shareholders of PT Yogya Central Terpadu ("**Yogyakarta IndoCo**"), a limited liability company incorporated in Indonesia. Icon1 and Icon2 each holds 100.0% of the Class A ordinary shares ("**Class A Shares**") and 100.0% of the Class B ordinary shares ("**Class B Shares**") in Yogyakarta IndoCo, respectively[1]. Please refer to Paragraph 2.4 of the Letter to Unitholders below for further details of the Class A Shares and Class B Shares.

(ii) The Yogyakarta IndoCo has, on 13 October 2017 entered into a conditional sale and purchase agreement with the Yogyakarta Vendor pursuant to which Yogyakarta IndoCo proposes to acquire the Yogyakarta Property from the Yogyakarta Vendor (the "**Yogyakarta Property CSPA**").

The Yogyakarta Transaction is structured as set out above because the Manager has been advised by Hadiputranto, Hadinoto & Partners, the Legal Adviser to the Manager and the Trustee for the Yogyakarta Transaction as to Indonesian Law, that currently in Yogyakarta, there are no regulations permitting the regional government of Yogyakarta to subdivide the Yogyakarta Property and issue separate strata titles (*Hak Milik Atas Satuan Rumah Susun* certificate)[2]. Yogyakarta IndoCo will therefore hold the Yogyakarta Property under one "Right to Build" (*Hak Guna Bangunan* or "**HGB**") title certificate[3] which will expire on 27 December 2043. Under the JV Deed, Icon1 has agreed to indemnify Icon2 against any and all losses which Icon2 may suffer or incur which arises out of or in connection with SHYG while Icon2 has agreed to indemnify Icon1 against any and all losses which Icon1 may suffer or incur which arises out of or in connection with LPJ.

In furtherance of LMIR Trust's investment policy, the Manager is seeking the approval of Unitholders for the proposed Yogyakarta Transaction to jointly acquire the Yogyakarta Property, an integrated development located at Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, which comprises LPJ and SHYG, with First REIT through the acquisition of the Yogyakarta Property by Yogyakarta IndoCo from the Yogyakarta Vendor. The Yogyakarta Vendor is indirectly wholly-owned by the Sponsor. As at the Latest Practicable Date, the Sponsor holds an indirect interest of approximately 29.85% in LMIR Trust.

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1 The JV Deed is conditional upon obtaining the approval from the unitholders of First REIT ("**First REIT Unitholders**") and the Unitholders.

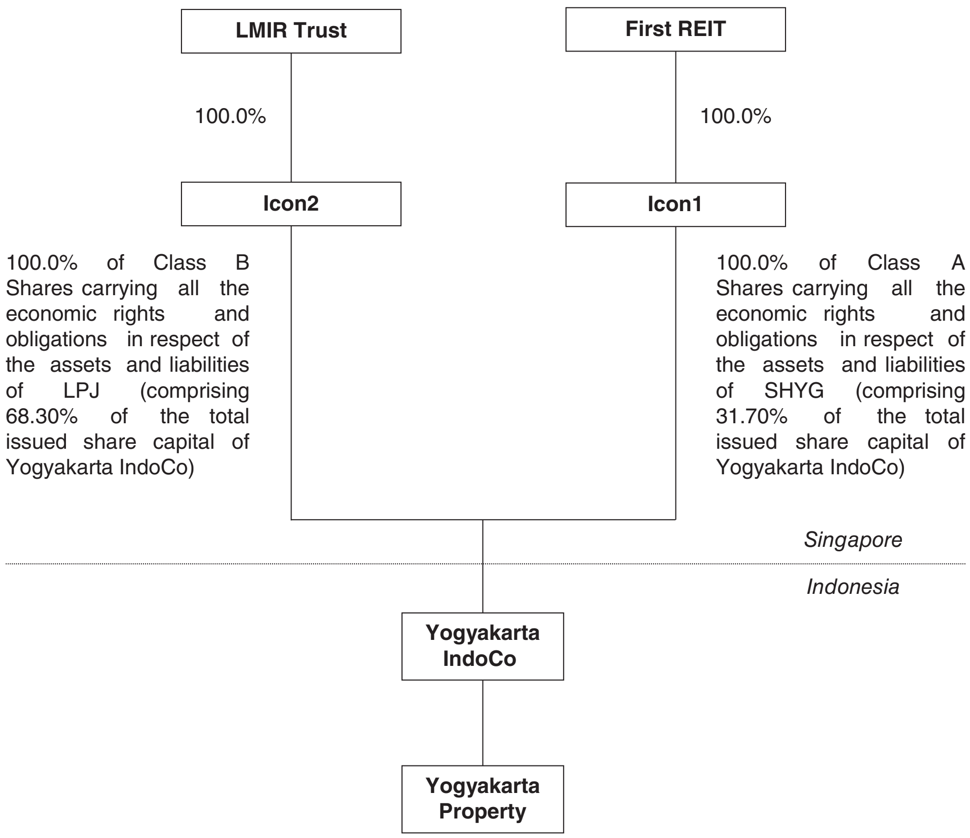
2 In the event that the laws and regulations prevailing in Yogyakarta change to allow strata titles, the Manager and the First REIT Manager (as defined herein) may consider subdividing the Yogyakarta Property and having separate strata titles issued in respect of LPJ and SHYG. The Manager will make an announcement in the event that it becomes aware of such a change in Indonesian laws and regulations.

3 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 and 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 Manager understands from its experience that this is the standard industry practice for properties in Indonesia.

The Yogyakarta Transaction will be implemented by LMIR Trust indirectly holding 100.0% of the Class B Shares of Yogyakarta IndoCo which will entitle it to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to LPJ, and First REIT indirectly holding 100.0% of the Class A Shares of Yogyakarta IndoCo, which will entitle it to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to SHYG. At or prior to completion of the Yogyakarta Transaction, the Class A Shares will comprise 31.70% of the total issued share capital of the Yogyakarta IndoCo and the Class B Shares will comprise 68.30% of the total issued share capital of the Yogyakarta IndoCo.

First REIT, a Singapore-based REIT, has an investment policy to invest in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes[1]. The Sponsor is also the sponsor of First REIT and holds an indirect interest of approximately 30.94% in First REIT as at the Latest Practicable Date.

The holding structure of the Yogyakarta Property and each of LPJ and SHYG upon completion of the Yogyakarta Transaction will be as follows:



Upon completion of the LPJ Acquisition (as defined herein), certain areas of LPJ will be leased to the LPJ Master Lessees (as defined herein) pursuant to the LPJ Master Leases.

1 Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

Description of the Yogyakarta Property and LPJ

The Yogyakarta 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 originally built in 2005, erected on land with a total land area of 13,715 sq m as specified in Right-to-Build Certificate No. 00131/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) and NLA of 23,023 sq m (excluding 550 sq m of casual leasing 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, which is located in the same building. 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, Cinemaxx, Celebrity Fitness and Time Zone.

SHYG has a GFA of 12,474 sq m with a maximum capacity of 220 beds and commenced operations under the "Siloam Hospitals" brand in July 2017 with Centres of Excellence for Neuroscience and Cardiology.

Yogyakarta Property Purchase Consideration

The purchase consideration of the Yogyakarta Property is Rp. 834.6 billion (S$88.1 million)[1,2] (the "**Yogyakarta Property Purchase Consideration**"), which comprises:

(a) the consideration attributable to SHYG of Rp. 264.6 billion (S$27.0 million) (the "**SHYG Purchase Consideration**"); and

(b) the consideration attributable to LPJ of Rp. 570.0 billion (S$61.1 million) (the "**LPJ Purchase Consideration**")[3].

For the avoidance of doubt, LMIR Trust shall only be responsible for paying the LPJ Purchase Consideration and First REIT shall only be responsible for paying the SHYG Purchase Consideration[4].

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1 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.

2 Based on an illustrative rupiah exchange rate of S$1.00 to Rp. 9,333.57 (the "**Illustrative Rupiah Exchange Rate**") for LPJ, and an exchange rate of S$1.00 to Rp. 9,800 for SHYG. Unless otherwise stated, all conversions of Rp. amounts into S$ in this Circular shall be based on the Illustrative Rupiah Exchange Rate and all amounts in Rp. and S$ in this Circular shall, where such amount exceeds one million, be rounded to one decimal number.

3 The SHYG Purchase Consideration is agreed based on the Singapore dollar amount while the LPJ Purchase Consideration is agreed based on the Indonesian Rupiah amount.

4 Should LMIR Trust decide to subsequently divest its interest in LPJ, it may sell the Class B Shares subject to customary rights of pre-emption to offer the Class B Shares to the other shareholders of Yogyakarta IndoCo. LMIR Trust may also freely sell the shares of Icon2.

Yogyakarta Property Purchase Consideration and Valuation

The Independent Valuers, W&R and Rengganis, were appointed by the Trustee and the Manager, respectively, to value the Yogyakarta Property (the "**LMIRT Yogyakarta Property Valuations**"). W&R and Rengganis were also separately appointed by HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT (the "**First REIT Trustee**") and Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT (the "**First REIT Manager**"), respectively, to value the Yogyakarta Property (the "**First REIT Yogyakarta Property Valuations**").

The Yogyakarta 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 Yogyakarta Property Valuations (in respect of SHYG only) and the LMIRT Yogyakarta Property Valuations (in respect of LPJ only). The following table sets out the appraised values of LPJ based on the LMIRT Yogyakarta Property Valuations, the respective dates of such appraisal and the LPJ Purchase Consideration:

	Appraised Value[(1)]						
	By W&R as at 30 September 2017		**By Rengganis as at 30 September 2017**		**Average of two Valuations**		**LPJ Purchase Consideration (S$ million)**
Property	**(S$ million)**	**(Rp. billion)**	**(S$ million)**	**(Rp. billion)**	**(S$ million)**	**(Rp. billion)**	
LPJ	61.6[(3)]	575.2	64.2[(3)]	599.3	62.9[(3)]	587.3	61.1[(2)]
LPJ (Without LPJ Master Leases)[(4)]	53.6	499.8	58.5	545.9	56.1	522.9	

Notes:

(1) As the Yogyakarta Property is held under one HGB title, each of the First REIT Yogyakarta Property Valuations and the LMIRT Yogyakarta Property Valuations valued the Yogyakarta Property as a whole while providing a breakdown between the values of SHYG and LPJ. Pursuant to the LMIRT Yogyakarta Property Valuations, (i) the appraised value of the Yogyakarta Property as a whole by W&R and Rengganis as at 30 September 2017 is Rp. 846.0 billion and Rp. 869.3 billion respectively, and (ii) the appraised value of SHYG by W&R and Rengganis as at 30 September 2017 respectively are S$27.28 and S$27.20. The appraised value of the Yogyakarta Property and the breakdown between SHYG and LPJ in the First REIT Yogyakarta Property Valuations is the same as the LMIRT Yogyakarta Property Valuations.

(2) Only the value of LPJ in the LMIRT Yogyakarta Property Valuations was taken into account in determining the LPJ Purchase Consideration. Similarly, only the value of SHYG in the First REIT Yogyakarta Property Valuations was taken into account in determining the SHYG Purchase Consideration.

(3) Based on the Illustrative Exchange Rate of S$1.00 to Rp. 9,333.57.

(4) This also means without the service charge arrangement described at Paragraph 2.9 of the Letter to Unitholders, as the Yogyakarta Property CSPA is entered into as part of the same package of transactions as the LPJ Master Leases.

The LPJ Purchase Consideration represents a discount of 2.9% to S$62.9 million, which is the average of the two independent valuations of LPJ pursuant to the LMIRT Yogyakarta Property Valuations.

(See **APPENDIX B** of this Circular for further details regarding the LMIRT Yogyakarta Property Valuations.)

LPJ Master Leases

As part of the Yogyakarta Transaction, the Yogyakarta Vendor will terminate the existing leases over the car park space, casual leasing space and specialty tenants space at LPJ and upon completion of the LPJ Acquisition, Yogyakarta IndoCo (as the master lessor) will enter into the following leases:

(i) a car park lease agreement with PT Andhikarya Sukses Pratama (as the lessee of all the car park spaces in the building) ("**PT ASP**") (the "**LPJ Car Park Lease Agreement**");

(ii) a casual leasing space lease agreement with PT Manunggal Megah Serasi (as the lessee of the casual leasing space of LPJ) ("**PT MMS**") (the "**LPJ Casual Leasing Space Lease Agreement**"); and

(iii) a lease agreement over the specialty areas (which includes the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, outdoor and rooftop areas) with PT Mulia Cipta Sarana Sukses (as the lessee of the specialty areas of LPJ) ("**PT MCSS**") (the "**LPJ Specialty Tenants Lease Agreements**", and together with the LPJ Car Park Lease Agreement and the LPJ Casual Leasing Space Lease Agreement, the "**LPJ Master Lease Agreements**").

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

At the Latest Practicable Date, the Yogyakarta IndoCo does not have any employees, LMIR Trust and First REIT do not intend for the Yogyakarta IndoCo to hire employees. Decision making process in the Yogyakarta IndoCo is governed by the JV Deed and the articles of association of Yogyakarta IndoCo. Please see paragraph 2.4 of the Letter to Unitholders for details on the decision making process under the JV Deed.

The leases pursuant to the LPJ Master Lease Agreements (the "**LPJ Master Leases**") will be granted to the LPJ Master Lessees for a lease term of five years each commencing from the date of completion of the LPJ Acquisition.

The Independent Valuers' projections for the total underlying revenue from the LPJ Master Leases from the commencement of the LPJ Master Leases are as follows:

Year	Revenue from LPJ Master Leases (Rp. billion)	Underlying Revenue from areas under LPJ Master Leases (Rp. billion)	
		W&R	Rengganis
1	42.6	20.2	19.2
2	42.6	22.2	23.3
3	42.6	28.6	34.7
4	42.6	32.6	39.4
5	42.6	37.0	44.5
6	–	44.5	49.2

Both W&R and Rengganis view that the rentals from the LPJ Master Leases on a cumulative basis is sustainable by the underlying rentals after the expiry of the LPJ Master Leases. The difference in the master lease assumption from the two valuations by the Independent Valuers is due to their assumption on occupancy rates. W&R assumes a more conservative occupancy rate in the early years with the areas being gradually leased out, especially in relation to certain areas which are undergoing enhancement works to convert the rooftop and outdoor areas into lettable space and convert anchor and big tenant areas to specialty areas which can command higher rental rates. Such enhancement work is expected to be completed by December 2019. Rengganis, however, assumes that the areas will be leased out after such asset enhancement works are completed at a faster rate compared to W&R. The Manager is of the opinion that it will take 1.5 to 2 years to ramp up the occupancy of the master lease area from 66% to be comparable with other LMIR Trust portfolio malls.

The Manager believes that given:

(i) LPJ's strategic location in Yogyakarta, which attracts a large number of students and foreign visitors;

(ii) the enhancement works which the Vendor has committed to undertake to convert the rooftop and outdoor area into lettable space and convert anchor and big tenant areas to specialty areas which can command higher rental rates;

(iii) that LPJ adjoins SHYG and is expected to serve the people of Yogyakarta and those from the surrounding areas; and

(iv) the view of both W&R and Rengganis that the revenue from the LPJ Master Leases is sustainable by the total underlying revenue from the sixth year onwards,

the rental rates under the LPJ Master Leases are attainable after the LPJ Master Leases have expired.

The Manager had considered the implied rental levels and is of the view that these rates are commensurate with a mall of LPJ's positioning and a head lease over the whole of each of the underlying spaces.

(See Paragraphs 2.10 to 2.16 of the Letter to Unitholders for further details.)

Further, as part of the Yogyakarta Transaction, it is proposed that Yogyakarta IndoCo (as the master lessor) will enter into a master lease agreement (the "**SHYG Master Lease Agreement**") with the Sponsor and PT Taruna Perkasa Megah, a wholly owned subsidiary of PT Siloam Hospitals Tbk, which is in turn a subsidiary of the Sponsor (as the master lessees) pursuant to which Yogyakarta IndoCo will grant a lease over SHYG (the "**SHYG Master Lease**"). For the avoidance of doubt, pursuant to the JV Deed, LMIR Trust will neither be entitled to the income earned, nor responsible for the obligations, under the SHYG Master Lease Agreement. The obligations under the SHYG Master Lease Agreement shall be borne solely by Icon1 pursuant to Icon1's holding of Class A Shares and based on the terms of the JV Deed. Pursuant to the JV Deed, LMIR Trust is also indemnified by First REIT for any losses and damages suffered and expenses incurred in connection with SHYG, while First REIT is also indemnified by LMIR Trust for any losses and damages suffered and expenses incurred in connection with LPJ. Please see Paragraph 2.4.11 of the Letter to Unitholders for further details.

Estimated Total Yogyakarta Property Acquisition Cost for LMIR Trust

The total cost to LMIR Trust of the Yogyakarta Transaction, comprising (i) the LPJ Purchase Consideration of Rp. 570.0 billion (S$61.1 million)[1], (ii) the value-added tax (*Pajak Pertambahan Nilai*) ("**VAT**") for the LPJ Acquisition of Rp. 54.3 billion (S$5.8 million)[2], (iii) the acquisition fee[3] of S$0.6 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$0.9 million to be incurred by LMIR Trust in connection with the Yogyakarta Transaction, is estimated to be approximately S$68.4 million (the "**LPJ Acquisition Cost**").

(See Paragraph 2.22 of the Letter to Unitholders for further details.)

Method of Financing the Yogyakarta Transaction

S$67.8 million of the LPJ Acquisition Cost will be paid in cash on the date of completion of the LPJ Acquisition. The LPJ Acquisition Cost (excluding the LPJ Acquisition Fee Units) 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.

(See Paragraph 2.23 of the Letter to Unitholders for further details.)

RESOLUTION 2: THE KTS ACQUISITION

For the purposes of and prior to the KTS Acquisition, the Trustee has acquired 100% of the shares in Pejatenmall Investment Pte Ltd ("**Pejaten2**"), a company incorporated in Singapore which was a wholly-owned subsidiary of Pejaten Holding Pte Ltd. ("**Pejaten1**"), from Pejaten1, a company incorporated in Singapore and a wholly-owned subsidiary of LMIR Trust.

In furtherance of the KTS Acquisition, LMIR Trust, through Pejaten1 and Pejaten2, respectively own 75.0% and 25.0% of the issued share capital of the PT Panca Permata Pejaten, an Indonesian limited liability company ("**KTS IndoCo**"). On 13 October 2017, the KTS IndoCo entered into a conditional sale and purchase agreement (the "**KTS Property CSPA**") with the KTS Vendor for the KTS Acquisition. The KTS Vendor, which is a wholly-owned subsidiary of PT Multipolar Tbk, and the Sponsor are under common control by the same beneficial owner.

Description of KTS

KTS is a two-storey retail mall with a car park area, with NLA of 16,680 sq m (excluding 795 sq m of casual leasing area) located in Kediri city, East Java bearing the postal address Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java. KTS was completed in 2011 and commenced operations in the same year. It is a lifestyle mall strategically located in Kediri city, which provides a range of products and services covering daily needs, fashion, entertainment and F&B for families. Its tenants include a variety of brands, such as Matahari Department Store, Hypermart, Game Fantasia, Sport Stations and OPPO.

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1 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.

2 Reimbursement of 100% of the VAT will be sought from the relevant tax office post-completion of the LPJ Acquisition.

3 Being 1.0% of the LPJ Purchase Consideration. As the Yogyakarta Transaction will constitute an Interested Party Transaction under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**"), the LPJ Acquisition Fee payable to the Manager will be in the form of Units (the "**LPJ Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.7 of the Property Funds Appendix.

KTS Purchase Consideration and Valuation

The Independent Valuers, W&R and Rengganis, were appointed by the Trustee and the Manager respectively to value KTS.

The following table sets out the appraised values of KTS, the respective dates of such appraisal and the KTS Purchase Consideration:

Property	Appraised Value				Average of two Valuations		KTS Purchase Consideration (S$ million)
	By W&R as at 30 September 2017		By Rengganis as at 30 September 2017				
	(S$ million)	(Rp. billion)	(S$ million)	(Rp. billion)	(S$ million)	(Rp. billion)	
KTS	38.9	363.1	39.0	363.7	38.9	363.4	37.0

The KTS Purchase Consideration represents a discount of 4.9% to S$38.9 million, which is the average of the two independent valuations of KTS.

(See **APPENDIX B** of this Circular for further details regarding the valuation of KTS by the Independent Valuers.)

Estimated Total KTS Acquisition Cost

The total cost to LMIR Trust of the KTS Acquisition, comprising (i) the KTS Purchase Consideration of Rp. 345.0 billion (S$37.0 million), (ii) the VAT of Rp. 32.9 billion (S$3.5 million), (iii) the acquisition fee[1] of S$0.4 million (the "**KTS Acquisition Fee**") payable to the Manager pursuant to the Trust Deed which is payable in the form of Units, as well as (iv) the professional and other fees and expenses of approximately S$0.5 million to be incurred by LMIR Trust in connection with the KTS Acquisition, is estimated to be approximately S$41.4 million (the "**KTS Acquisition Cost**").

(See Paragraph 3.11 of the Letter to Unitholders for further details.)

Method of Financing the KTS Acquisition

S$41.0 million of the KTS Acquisition Cost will be paid in cash on the date of completion of the KTS Acquisition. The KTS Acquisition Cost (excluding the KTS Acquisition Fee Units, the VAT and professional and other fees and expenses) is expected to be financed via proceeds from the issuance of bonds and/or debt financing facilities from banks. The VAT and professional and other fees and expenses will be funded by internal funds. 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.

(See Paragraph 3.12 of the Letter to Unitholders for further details.)

The Yogyakarta Transaction and the KTS Acquisition shall collectively be referred to as the "**Transactions**".

1 Being 1.0% of the KTS Purchase Consideration. As the KTS Acquisition will constitute an Interested Party Transaction under the Property Funds Appendix, the KTS Acquisition Fee payable to the Manager will be in the form of Units (the "**KTS Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance, in accordance with Paragraph 5.7 of the Property Funds Appendix.

INTERESTED PERSON TRANSACTION[1] AND INTERESTED PARTY TRANSACTION[2]

Resolution 1: The Yogyakarta Transaction

As at 30 November 2017, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), 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 ("**Jesselton**") 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) 29.85% in LMIR Trust and (ii) 100.0% in the Manager, and is therefore regarded as a "**Controlling Unitholder**"[3] of LMIR Trust and a "**Controlling Shareholder**"[4] of the Manager, respectively, under both 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) 30.94% 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 purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the Yogyakarta 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 Person[5] and an Interested Party[6] 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 Yogyakarta Transaction (including the JV Deed and the LPJ Master Leases) 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 Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the Yogyakarta Transaction (including the JV Deed and the LPJ Master Leases).

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1 "**Interested Person Transaction**" means a transaction between an entity at risk and an Interested Person (as defined herein).

2 "**Interested Party Transaction**" has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

3 "**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.

4 "**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.

5 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 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 LMIR Trust.

6 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 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 LMIR Trust.

(See Paragraph 5 of the Letter to Unitholders for further details.)

UNITHOLDERS SHOULD NOTE THAT THE YOGYAKARTA TRANSACTION (INCLUDING THE JV DEED AND THE LPJ MASTER LEASES) IS DEPENDENT ON THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT, INCLUDING THE APPROVAL BY THE UNITHOLDERS OF FIRST REIT FOR THE YOGYAKARTA TRANSACTION.

Resolution 2: The KTS Acquisition

As at the Latest Practicable Date, PT Multipolar Tbk holds 100% interest in the KTS Vendor and 2.11% interest in the Sponsor. The KTS Vendor and the Sponsor are under common control by the same beneficial owner. The Sponsor is in turn a Controlling Unitholder of LMIR Trust and a Controlling Shareholder of the Manager). For the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the KTS Vendor is an Interested Person and an Interested Party of LMIR Trust.

As such, the KTS Acquisition 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 Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the KTS Acquisition.

(See Paragraph 5 of the Letter to Unitholders for further details.)

RATIONALE FOR THE TRANSACTIONS

The Manager believes that the Transactions will bring, among others, the following key benefits to Unitholders:

(i) strategically located retail mall assets in Yogyakarta and Kediri city with organic growth potential;

(ii) opportunity to increase the size and enhance the earnings of LMIR Trust;

(iii) increased economies of scale in operations, marketing and financing; and

(iv) diversification of assets within LMIR Trust's portfolio to minimise concentration risk.

(See Paragraph 4 of the Letter to Unitholders for further details.)

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	17 December 2017, Sunday at 9:30 a.m.
Date and time of the EGM	:	20 December 2017, Wednesday at 9:30 a.m.
If approvals for the Yogyakarta Transaction and the KTS Acquisition are obtained at the EGM:		
Target date for completion of the LPJ Acquisition	:	31 December 2017 (or such other date as may be agreed between the Trustee and the Yogyakarta Vendor)
Target date for completion of the KTS Acquisition	:	31 December 2017 (or such other date as may be agreed between the Trustee and the KTS Vendor)

LIPPO MALLS INDONESIA RETAIL TRUST

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

Directors of the Manager	**Registered Office**
Mr Ketut Budi Wijaya (Chairman and Non-Independent Non-Executive Director) Mr Lee Soo Hoon, Phillip (Independent Director) Mr Goh Tiam Lock (Independent Director) Mr Douglas Chew (Lead Independent Director) Ms Chan Lie Leng (Executive Director and Chief Executive Officer)	50 Collyer Quay #06-07 OUE Bayfront Singapore 049321

5 December 2017

To: Unitholders of Lippo Malls Indonesia Retail Trust

Dear Sir/Madam

1 SUMMARY OF APPROVALS SOUGHT

In furtherance of LMIR Trust's investment policy, the Manager is seeking the approval of Unitholders at the extraordinary general meeting of Unitholders to be held on 20 December 2017, Wednesday, at Marina Mandarin Ballroom (Level 1), Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 at 9:30 a.m. (the "**EGM**") for the following resolutions:

(i) Resolution 1: The Yogyakarta Transaction (Ordinary Resolution); and

(ii) Resolution 2: The KTS Acquisition (Ordinary Resolution).

2 THE PROPOSED YOGYAKARTA TRANSACTION

2.1 Description of the Yogyakarta Property and LPJ

The Yogyakarta 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 originally built in 2005, erected on land with a total land area of 13,715 sq m as specified in Right-to-Build Certificate No. 00131/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 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, which is located in the same building. LPJ serves the people of Yogyakarta and those from the surrounding areas and offers a diverse range of tenants including Matahari Department Store, Hypermart, Cinemaxx, Celebrity Fitness and Time Zone.

SHYG has a GFA of 12,474 sq m with a maximum capacity of 220 beds and commenced operations under the "Siloam Hospitals" brand in July 2017 with Centres of Excellence for Neuroscience and Cardiology.

(See **APPENDIX A** of this Circular which provides further details about the Yogyakarta Property and LPJ.)

2.2 Structure of the Yogyakarta Transaction

The Yogyakarta Transaction will be implemented by LMIR Trust indirectly holding 100.0% of the Class B Shares of Yogyakarta IndoCo, which will entitle it to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to LPJ, and First REIT indirectly holding 100.0% of the Class A Shares of Yogyakarta IndoCo, which will entitle it to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to SHYG. The Class A Shares and Class B Shares represent the total issued share capital of Yogyakarta IndoCo. Prior to completion of the Yogyakarta Transaction, there will be an aggregate of 208.65 billion shares, with 66.15 billion Class A Shares and 142.5 billion Class B Shares.

First REIT, a Singapore-based REIT, has an investment policy to invest in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes[1]. The Sponsor is also the sponsor of First REIT and holds an indirect interest of approximately 30.94% in First REIT as at Latest Practicable Date. As at the Latest Practicable Date, the Sponsor holds an indirect interest of approximately 29.85% in LMIR Trust.

In furtherance of the Yogyakarta Transaction:

(i) Icon1, a wholly-owned Singapore-incorporated subsidiary of First REIT, has, on 13 October 2017 entered into the JV Deed with Icon2, which is a wholly-owned Singapore-incorporated subsidiary of LMIR Trust, for the purposes of governing the relationship between Icon1 and Icon2 as shareholders of the Yogyakarta IndoCo, a limited liability company incorporated in Indonesia. Icon1 and Icon2 each holds 100.0% of the Class A Shares and 100.0% of the Class B Shares in Yogyakarta IndoCo, respectively[2].

(ii) The Yogyakarta IndoCo has, on 13 October 2017, entered into the Yogyakarta Property CSPA with the Yogyakarta Vendor pursuant to which the Yogyakarta IndoCo proposes to acquire the Yogyakarta Property from the Yogyakarta Vendor for an aggregate purchase consideration of Rp. 834.6 billion (S$88.1 million), comprising the SHYG Purchase Consideration of Rp. 264.6 billion (S$27.0 million) and the LPJ Purchase Consideration of Rp. 570.0 billion (S$61.1 million)[3].

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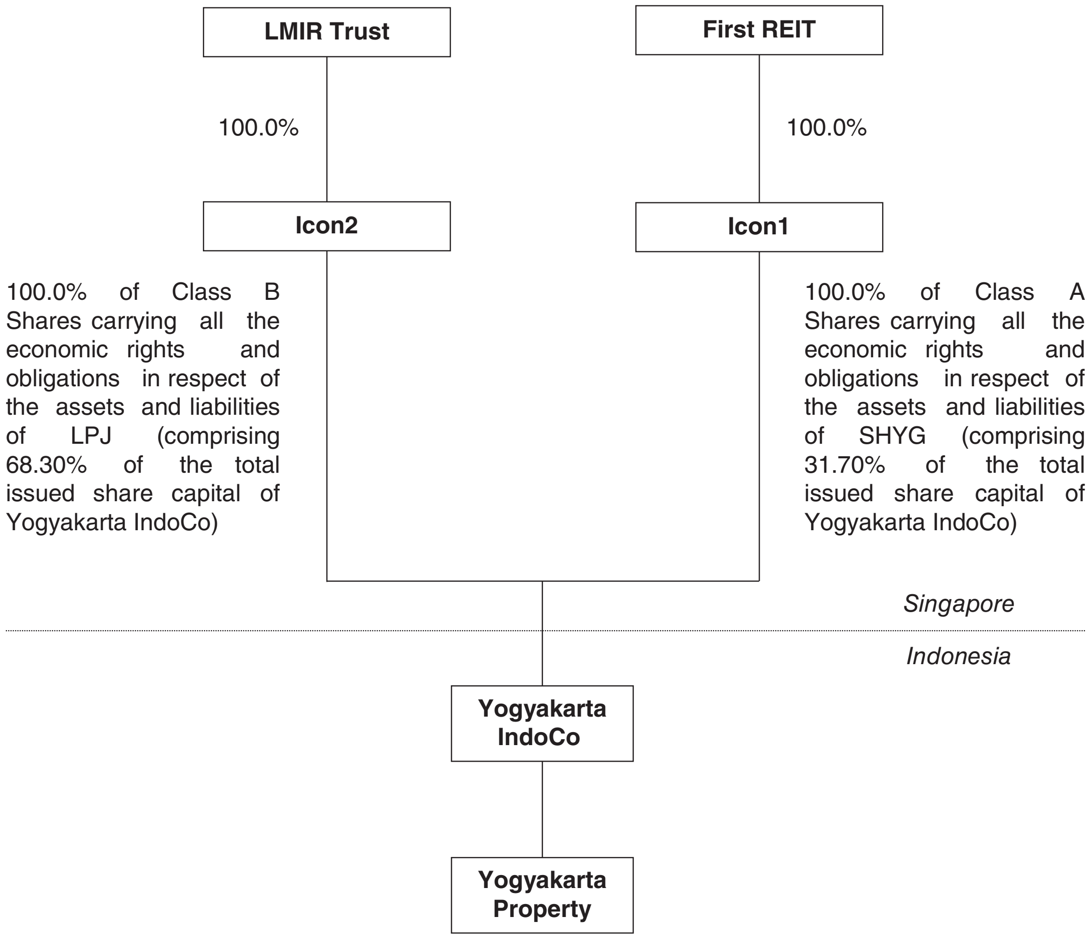
1 Including, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices and such other ancillary activities relating to the primary objective, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to hold or own real estate.

2 The JV Deed is conditional upon obtaining the approval from the First REIT Unitholders and the Unitholders.

3 The SHYG Purchase Consideration is agreed based on the Singapore dollar amount while the LPJ Purchase Consideration is agreed based on the Indonesian Rupiah amount.

(iii) Pursuant to the JV Deed, (1) Icon1, which holds 85 billion Class A Shares at this stage, will transfer 18.85 billion Class A Shares to Icon2, which holds 85 billion Class B Shares at this stage, at a consideration of Rp. 1 per Class A Share (at book value), which will be converted into Class B Shares, and (2) Icon2 will further subscribe for 38.65 billion Class B Shares for Rp. 1 per Class B Share payable to Yogyakarta IndoCo, such that at or prior to completion of the Yogyakarta Transaction, Icon1 will hold 66.15 billion or 100% of the Class A Shares which will comprise 31.70% of the total issued share capital of Yogyakarta IndoCo and Icon2 will hold 142.5 billion or 100% of the Class B Shares which will comprise 68.30% of the total issued share capital of Yogyakarta IndoCo. Please refer to Paragraph 2.4.1 of the Letter to Unitholders below for further details.

The holding structure of the Yogyakarta Property and each of LPJ and SHYG upon completion of the Yogyakarta Transaction will be as follows:



The Yogyakarta Transaction is structured as set out above because the Manager has been advised by Hadiputranto, Hadinoto & Partners that currently in Yogyakarta there are no regulations permitting the regional government of Yogyakarta to subdivide the Yogyakarta Property and issue separate strata titles (*Hak Milik atas Satuan Rumah Susun* certificate) as evidence of title for each of LPJ and SHYG[1]. Yogyakarta IndoCo will therefore hold the Yogyakarta Property under one HGB title certificate which will expire on 27 December 2043. Under the JV Deed, Icon1 has agreed to indemnify Icon2 against any and all losses which Icon2 may suffer or incur which arises out of or in connection with SHYG while Icon2 has

1 In the event that the laws and regulations prevailing in Yogyakarta change to allow strata titles, the Manager and the First REIT Manager may consider subdividing the Yogyakarta Property and having separate strata titles issued in respect of LPJ and SHYG. The Manager will make an announcement in the event that it becomes aware of such a change in Indonesian laws and regulations.

agreed to indemnify Icon1 against any and all losses which Icon1 may suffer or incur which arises out of or in connection with LPJ. Please see paragraph 2.4.11 of the Letter to Unitholders for further details.

The maximum aggregate liability of Icon2 to Icon1 in respect of a claim under the JV Deed shall not exceed the reinstatement value of the hospital component based on the valuation of the hospital component in the latest audited financial statements of First REIT, while the maximum aggregate liability of Icon1 to Icon2 in respect of a claim under the JV Deed shall not exceed the reinstatement value of the retail mall component based on the valuation of the retail mall component in the latest audited financial statements by LMIR Trust.

As a limited liability company, Yogyakarta IndoCo may sue or be sued in its own name. If any proceedings are commenced against the Yogyakarta IndoCo in relation to affairs of SHYG, First REIT shall indemnify LMIR Trust of any losses and damages suffered and expenses incurred in connection with such proceedings that are only in relation to SHYG.

Voluntary winding up of the Yogyakarta IndoCo by its members is a reserved matter under the JV Deed and will require unanimous approval of Icon1 and Icon2. In relation to winding up by third parties such as creditors, First REIT shall indemnify LMIR Trust of any losses and damages suffered and expenses incurred in connection with such winding up proceedings that are only in relation to the affairs of SHYG.

Further, borrowing or the incurrence of any other indebtedness or liability on the Yogyakarta IndoCo and the creation of any security or charge over the Yogyakarta Property are reserved matters requiring unanimous shareholder approval. Therefore, there is little risk that First REIT may encumber the Yogyakarta IndoCo and cause the Yogyakarta IndoCo to incur debt which may later result in default and creditor's petitioning for winding up of the Yogyakarta IndoCo or for lenders to obtain possession of the Yogyakarta Property, without LMIR Trust's approval.

2.3 Conditions Precedent for the Completion of the Joint Acquisition

Pursuant to the Yogyakarta Property CSPA, completion of the sale and purchase of the Yogyakarta Property will take place on the same day for SHYG and LPJ. Completion for the acquisition of LPJ pursuant to the Joint Acquisition ("**LPJ Acquisition**") is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

2.3.1 the obtainment of approval from the respective audit and risk committees and the boards of directors of the Manager and First REIT Manager;

2.3.2 the obtainment of approval from the unitholders of First REIT ("**First REIT Unitholders**") and the unitholders of LMIR Trust to be given at extraordinary general meetings of unitholders of First REIT and unitholders of LMIR Trust for the Joint Acquisition of the Yogyakarta Property together by LMIR Trust and First REIT under the transaction documents including the sale and purchase of the Yogyakarta Property pursuant to the Yogyakarta Property CSPA and for the relevant Contracts (as defined in the Yogyakarta Property CSPA);

2.3.3 the obtainment of approval from the shareholders of the Yogyakarta IndoCo (i.e. Icon1 and Icon2);

2.3.4 the entry into and delivery of the duly executed trademark licensing agreement between Yogyakarta IndoCo and PT Sentra Dwimandiri for the grant of the right to Yogyakarta IndoCo to use the trademark or word "Lippo";

2.3.5 the obtainment of other approvals (if required) including those of the Monetary Authority of Singapore ("**MAS**") and the SGX-ST;

2.3.6 the Yogyakarta IndoCo, First REIT Trustee and the Trustee being satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by the Yogyakarta IndoCo, First REIT Trustee and the Trustee and/or its counsels or advisers, which the Yogyakarta IndoCo, First REIT Trustee and/or the Trustee may consider to be relevant, including due diligence and court searches conducted on or in connection with the Yogyakarta Vendor and the Yogyakarta Property;

2.3.7 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;

2.3.8 the receipt by the Yogyakarta IndoCo of relevant legal opinions as specified in the Yogyakarta Property CSPA;

2.3.9 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 Yogyakarta Deed of Indemnity (as defined herein), or their ability to perform any of their obligations under the transaction documents;

2.3.10 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 Yogyakarta Property pursuant to the transaction documents having been obtained by the Yogyakarta Vendor from third parties (including governmental or official authorities, courts or other regulatory bodies) on terms satisfactory to the Yogyakarta IndoCo and such licenses, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals remain in full force and effect;

2.3.11 no law, regulation or decision which would prohibit, restrict or delay or adversely affect the sale and purchase of the Yogyakarta Property or the operation of the Yogyakarta Property having been proposed, enacted or taken by any governmental or official authority;

2.3.12 the obtainment by the Yogyakarta Vendor, of corporate approvals from its shareholders, board of commissioners and board of directors approving, among others, the sale of the Yogyakarta Property and the transactions contemplated in the transaction documents to which the Yogyakarta Vendor is a party;

2.3.13 the entry into a Deed of Indemnity between the First REIT Trustee, the Trustee and PT WJP;

2.3.14 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 Yogyakarta Vendor and the transactions contemplated in the transaction documents to which PT WJP is a party;

2.3.15 the submission of the 2016 duly audited financial statement of PT WJP as indemnifier and if required by the Yogyakarta IndoCo, the First REIT Trustee or the Trustee in their discretion, the change of identity of the indemnifier to a party acceptable to the Purchasers, the First REIT Trustee and the Trustee and any amendments, supplements, novation, assignments, and/or extensions to the Yogyakarta Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Yogyakarta IndoCo, the First REIT Trustee and the Trustee (as the case may be);

2.3.16 the due execution of novation agreements to novate contracts involving the Yogyakarta Property to the Yogyakarta IndoCo;

2.3.17 there being no compulsory acquisition of the Yogyakarta 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;

2.3.18 subject to the provisions of the Yogyakarta Property CSPA, the Yogyakarta Property or any part thereof is not materially damaged;

2.3.19 the receipt of the Yogyakarta IndoCo of a duly executed land confirmation letter (*surat keterangan pendaftaran tanah*) from the authorised land office, stating the legal title of the Yogyakarta Vendor over the HGB and expiration of such legal title;

2.3.20 the obtainment by the Yogyakarta Vendor of all licenses required for the construction and operation of the Yogyakarta Property in respect of the retail mall component in accordance with applicable laws and regulations;

2.3.21 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 Yogyakarta Vendor in relation to LPJ;

2.3.22 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 Yogyakarta IndoCo, will or is likely to (a) have a material adverse effect on the Yogyakarta Property, (b) affect the effectiveness, legality, validity and/or enforceability of the sale and transfer of the Yogyakarta Property from the Yogyakarta Vendor to the Yogyakarta IndoCo 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 Yogyakarta 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 Yogyakarta Property by the Yogyakarta Vendor prior to or on completion of the LPJ Acquisition;

2.3.23 all the Yogyakarta 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**"), the Property Management Agreement and the Mall Operator Agreement with any third party) being irrevocably and unconditionally novated to the Yogyakarta IndoCo;

2.3.24 the execution of the LPJ Master Lease Agreements;

2.3.25 the due execution of 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;

2.3.26 due execution of all other transaction documents;

2.3.27 the assignment to the Yogyakarta IndoCo of all warranties, including those as set out in the Yogyakarta Property CSPA; and

2.3.28 the rectification of the defects as set out in the Yogyakarta 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 Yogyakarta Property which have not been novated from the Yogyakarta Vendor to Yogyakarta IndoCo from the date of completion of the LPJ Acquisition, the Yogyakarta Vendor shall novate the remaining tenancy agreements to Yogyakarta IndoCo within six months commencing from the date of completion of the LPJ Acquisition and within such six-month period, Yogyakarta IndoCo shall be entitled to receive all rental fees and service charges in relation to the remaining tenancy agreements from the Yogyakarta Vendor without any deductions, and such rental fees and service charges shall be paid on a monthly basis. If the Yogyakarta Vendor has not fully novated the remaining tenancy agreements at the end of the above six month period, the Yogyakarta Vendor shall pay Yogyakarta IndoCo the total rental fees and service charges for the remaining terms of such tenancy agreements.

Upon the completion of the LPJ Acquisition, the Yogyakarta Vendor and Yogyakarta IndoCo will enter into the deed of sale and purchase (*akta jual beli*) between the Yogyakarta Vendor and Yogyakarta IndoCo transferring the Yogyakarta Property (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.

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 having occurred and the Deed of SPA is executed before the authorised Land Deed Officer (*Pejabat Pembuat Akta Tanah*) in accordance with the applicable Indonesia Laws;

(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 due execution of the termination agreement in respect of the Existing SHYG Master Lease Agreement;

(iv) the entry into of the SHYG Master Lease Agreement;

(v) 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 Yogyakarta Vendor in relation to SHYG;

(vi) 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; 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 Yogyakarta IndoCo, will or is likely to (a) have a material adverse effect on the Yogyakarta Property,(b) affect the effectiveness, legality, validity and/or enforceability of the sale and transfer of the Yogyakarta Property from the Yogyakarta Vendor to the Yogyakarta IndoCo 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 Yogyakarta 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 Yogyakarta Property by the Yogyakarta Vendor prior to or on the completion of the SHYG Acquisition.

In the case that any of the conditions precedent of to the SHYG Acquisition are not satisfied or not waived due to reasons such as (but not limited to) failing to obtain the approval of the First REIT Unitholders' and/or lack of financing, completion of the LPJ Acquisition will not take place. The conditions precedent relating to both the LPJ Acquisition and SHYG Acquisition will have to be met for completion of LPJ Acquisition to take place.

As at the Latest Practicable Date, the conditions precedent to the Yogyakarta Transaction that have been met are as follows:

(1) the obtainment of approval from the respective audit and risk committees and the boards of directors of the Manager;

(2) the Yogyakarta IndoCo, First REIT Trustee and the Trustee being satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by the Yogyakarta IndoCo, First REIT Trustee and the Trustee and/or its counsels or advisers, which the Yogyakarta IndoCo, First REIT Trustee and/or the Trustee may consider to be relevant, including due diligence and court searches conducted on or in connection with the Yogyakarta Vendor and the Yogyakarta Property;

(3) the obtainment by the Yogyakarta Vendor, of corporate approvals from its shareholders, board of commissioners and board of directors approving, among others, the sale of the Yogyakarta Property and the transactions contemplated in the transaction documents to which the Yogyakarta Vendor is a party;

(4) the entry into a Deed of Indemnity between the First REIT Trustee, the Trustee and PT WJP;

(5) 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 Yogyakarta Vendor and the transactions contemplated in the transaction documents to which PT WJP is a party;

(6) the submission of the 2016 duly audited financial statement of PT WJP as indemnifier and if required by the Yogyakarta IndoCo, the First REIT Trustee or the Trustee in their discretion, the change of identity of the indemnifier to a party acceptable to the Purchasers, the First REIT Trustee and the Trustee and any amendments, supplements, novation, assignments, and/or extensions to the Yogyakarta Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Yogyakarta IndoCo, the First REIT Trustee and the Trustee (as the case may be);

(7) the receipt of the Yogyakarta IndoCo of a duly executed land confirmation letter (surat keterangan pendaftaran tanah) from the authorised land office, stating the legal title of the Yogyakarta Vendor over the HGB and expiration of such legal title;

(8) the assignment to the Yogyakarta IndoCo of all warranties, including those as set out in the Yogyakarta Property CSPA.

2.4 The JV Deed

By approving the Yogyakarta Transaction, Unitholders will be deemed to have also approved the JV Deed.

2.4.1 **Shareholding Structure**. Pursuant to the JV Deed, (1) Icon1, which holds 85 billion Class A Shares at this stage, will transfer 18.85 billion Class A Shares to Icon2, which holds 85 billion Class B Shares at this stage, at a consideration of Rp. 1 per Class A Share (at book value), which will be converted into Class B Shares, and (2) Icon2 will further subscribe for 38.65 billion Class B Shares for Rp. 1 per Class B Share payable to Yogyakarta IndoCo, such that at or prior to completion of the Yogyakarta Transaction, Icon1 will hold 66.15 billion or 100% of the Class A Shares which will comprise 31.70% of the total issued share capital of Yogyakarta IndoCo and Icon2 will hold 142.5 billion or 100% of the Class B Shares which will comprise 68.30% of the total issued share capital of Yogyakarta IndoCo.

2.4.2 **Board of Commissioners**[1]. The board of commissioners of Yogyakarta IndoCo shall comprise four commissioners, each of the holder of the Class A Shares and the holder of the Class B Shares shall be entitled to appoint two commissioners. The designated commissioners for SHYG shall be the commissioners appointed by the holder of the Class A Shares, and the designated commissioners for LPJ shall be the commissioners appointed by the holder of the Class B Shares. Subject to the Reserved Matters (see Paragraph 2.4.9 below for further details), all resolutions of the board of commissioners shall be passed with the unanimous approval of all the commissioners.

2.4.3 **President Commissioner**[2]. The president of the board of commissioners (the "President Commissioner") shall be appointed by rotation every three years by the holder(s) of the Class A Shares and the holder(s) of the Class B Shares. The first President Commissioner shall be appointed by the holder(s) of the Class B Shares.

2.4.4 **Board of Directors**. The board of directors of Yogyakarta IndoCo shall comprise four directors, each of the holder of the Class A Shares and the holder of the Class B Shares shall be entitled to appoint two directors. The quorum at a meeting of the board of directors of Yogyakarta IndoCo shall be not less than two directors comprising at least one director nominated by each of the holders of the Class A Shares and Class B Shares respectively. Subject to the Reserved Matters, all resolutions of the board of directors shall be passed with the unanimous approval of all the directors.

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1 Under Indonesian Law, a limited liability company has a two tier system, comprising a board of directors and board of commissioners. The board of directors conducts the day-to-day operation of Yogyakarta IndoCo while the board of commissioners supervises the management actions done by the board of directors.

Certain actions such as (i) establishing a new business venture or participating in another business entity whether onshore or offshore and (ii) diversifying its business activities requires board of commissioners' approval. As the board of commissioners exercises supervisory powers over the board of directors, the directors shall provide explanations regarding all matters as requested by the board of commissioners. The board of commissioners also has the right to suspend one or more members of the board of directors, if such member of the board of directors acts contrary to the articles of association of the Yogyakarta IndoCo and/or the prevailing statutory regulations, in accordance with the articles of association of the Yogyakarta IndoCo.

2 The President Commissioner shall preside over a meeting of the board of commissioners. For the avoidance of doubt, the President Commissioner is not entitled to a second or casting vote at any meeting of the board of commissioners.

2.4.5 **President Director**[1]. The president of the board of directors (the "President Director") shall be appointed by rotation every three years by the holder(s) of the Class A Shares and the holder(s) of the Class B Shares. The first President Director shall be appointed by the holder(s) of the Class A Shares.

2.4.6 **Class A Shares**. Class A Shares shall carry the following rights and obligations:

(i) be entitled to one vote for every Class A Share at a general meeting of shareholders of Yogyakarta IndoCo;

(ii) be entitled to all the economic rights of all the assets and undertakings relating to SHYG;

(iii) be entitled to all the rights to the revenue, profits and dividends attributable to SHYG; and

(iv) be responsible for all the liabilities, obligations, costs, expenses and losses attributable to SHYG, howsoever rising.

2.4.7 **Class B Shares.** Class B Shares shall carry the following rights and obligations:

(i) be entitled to one vote for every Class B Share at a general meeting of shareholders of Yogyakarta IndoCo;

(ii) be entitled to all the economic rights of all the assets and undertakings relating to LPJ;

(iii) be entitled to all the rights to the revenue, profits and dividends attributable to LPJ; and

(iv) be responsible for all the liabilities, obligations, costs, expenses and losses attributable to LPJ, howsoever rising.

2.4.8 **Voting Rights.** Subject to requirements of law and the Reserved Matters, all resolutions of the shareholders shall be adopted by unanimous approval of the shareholders.

Subject to the Reserved Matters and except as otherwise agreed in writing between the holders of Class A Shares and the holders of Class B Shares, a resolution in writing circulated to all of the shareholders and signed by all of the shareholders for the time being entitled to receive notice of a meeting of the shareholders, shall be valid and effectual as if it had been a resolution passed at a meeting of the shareholders duly convened and held, and may consist of several documents in like form, each signed by one or more persons.

2.4.9 **Reserved Matters.** The following matters, among others, shall require unanimous approval of the shareholders:

(i) any amendment of the JV Deed and the memorandum and articles of association of Yogyakarta IndoCo;

(ii) the cessation or change of the business or businesses of Yogyakarta IndoCo or change of use of the Yogyakarta Property of the Yogyakarta IndoCo;

1 The President Director shall preside over a meeting of the board of directors.

(iii) the winding up, dissolution, liquidation or termination, judicial management or administration (and other analogous proceedings) of Yogyakarta IndoCo;

(iv) any changes to the dividend distribution policy of Yogyakarta IndoCo;

(v) any reduction or other alteration in the issued share capital or capital structure of Yogyakarta IndoCo, the creation or issue of any shares of the Yogyakarta IndoCo or other securities of the Yogyakarta IndoCo ("**Securities**"), the making of calls on shares of the Yogyakarta IndoCo or Securities, the grant of any option[1] or right to subscribe for any shares of the Yogyakarta IndoCo or Securities in the Yogyakarta IndoCo, the forfeiture or redemption of shares of the Yogyakarta IndoCo or Securities or any resolution altering the classification of shares of the Yogyakarta IndoCo or Securities or any rights, privileges, restrictions or obligations pertaining thereto;

(vi) any buy-back, purchase, redemption, exchange, reduction, cancellation or return in any way of any shares in or assets of Yogyakarta IndoCo and its subsidiaries;

(vii) incurring and/or repayment of any borrowings incurred by Yogyakarta IndoCo;

(viii) the creation of any security or charge over the assets of Yogyakarta IndoCo or any part thereof (including but not limited to the Yogyakarta Property);

(ix) transfer or disposal of the assets of Yogyakarta IndoCo;

(x) the approval of enhancement works and capital expenditure plans by Yogyakarta IndoCo for any assets of Yogyakarta IndoCo or any part thereof (including but not limited to the Yogyakarta Property); and

(xi) the entry into interested person transaction(s) (as defined in the Listing Manual) and/or interested party transaction(s) (as defined in the Property Funds Appendix).

If Icon1 is unable to pay its debts as they fall due, it would constitute an "event of default" under the JV Deed, in which case the non-defaulting shareholder may give written notice to the defaulting shareholder requiring the latter to (i) sell all its shares to the non-defaulting shareholder or to third-party shareholders at market value, or (ii) to purchase or to procure the purchase of all the shares held by the non-defaulting shareholder at market value.

Any losses caused to LMIR Trust due to borrowings in relation to SHYG shall be indemnified by First REIT under the cross-indemnity at paragraph 2.4.11.

1 The grant of any option to subscribe for new shares does not affect Icon1 and Icon2's rights to sell existing shares. Further, it is a requirement under paragraph 6.5(b) of Property Funds Appendix that the joint venture agreement where a REIT is a party should include veto rights over key operational issues, including issue of securities, which would include the grant of an option to subscribe for new shares.

If a financing arrangement only in relation to SHYG is conditional upon provisions of certain undertakings or other forms of security by the shareholders, Icon2 (wholly owned by LMIR Trust) will not be required to provide such undertakings and security. For example, Icon1 may obtain such solely SHYG-related financing by granting a charge over its Class A Shares, which if there is any default, the creditor may enforce its charge on First REIT's Class A Shares and will have no action against LMIR Trust's Class B Shares.

2.4.10 **Deadlock.** For so long as Icon1 and Icon2 are wholly-owned subsidiaries of First REIT and LMIR Trust respectively, in the event that a resolution of the board of commissioners, board of directors or the shareholders for the transaction of any business of Yogyakarta IndoCo cannot be obtained after a period of 45 days or after two successive attempts (including due to failure to constitute the requisite quorum or otherwise), whichever is the earlier and such failure has a material adverse effect on the Yogyakarta Property or on the assets, operations or financial condition of Yogyakarta IndoCo taken as a whole, a deadlock shall be deemed to arise and the shareholders shall immediately upon the occurrence of any deadlock, refer the matter which was to have been discussed at the meeting of the board of commissioners, board of directors or the General Meeting of Shareholders (as the case may be) to the chairman of each of the First REIT Manager and the Manager (the "**Officer**") with a view to resolution of such matter by the Officers in good faith.

In the event that:

(i) a resolution of such matter is not agreed upon within 45 days from the date of the shareholders' referral to the Officers pursuant to the JV Deed;

(ii) either of Icon1 or Icon2 is not a wholly-owned subsidiary of First REIT or LMIR Trust respectively; or

(iii) the Officers of the First REIT Manager and the Manager are the same person,

the shareholders shall refer such matter for mediation at the Singapore Mediation Centre.

If the matter cannot be resolved after the mediation within 45 days from the date of the shareholders' referral to the Singapore Mediation Centre, such dispute or difference shall be submitted to a single arbitrator to be appointed by the parties in dispute (the "**Disputing Parties**"), or failing agreement, within 14 days after any Disputing Party has given the other Disputing Party or Disputing Parties a written request to concur in the appointment of an arbitrator, a single arbitrator will be appointed on the request of the parties in Dispute by the President of the Singapore International Arbitration Centre ("**SIAC**") Court of Arbitration.

2.4.11 **Cross-Indemnity.** First REIT would indemnify LMIR Trust for losses in connection with SHYG, and LMIR Trust would indemnify First REIT for losses in connection with LPJ. The situations which LMIR Trust will require indemnity from First REIT includes, but are not limited to,

(i) losses in connection with any legal agreement, arrangement, transaction, action and/or other document in connection with SHYG;

(ii) any loss of income or revenue from existing or potential tenants or lessees, which arises in connection with settlements or cases before any courts, tribunals and governmental authorities in the relevant jurisdictions in relation to SHYG;

(iii) losses which Icon2 may suffer in connection with the absence of, or failure to maintain the validity of, the required licenses, permits and/or approvals or the failure to comply with the obligations in relation to SHYG;

(iv) losses which Icon2 may incur in connection with a failure by Icon1 to regularly and properly maintain SHYG; and

(v) losses which Icon2 may incur in connection with all actions and proceedings, claims and damages imposed again tor involving SHYG.

In addition, First REIT shall not be liable for any obligations under guarantees which are provided by Yogyakarta IndoCo in respect of LPJ and LMIR Trust would not be liable for any obligations under guarantees which are provided by Yogyakarta IndoCo in respect of SHYG.

The maximum aggregate liability of LMIR Trust to First REIT in respect of a claim under the JV Deed shall not exceed the reinstatement value of the hospital component based on the valuation of the hospital component in the latest audited financial statements of First REIT, while the maximum aggregate liability of First REIT to LMIR Trust in respect of a claim under the JV Deed shall not exceed the reinstatement value of the retail mall component based on the valuation of the retail mall component in the latest audited financial statements by LMIR Trust.

2.4.12 **Additional Financing.** Each of LMIR Trust and First REIT commit to provide additional funds in the event that additional funding is required, and shall provide such funds (either by way of subscription of additional shares in Yogyakarta IndoCo in the same percentages as their respective shareholding percentages in Yogyakarta IndoCo or through shareholders' loan). Notwithstanding the above:

(i) where any contribution of funds is required solely for SHYG, LMIR Trust will not be required to make any such contribution and any such contribution will be borne solely by First REIT; and

(ii) where any contribution of funds is required solely for LPJ, First REIT will not be required to make any such contribution and any such contribution will be borne solely by LMIR Trust,

and in each case, LMIR Trust and First REIT agree that where contribution of funds is to be made a holder of one class of shares only, such contribution shall be made by way of Shareholder Loans (as defined in the JV Deed).

Under the terms of the JV Deed, Shareholder Loans shall bear interest at such rate as may be determined by Icon1 and Icon2, respectively, from time to time. Payment of all accrued interest shall be made on such date or dates as Icon1 and Icon2 may decide, respectively.

2.4.13 Dividend Policy in Relation to the Class A Shares. Except as may otherwise be agreed in writing by Icon1 and Icon2 and subject to making such appropriate provisions for reserves fund, working capital and capital expenditure as the board of directors may recommend and which Icon1 and Icon2 shall approve and to the extent permitted by applicable law, Icon1 and Icon2 shall procure that Yogyakarta IndoCo's total net profit after tax (excluding revaluation surpluses or deficits and any provisions for deferred tax made or released in relation to such surpluses or deficits) which are attributable to SHYG as certified by the auditors in respect of each financial quarter during the term of this JV Deed shall be distributed by Yogyakarta IndoCo to Icon1. For the avoidance of doubt, payment of any dividends by Yogyakarta IndoCo (whether in respect of Class A Shares or Class B Shares) shall be to the extent that Yogyakarta IndoCo is permitted by applicable law.

2.4.14 Dividend Policy in Relation to the Class B Shares. Except as may otherwise be agreed in writing by Icon1 and Icon2 and subject to making such appropriate provisions for reserves fund, working capital and capital expenditure as the board of directors may recommend and which Icon1 and Icon2 shall approve and to the extent permitted by applicable law, Icon1 and Icon2 shall procure that Yogyakarta IndoCo's total net profit after tax (excluding revaluation surpluses or deficits and any provisions for deferred tax made or released in relation to such surpluses or deficits) which are attributable to LPJ as certified by the auditors in respect of each financial quarter during the term of this JV Deed shall be distributed by Yogyakarta IndoCo to Icon2. For the avoidance of doubt, payment of any dividends by Yogyakarta IndoCo (whether in respect of Class A Shares or Class B Shares) shall be to the extent that Yogyakarta IndoCo is permitted by applicable law.

2.4.15 Appointment of Independent Accountant. In the event that the shareholders are unable to reach an agreement on the apportionment of any of the assets, liabilities, revenue or expenses or any other aspect of the accounts of Yogyakarta IndoCo within thirty (30) days after the date of receipt of the monthly unaudited management accounts, the shareholders shall jointly appoint an internationally recognised independent audit firm (the "**Independent Accountant**") within fourteen (14) days from such event to determine the assets, liabilities, revenue or expenses or any other aspect of the accounts of Yogyakarta IndoCo.

Any non-property-related common expenses of SHYG and LPJ shall be borne by the holders of Class A Shares and holders of Class B Shares in the proportion 31% and 69%, respectively, while any property-related common expenses of SHYG and LPJ shall be borne by the holders of Class A Shares and holders of Class B Shares in a manner to be mutually agreed.

2.4.16 Right of Pre-Emption. In the case Icon2 wishes to dispose of its Class B Shares (the "**Transferor**"), the right of pre-emption of Icon1 (the "**Other Shareholder**") requires the Transferor to give a transfer notice to the Other Shareholder which shall constitute an offer by the Transferor to the Other Shareholder. If by a deadline the Other Shareholder does not accept or only partially accepts the Class B Shares of the Transferor (the "**Sale Shares**"), the Transferor may sell the Sale Shares to the third party buyer in accordance with the JV Deed.

This right of pre-emption does not restrict LMIR Trust from disposing of the Class B Shares as long as it is offered to First REIT first; if First REIT does not accept the Class B Shares, LMIR Trust is free to sell the Class B Shares to a third party. LMIR Trust will need to give notice of its intention to sell its shares to the other shareholders by providing the following information:

(i) the number of Class B Shares proposed to be sold and transferred which shall be all (and not some only) of the Sale Shares;

(ii) the price fixed by the Transferor, either offered or otherwise, for the sale of each such Sale Share;

(iii) the terms and conditions of such sale; and

(iv) if known, the identity of the person to whom the Transferor proposes to transfer such Sale Shares.

The JV Deed is conditional upon obtaining the approval from the First REIT Unitholders and the Unitholders.

2.5 Yogyakarta Property Purchase Consideration and Valuation

The Yogyakarta Property Purchase Consideration payable by Yogyakarta IndoCo in connection with the acquisition of the Yogyakarta Property is Rp.834.6 billion (S$88.1 million)[1] which comprises:

(i) the SHYG Purchase Consideration of Rp. 264.6 billion (S$27.0 million)[2]; and

(ii) the LPJ Purchase Consideration of Rp. 570.0 billion (S$61.1 million).

For the avoidance of doubt, LMIR Trust shall only be responsible for paying the LPJ Purchase Consideration and First REIT shall only be responsible for paying the SHYG Purchase Consideration.

The Independent Valuers, W&R and Rengganis, were appointed by the Trustee and the Manager, respectively for the LMIRT Yogyakarta Property Valuations. W&R and Rengganis were also separately appointed by the First REIT Trustee and the First REIT Manager, respectively for the First REIT Yogyakarta Property Valuations.

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1 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.

2 The SHYG Purchase Consideration is agreed based on the Singapore dollar amount while the LPJ Purchase Consideration is agreed based on the Indonesian Rupiah amount. The SHYG Purchase Consideration is calculated based on an illustrative Rupiah exchange rate of S$1.00 to Rp.9,800.

The Yogyakarta 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 Yogyakarta Property Valuations (in respect of SHYG only) and the LMIRT Yogyakarta Property Valuations (in respect of LPJ only). The First REIT Yogyakarta Property Valuations and LMIRT Yogyakarta Property Valuations were derived using the income approach[1] 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 Yogyakarta Property Valuations, the respective dates of such appraisal and the LPJ Purchase Consideration:

Property	Appraised Value(1) By W&R as at 30 September 2017 (S$ million)	Appraised Value(1) By W&R as at 30 September 2017 (Rp. billion)	Appraised Value(1) By Rengganis as at 30 September 2017 (S$ million)	Appraised Value(1) By Rengganis as at 30 September 2017 (Rp. billion)	Average of two Valuations (S$ million)	Average of two Valuations (Rp. billion)	LPJ Purchase Consideration (S$ million)
LPJ	61.6(3)	575.2	64.2(3)	599.3	62.9(3)	587.3	61.1(2)
LPJ (Without LPJ Master Leases)(4)	53.6	499.8	58.5	545.9	56.1	522.9	

Notes:

(1) As the Yogyakarta Property is held under one HGB title, each of the First REIT Yogyakarta Property Valuations and the LMIRT Yogyakarta Property Valuations valued the Yogyakarta Property as a whole while providing a breakdown between the values of SHYG and LPJ. Pursuant to the LMIRT Yogyakarta Property Valuations, (i) the appraised value of the Yogyakarta Property as a whole by W&R and Rengganis as at 30 September 2017 is Rp.846.0 billion and Rp.869.3 billion respectively, and (ii) the appraised value of SHYG by W&R and Rengganis as at 30 September 2017 respectively are S$27.28 and S$27.20. The appraised value of the Yogyakarta Property and the breakdown between SHYG and LPJ in the First REIT Yogyakarta Property Valuations is the same as the LMIRT Yogyakarta Property Valuations.

(2) Only the value of LPJ in the LMIRT Yogyakarta Property Valuations was taken into account in determining the LPJ Purchase Consideration. Similarly, only the value of SHYG in the First REIT Yogyakarta Property Valuations was taken into account in determining the SHYG Purchase Consideration.

(3) Based on the Illustrative Exchange Rate of S$1.00 to Rp. 9,333.57.

(4) This also means without the service charge arrangement described at Paragraph 2.9 of the Letter to Unitholders, as the Yogyakarta Property CSPA is entered into as part of the same package of transactions as the LPJ Master Leases.

The LPJ Purchase Consideration represents a discount of 2.9% to S$62.9 million, which is the average of the two independent valuations of LPJ pursuant to the LMIRT Yogyakarta Property Valuations.

(See **APPENDIX B** of this Circular for further details regarding the LMIRT Yogyakarta Property Valuations.)

1 With respect to the approach used by the valuers, it is the valuers' decision as valuation experts to choose the appropriate valuation methodology to value the property, in line with the valuation standards.

In real estate property valuations in Indonesia, the income approach is the most common and standard approach used by valuers. The comparison approach for valuation is rarely used in Indonesia due to the lack of common governmental data on transactions.

2.6 BPHTB and VAT

BPHTB

The purchase of the land and building from the Yogyakarta Vendor by Yogyakarta IndoCo is subject to the BPHTB at the rate of 5%, whichever is higher between the purchase price or the sale value of the tax object as determined by the head of local government.

VAT

Yogyakarta IndoCo will be charged VAT at the rate of 10% on the purchase of land and building by the Yogyakarta Vendor. However, the VAT charges by the Vendor will be treated as input VAT, which can be used to offset the output VAT from rental income of Yogyakarta IndoCo.

(See **APPENDIX E** "Indonesian Tax Considerations" for further details.)

2.7 Experience and track record of the Independent Valuers

Based on the Decree of the Ministry of Finance of the Republic of Indonesia ("**MOF Indonesia**"), (No. 101/PMK.01/2014) on Public Appraisal (the "**Decree**"), before public appraisers provide services, they must obtain a license from MOF Indonesia. In providing the services, the public appraisers must go through a Public Appraisal Services Office (*Kantor Jasa Penilai Publik/KJPP*) that has obtained a business license from MOF Indonesia. The Decree is intended to regulate the conduct of public appraisal services in Indonesia and it is likely that all relevant Indonesian governmental authorities would only recognize and accept appraisal reports from appraisers who have a license who act through KJPP that have a business license. To conduct business activities in Indonesia, Foreign Public Appraisal Services Offices (*Kantor Jasa Penilai Publik Asing/KJPPA*) may cooperate with a KJPP upon approval from MOF Indonesia.

W&R

W&R was established in 2009, in accordance with the Decree and provides property valuation and consultancy services. W&R, formerly the valuation department of PT Willson Properti Advisindo which was established in 2001, is registered with the Masyarakat Profesi Penilai Indonesia (the Indonesian Society of Appraisers) ("**MAPPI**") and is also a licensed public valuer/appraiser with MOF Indonesia. Its valuation staff has international and domestic experience and its clientele includes major international and local companies.

Rengganis

Rengganis is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia — MAPPI), previously known as PT Heburinas Nusantara in association with CBRE Pte. Ltd. (established in 1996). Effective 1 March 2010, Rengganis established a strategic alliance with CBRE Pte. Ltd., a global property services company. Rengganis is provided with a business permit from the Ministry of Finance and registered with the Indonesian Financial Services Authority. Its valuation staff has international and domestic experience and its clientele includes major international and local companies.

2.8 Indemnity in relation to the Yogyakarta Transaction

The First REIT Trustee and the Trustee have, on 13 October 2017, entered into a deed of indemnity (the "**Yogyakarta 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 the First REIT Trustee and the Trustee against liabilities or damages suffered by the First REIT Trustee and the Trustee arising from the Yogyakarta Transaction, including but not limited to: losses in connection of representations and warranties under the Transaction Documents (as defined in the Yogyakarta Deed of Indemnity); losses in connection with the enhancement works on LPJ performed by the Yogyakarta Vendor; losses in connection with the Right-to-Build Certificate No. 00131; losses in relation to, including but not limited to, income, revenue, proceeds and claims for losses from existing or potential tenants or lessees; losses in relation to rectification of discrepancies on the name of the retail mall in the material agreements; losses in relation to any failure to obtain the necessary licences for construction and operation of the Yogyakarta Property and/or any breach of the environment licence; losses in relation to any undisclosed information under due diligence and losses from any third party claims in relation to the transaction documents.

"Certain conditions" include, among others, the conditions that:

(a) the maximum aggregate liability of PT WJP to the First REIT Trustee and the Trustee in respect of all claims under the deed of indemnity (which shall include accrued interest from the date of the relevant judgment or order of a court of competent jurisdiction against the Yogyakarta Vendor at the applicable judgment rate and any costs, fees and expenses incurred by the Trustee and the First REIT Trustee in taking any action on or enforcing the terms of the deed of indemnity) shall not exceed the SHYG Purchase Consideration and the LPJ Purchase Consideration, respectively;

(b) no claim shall be brought against PT WJP unless:

  (1) written particulars shall have been notified in writing to the indemnifying party before the expiry of, in relation to the LPJ Master Lease Agreements, a period of five years, and in relation to all other Transaction Documents (as defined under the Yogyakarta Deed of Indemnity), a period of 24 months from the completion for the acquisition of LPJ or completion for the acquisition of SHYG, whichever is the later; and

  (2) unless such claim has already been settled to the satisfaction of Yogyakarta IndoCo, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the period mentioned in sub-paragraph (1) above.

2.9 Service Charges

Pursuant to the Yogyakarta Property CSPA, commencing from the completion date until the expiry of five years thereafter, the Yogyakarta Vendor shall collect all service charges, utilities recoveries and other operations related income, and shall bear all costs and expenses of operation and maintenance of LPJ, according to the reasonable requirement of the Yogyakarta IndoCo and/or LMIR Trust.

2.10 The LPJ Master Lease Agreements

Upon the completion of the LPJ Acquisition, Yogyakarta IndoCo will enter into the following leases:

(i) the LPJ Car Park Lease Agreement with PT ASP (as the lessee of all the car park spaces in the building);

(ii) the LPJ Casual Leasing Agreement with PT MMS (as the lessee of the casual leasing space of LPJ); and

(iii) the LPJ Specialty Tenants Agreements with PT MCSS (as the lessee of the special tenants lease of LPJ).

The areas in the LPJ that are not covered by the LPJ Master Leases involve separate lease agreements entered into with the tenants of the mall directly.

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

The LPJ Master Leases will be granted to the LPJ Master Lessees for a lease term of five years each commencing from the date of completion of the LPJ Acquisition.

Some of the key terms of the LPJ Master Lease Agreements are set out in Paragraphs 2.11 to 2.16 below.

2.11 LPJ Car Park Lease Agreement

The LPJ Car Park Lease Agreement will be entered into between Yogyakarta IndoCo and PT ASP (as the lessee of all the car park spaces in the building). The LPJ Car Park Lease will be granted at an annual rental of Rp. 7.0 billion for a period of five years, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis.

2.12 LPJ Casual Leasing Space Lease Agreement

The LPJ Casual Leasing Space Lease Agreement will be entered into between Yogyakarta IndoCo and PT MMS (as the lessee of the casual leasing space of LPJ). The LPJ Casual Leasing Space Lease will be granted at an annual rent of Rp. 5.4 billion for a period of five years, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis.

2.13 LPJ Specialty Tenants Lease Agreements

The LPJ Specialty Tenants Lease Agreements will be entered into between Yogyakarta IndoCo and PT MCSS (as the lessee of the specialty tenants areas, which includes the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, outdoor and rooftop areas) of LPJ). The LPJ Specialty Tenants Lease will be granted at an annual rental of Rp. 30.2 billion for a period of five years, an amount which was arrived at after negotiations with the Sponsor on an arms' length basis.

2.14 Assignment/Subletting

The LPJ Master Lessees shall have the full right to sub-let the LPJ Master Leases (and in the case of the LPJ Car Park Lease, to appoint another party to manage the car park space) without the prior written consent of Yogyakarta IndoCo on the condition that the terms under the sub-lease(s) do not exceed the terms under the relevant LPJ Master Lease. If the LPJ Master Lessees intend to sub-let the LPJ Master Leases on terms which exceed the terms under the relevant LPJ Master Leases, the LPJ Master Lessees would be required to obtain prior written consent of Yogyakarta IndoCo.

The LPJ Master Lessees are prohibited from assigning their rights and obligations under the LPJ Master Agreements to any other party without the prior written consent of Yogyakarta IndoCo, except to the owners of LPJ[1].

2.15 Maintenance and other Operating Expenses of the LPJ Master Leases

The LPJ Master Lessees will be responsible for the payment of electricity expenses according to their electricity usage.

2.16 Assessment of the LPJ Master Leases

The Manager understands from the Yogyakarta Vendor that the actual rental received by the LPJ Master Lessees from the underlying tenants of the LPJ Master Leases for the financial year ended 31 December 2016 ("**FY2016**") is Rp. 1.3 billion in respect of the car park space, Rp. 1.3 billion in respect of the casual leasing space and Rp. 11.0 billion in respect of the anchor and specialty tenants areas[2]. The total actual rental income received from the underlying tenants of the LPJ Master Leases for FY2016 is Rp. 13.6 billion, which represents approximately 31.9% of the total annual rental income under the LPJ Master Leases of Rp. 42.6 billion and 27.1% of the gross rental income for LPJ for FY2016 of Rp. 50.1 billion[3].

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1 In the case the Yogyakarta Property is transferred to a third party resulting in a change in the owner of LPJ, the relevant master lessee shall be allowed to assign its rights and obligations to the new owner. However, there are currently no plans for Yogyakarta IndoCo to dispose of its interests in the Yogyakarta Property after the joint acquisition.

2 The specialty tenants areas include the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, rooftop and outdoor areas).

3 The total rental income under the LPJ Master Leases is Rp. 42.6 billion, while the gross rental income including areas not covered by LPJ Master Leases is Rp. 50.1 billion.

The following table sets out additional details of each of the LPJ Master Leases and the underlying performance of the respective areas under each of the LPJ Master Leases as at and for the financial year ended 31 December 2016:

Master Lease	Area (lots/sq m)	Annual Rental Income (Rp.)		Monthly Rental Rate (Rp.)		Occupancy Rate	
		Master Lease	Underlying	Master Lease	Underlying	Master	Underlying
Parking	752 car parking lots	7.0 billion	1.3 billion	5.9 million per lot per annum	1.1 million per lot per annum	100%	21% car
	875 motorcycle lots						60% motorcycle
Casual Leasing	550	5.4 billion	1.3 billion	32,700 psm per day	12,065 psm per day	100%	66.9%
Specialty Tenants(1)	Anchor: 4,619 Specialty: 9,552	Anchor: 5.1 billion Specialty: 25.1 billion	Anchor: 4.2 billion Specialty: 6.8 billion	Anchor: 92,000 psm per month Specialty: 219,294 psm per month	Anchor: 75,500 psm per month(2) Specialty: 109,104 psm per month(3)	100%	66.7%
Total	–	42.6 billion	13.6 billion	–	–	–	–

Note:

(1) The specialty tenants areas include the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, rooftop and outdoor areas).

(2) The anchor tenant's actual monthly rents of Rp. 75,500 psm is based on the rental rate of Matahari Department Store. The master lease rents of Rp.92,000 psm is reasonable as there is a rental escalation for the rent to Matahari in which the rents after 5 years is Rp. 91,900 psm.

(3) The specialty tenant's actual monthly rents of Rp. 109,104 psm consist of 1,893 sq m that is currently leased to Matahari Department Stall at Rp. 75,500 psm, which will be converted into specialty areas which can command a higher rental income. The master lease rents of Rp. 219,294 psm is reasonable as the average rental rates for specialty tenants in LPJ is currently already at Rp.186,906 psm, thus the master lease rents would be achievable after 5 years.

LPJ is still in its infancy stage, having commenced operations in June 2015, and it requires time for its rental and occupancy rates to stabilise and reach full market rental levels. In addition, the Manager understands from the LPJ Master Lessees and the property manager of LMIR Trust that the current average underlying rental rates of the areas under the Master Leases are low as some tenants are still enjoying concessionary rental rates. Such concessionary rental rates will generally expire between 2018 and 2020 and the Manager's intention is for new leases to be entered into or renewed at prevailing market rental rates. In addition, under the Yogyakarta Property CSPA, the Vendor has committed to undertake and complete enhancement works for the mall in stages until the end of 2019[1], including, among others, by converting the rooftop and outdoor areas into lettable area and converting anchor and big tenant areas to specialty areas which can command higher rental income. The enhancement works only relate to certain specified areas of LPJ and are commercially agreed between LMIR Trust and the Vendor as part of LMIR Trust's positioning and strategy for LPJ. As the various areas that will undergo asset enhancement will form part of the areas under the LPJ Master Leases, this will mitigate the risk of rental disruption during the asset enhancement period, hence ensuring a constant stream of rental revenue for the Unitholders for this asset. For the avoidance of doubt, the cost of the enhancement works shall be borne by the Yogyakarta Vendor.

1 Works completion is delayed, the Yogyakarta Vendor will indemnify the Yogyakarta IndoCo against losses or expenses incurred by it, or reimburse costs incurred by the Yogyakarta IndoCo if the Yogyakarta IndoCo takes over the construction of such Enhancement Works until completion.

The Manager has therefore put in place the LPJ Master Leases to allow LMIR Trust to benefit from the additional stability of rental income and downside protection during the initial ramping up period as the mall continues to mature. The total annual rental income under the LPJ Master Leases represents approximately 85.0%[1] of the gross rental income for LPJ for FY2016 of Rp. 50.1 billion[2]. The Manager will monitor the progress of the asset enhancement works and the underlying performance to ensure, barring unforeseen circumstance, that the underlying performance will be sustainable after the expiry of the LPJ Master Leases.

However, over a period of five years from the time the property is acquired by LMIR Trust, as the mall matures and stabilises, the Manager expects the utilisation and occupancy rates of the areas under the LPJ Master Leases to increase and the underlying rental rates to appreciate to levels consistent with market rates. This is supported by Rengganis' view that in relation to the LPJ Master Lease Agreements, the current rental from the underlying areas under the LPJ Master Leases is lower than the rental under the LPJ Master Leases due to (i) low occupancy rate, and (ii) lower underlying lease rental rates (based on contract) compared to current market rental rates, but it will gradually increase in line with market rent growth. Upon the expiry of the LPJ Master Leases, Rengganis views that the underlying rentals will be slightly higher than the rental under the LPJ Master Leases, and therefore the total revenue from the LPJ Master Leases is sustainable by the underlying revenue from the sixth year onwards.

The Independent Valuers' projection for the total underlying revenue from the LPJ Master Leases is as follows:

Year	Revenue from LPJ Master Leases (Rp. billion)	Underlying Revenue from areas under LPJ Master Leases (Rp. billion)	
		W&R	**Rengganis**
1	42.6	20.2	19.2
2	42.6	22.2	23.3
3	42.6	28.6	34.7
4	42.6	32.6	39.4
5	42.6	37.0	44.5
6	–	44.5	49.2

Both W&R and Rengganis view that the rentals from the LPJ Master Leases on a cumulative basis is sustainable by the underlying rentals after the expiry of the LPJ Master Leases. The difference in the master lease assumption from the two valuations by the Independent Valuers is due to their assumption on occupancy rates. W&R assumes a more conservative occupancy rate in the early years with the areas being gradually leased out, especially in relation to certain areas which are undergoing enhancement works to convert the rooftop and outdoor area into lettable space and convert anchor and big tenant areas to specialty areas which can command higher rental rates. Such enhancement work is expected to complete by December 2019. Rengganis, however, assumes that the areas will be leased

1 The remaining 15% of the gross rental income of LPJ is attributable to area in LPJ that are not covered by the LPJ Master Leases, which mostly includes anchor tenants such as Cinemaxx, Celebrity Fitness, Timezone and Hypermart.

2 Rp.50.1 billion is derived by taking the sum of the actual 2016 gross rental income from LPJ and the rental revenue for one year of the LPJ Master Leases less the actual 2016 rental revenue from the underlying areas under the LPJ Master Leases.

out after such asset enhancement works are completed at a faster rate compared to W&R. The Manager is of the opinion that it will take 1.5 to 2 years to ramp up the occupancy of the master lease area from 66% to be comparable with other LMIR Trust portfolio malls.

The Manager believes that given:

(i) LPJ's strategic location in Yogyakarta, which attracts a large number of students and foreign visitors;

(ii) the enhancement works which the Vendor has committed to undertake to-convert the rooftop and outdoor area into lettable space and convert anchor and big tenant areas to specialty areas which can command higher rental rates;

(iii) that LPJ adjoins SHYG and is expected to serve the people of Yogyakarta and those from the surrounding areas; and

(iv) the view of both W&R and Rengganis that the revenue from the LPJ Master Leases is sustainable by the total underlying revenue from the sixth year onwards,

the rental rates under the LPJ Master Leases are attainable after the LPJ Master Leases have expired.

The Manager had considered the implied rental levels and is of the view that these rates are commensurate with a mall of LPJ's positioning and a head lease over the whole of each of the underlying spaces.

<u>Disclosure Pursuant to Paragraph 7.1(a) of the Property Funds Appendix</u>

Based on the Existing Portfolio, 93.1% of LMIR Trust's total deposited property is considered income-producing as at 31 December 2016. After the completion of the acquisition of LPJ, 90.4% of LMIR Trust's total deposited property will be considered income-producing, which is above the minimum requirement in paragraph 7.1(a) of the Property Funds Appendix for at least 75% of a property fund's deposited property to be invested in income-producing real estate. Therefore, LMIR Trust will continue to comply with paragraph 7.1(a) of the Property Funds Appendix after the completion of the Yogyakarta Transaction.

Pursuant to the guidance note to paragraph 7.1(a) of the Property Funds Appendix, a property would be considered income-producing if its yield (without any arrangement which could artificially enhance the yield of the property) is greater than the risk-free rate. For the purposes of paragraph 7.1(a) of the Property Funds Appendix, the yield of LPJ (without taking into account the Master Leases and the Service Charge) on a standalone basis is lower than the risk-free rate[1] and is therefore not considered income-producing for purposes of the Property Funds Appendix. The actual yield of LPJ without the LPJ Master Leases and Service Changes in FY2016 was 1.3% while the risk-free bond yield is 1.85[1].

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1 For the purposes of paragraph 7.1(a) of the Property Funds Appendix, the risk-free rate will be taken as the highest yield of 5-year Singapore Government Securities for the 12 months preceding the date of the valuation reports for LPJ.

2.17 Related Tenancy Agreements relating to LPJ

Upon completion of the LPJ Acquisition, and assuming that all of the leases of LPJ are novated to Yogyakarta IndoCo immediately prior to completion of the LPJ Acquisition, LMIR Trust will, through Yogyakarta IndoCo, take over all of the tenancy agreements with respect to LPJ, including various tenancy agreements entered into by certain associates and subsidiaries of the Sponsor (the "**LPJ Related Tenancy Agreements**"). The aggregate rental fees derived or to be derived from the LPJ Related Tenancy Agreements is estimated at Rp.37.0 billion (S$4.0 million). The amount of space taken up and the value of each of the LPJ Related Tenancy Agreements are set out in **APPENDIX F** of the Circular. The percentage of net tangible assets ("**NTA**") and net asset value ("**NAV**") accounted for by the LPJ Related Tenancy Agreements is also set out in **APPENDIX F** of the Circular.

The rental rates under the LPJ Related Tenancy Agreements are comparable to the rental rates paid by the other 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[1], after taking into account the differences between each mall. Based on the foregoing, the Manager is of the view that the LPJ Related Tenancy Agreements are made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

The rental rates under the LPJ Related Tenancy Agreements as per the Independent Valuers are shown below:

				W&R	Rengganis
No.	**Tenant**	**Area (sq m)**	**Actual Rental Rate (Rp. Per sq m/ month)**	**Market Rental Rate (Rp. per sq m/ month)**	**Market Rental Rate (Rp. per sq m/ month)**
1	Hypermart	4,224	70,304	84,132	71,356
2	Cinemaxx	2,046	38,221	42,780	41,167
3	Timezone	639	100,000	103,260	68,502

By approving the Yogyakarta Transaction, Unitholders are deemed to have specifically given approval for LMIR Trust to take over the LPJ Related Tenancy Agreements.

(See **APPENDIX F** of this Circular for further details about the LPJ Related Tenancy Agreements.)

1 "**Existing Portfolio**" means the portfolio of properties currently held by LMIR Trust, consisting of: its retail malls, Gajah Mada Plaza, Cibubur Junction, Plaza Semanggi, Mal Lippo Cikarang, Ekalokasari Plaza, Bandung Indah Plaza, Istana Plaza, Sun Plaza, Pluit Village, Plaza Medan Fair, Tamini Square, Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza'), Palembang Square, Palembang Square Extension, Pejaten Village, Binjai Supermall, Lippo Mall Kemang, Lippo Plaza Batu, Palembang Icon, Lippo Mall Kuta and Lippo Plaza Kendari; and its retail spaces, Mall WTC Matahari Units, Metropolis Town Square Units, Depok Town Square Units, Java Supermall Units, Malang Town Square Units, Plaza Madiun and Grand Palladium Medan Units.

2.18 Indonesian Currency Law

On 28 June 2011, the Government of the Republic of Indonesia issued Law No. 7 of 2011 concerning Currency ("**Law 7/2011**") and on 31 March 2015, Bank Indonesia issued the Bank Indonesia Regulation No. 17/3/PBI/2015 concerning Mandatory Use of Rupiah Currency in Indonesian Territory (*Peraturan Bank Indonesia tentang Kewajiban Penggunaan Rupiah di Wilayah Negara Kesatuan Republik Indonesia*) ("**BI Regulation No. 17/2015**") which implementation is further regulated in Circular Letter of Bank Indonesia No. 17/11/DKSP dated 1 June 2015. Pursuant to Law 7/2011 and BI Regulation No. 17/2015, the terms and conditions of the transaction documents in connection with the Yogyakarta Transaction will be subject to said law and regulation.

Based on Article 21 paragraph (1) of Law 7/2011 and Article 2 paragraph (2) of BI Regulation No. 17/2015, Indonesian Rupiah currency shall be used in (i) each transaction which purpose is to make payment, (ii) other obligations which should be settled by cash, and/or (iii) other financial transactions, in each case within the territory of the Republic of Indonesia, with exceptions as set out in Article 21 paragraph (2) of Law 7/2011 and Articles 4 and 5 of BI Regulation No. 17/2015, which are as follows:

(i) certain transactions in order to implement the State Revenues and Expenditures Budget;

(ii) foreign grants received by an Indonesian citizen from, or granted by an Indonesian citizen to, other countries;

(iii) international trading transactions;

(iv) bank deposit in foreign exchange;

(v) international financing transaction; and

(vi) transactions in foreign currency conducted in accordance with the prevailing laws and regulations (such as any business in foreign currency conducted by banks; transactions in the primary and secondary market on securities issued by the government in foreign currency, and other transactions with foreign currency conducted based on the prevailing laws).

Also, Article 23 of Law 7/2011 and Article 10 paragraph (1) of BI Regulation No. 17/2015 provides that:

(a) a party is prohibited from refusing to receive Indonesian Rupiah for payment or obligation settlement which should be settled by Indonesian Rupiah and/or for other financial transactions within the territory of the Republic of Indonesia, unless there is doubt on the authenticity of the Indonesian Rupiah; and

(b) the above paragraph 2.18(a) is exempted from payment or obligation settlement in foreign currencies which has been set out in a written agreement.

Article 10(3) paragraph of the BI Regulation No. 17/2015 further clarifies that the exemption applies only for:

(I) agreements relating to transactions exempted from the mandatory use of Indonesian Rupiah as referred to in Articles 4 and 5 of BI Regulation No. 17/2015 (e.g. international financing transactions); or

(II) agreements for strategic infrastructure projects which have been approved by Bank Indonesia.

As an exemption, BI Regulation No. 17/2015 also stipulates that any agreement on payment or settlement of obligations in foreign currency which are made prior to 1 July 2015 are still valid until the expiry of the agreements. This exemption applies only for agreements relating to non-cash payment or settlement of obligations. However, the exemption will not be applicable for any extension or amendment of the agreements (particularly any amendments relating to the subject and/or object of the agreements).

Since BI Regulation No. 17/2015 as the implementing regulation of Law 7/2011 is new and untested, there is uncertainty as to how such regulation including the relevant Articles in Law 7/2011(including the above cited Articles) will be applied or interpreted.

Since LMIR Trust is required to receive income from its Existing Portfolio in Indonesian Rupiah, its revenue will be affected by fluctuations in the exchange rates of the Indonesian Rupiah with respect to any master lease agreements entered into by it from 1 July 2015. The impact of future exchange rate fluctuations on LMIR Trust's liabilities and property expenses cannot be accurately predicted and the Indonesian Rupiah may not be readily convertible or exchangeable or may be subject to exchange controls. There is also the risk that movements in the Indonesian Rupiah/Singapore dollar exchange rate may adversely affect repayments or repatriation of funds from Indonesia to Singapore.

2.19 Master Lease Agreement relating to SHYG

Upon the completion of the SHYG Acquisition, Yogyakarta IndoCo will enter into the SHYG Master Lease Agreement with the Sponsor and PT Taruna Perkasa Megah, a wholly-owned subsidiary of PT Siloam Hospitals Tbk, which is in turn a subsidiary of the Sponsor (as master lessees of SHYG). For the avoidance of doubt, pursuant to the JV Deed, LMIR Trust will neither be entitled to the income earned, nor be responsible for the obligations, under the SHYG Master Lease Agreement. The obligations under the SHYG Master Lease Agreement shall be borne solely by Icon1 pursuant to Icon1's holding of Class A Shares and based on the terms of the JV Deed. Pursuant to the JV Deed, LMIR Trust is also indemnified by First REIT for any losses and damages suffered and expenses incurred in connection with SHYG, while First REIT is also indemnified by LMIR Trust for any losses and damages suffered and expenses incurred in connection with LPJ. Please see Paragraph 2.4.11 of the Letter to Unitholders for further details.

2.20 Insurance

The Yogyakarta Property CSPA includes warranties that the Yogyakarta Property has, at all material times, been and is insured in the name of the Yogyakarta Vendor:

(1) against such losses and risks and in such amounts as are required under the relevant laws rules and regulations;

(2) by insurers of recognised financial responsibility against such losses and risks and in such amounts as are prudent and customary for properties of a similar nature as the Yogyakarta Property;

(3) there are no claims by the Yogyakarta Vendor under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and

(4) in amounts to the full replacement value thereof against such risks (including but not limited to fire, third party, public liability and other risks) as are in accordance with good commercial practice normally insured against.

Upon completion of the LPJ Acquisition, the Yogyakarta IndoCo will have in place the following insurance policies in relation to LPJ:

(i) Property All Risk and Earthquake;

(ii) Consequential Loss and Earthquake Risk;

(iii) Machinery Breakdown;

(iv) Public Liability; and

(v) Terrorism and Sabotage.

The Manager believes that the insurance policies taken out in relation to the Yogyakarta Property are consistent with industry practice in Indonesia.

2.21 Completion

Completion of the sale and purchase of the Yogyakarta Property by Yogyakarta IndoCo is currently expected to take place on or around the same day for SHYG and LPJ and is conditional upon the fulfilment or waiver (as the case may be) of the conditions precedent to the completion of the Yogyakarta Transaction pursuant to the Yogyakarta Property CSPA. Completion of the LPJ Acquisition is expected to take place as soon as practicable after LMIR Trust raises adequate proceeds for the LPJ Acquisition, and after the relevant conditions precedent set out in the Yogyakarta Property CSPA have been fulfilled.

2.22 Estimated Total Yogyakarta Property Acquisition Cost for LMIR Trust

The total cost to LMIR Trust of the Yogyakarta Transaction is approximately S$68.4 million, comprising:

(i) the LPJ Purchase Consideration of Rp. 570.0 billion (S$61.1 million)[1];

(ii) the VAT for the LPJ Acquisition of Rp. 54.3 billion (S$5.8 million)[2];

(iii) the LPJ Acquisition Fee payable to the Manager in the form of the LPJ Acquisition Fee Units of approximately S$0.6 million; and

(iv) the professional and other fees and expenses incurred or to be incurred by LMIR Trust in connection with the Yogyakarta Transaction of approximately S$0.9 million.

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1 For the avoidance of doubt, the LPJ Purchase Consideration is inclusive of the BPHTB tax to be paid to the relevant tax office.

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

2.23 Method of Financing the LPJ Acquisition

The Manager intends to finance S$67.8 million, being the cash portion of the LPJ Acquisition Cost 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.

As at the Latest Practicable Date, LMIR Trust has an aggregate leverage of 28.7%. Under the Property Funds Appendix, LMIR Trust's aggregate leverage cannot exceed 45.0% of its deposited property. Following completion of the LPJ Acquisition and assuming the LPJ Acquisition is financed 100.0% with borrowings, LMIR Trust's aggregate leverage will increase from 28.7% to approximately 31.0%, which is within the maximum aggregate leverage limit of 45.0% under the Property Funds Appendix. Following the completion of the LPJ Acquisition and the KTS Acquisition and assuming the LPJ Acquisition and the KTS Acquisition are financed 100.0% with borrowings (except for the VAT portion and professional and other fees and expenses for the KTS Acquisition which is financed by internal funds), the aggregate leverage is expected to increase from 28.7% to 32.2%.

2.24 HGB/"Right to Build" Land Titles

LMIR Trust holds some of the Existing Portfolio via HGB Titles. These are (i) Mal Lippo Cikarang, (ii) Sun Plaza, (iii) Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza'), (iv) Plaza Madiun, (v) Pejaten Village, (vi) Binjai Supermall, (vii) Plaza Madiun Units, (viii) Gajah Mada Plaza, (ix) Lippo Mall Kemang, (x) Lippo Plaza Batu, and (xi) Lippo Mall Kuta. The term of the HGB title in relation to the Yogyakarta Property will expire on 27 December 2043.

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 and 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. This right is transferable and may be encumbered.

Pursuant to Government Regulation No. 40 of 1996 on the Right to Cultivate, Right to Build, and Right to Use the Land ("**GR 40/1996**"), a HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office two years prior to the expiration of this initial term, a HGB title may be extended for an additional term not exceeding 20 years. Under GR 40/1996, the application for an extension must be made no later than two years prior to the expiration of the initial term at the National Land Office and the extension process of the local land office may take at least six months.

Further, pursuant to the State Minister for Agrarian Affairs/Head of the National land Office Regulation No. 9/1999 on the Procedures of Granting and Revocation of Rights over State Land and Right-to-Manage, the extension term of HGB will be effective as of the expiration of the initial term. Generally, if an application to extend the term of an HGB title is submitted to and approved by the relevant land office prior to the expiration of the initial term, the extension term will replace the remaining initial term and the remaining initial term will not be added to the extension term. Upon the expiration of the extension, the land owner may apply for a renewal and a new HGB title may be granted on the same land to the same owner for a maximum period of 30 years by fulfilling certain requirements[1]. The application for the new HGB title should be made no later than two years prior to the expiration of the extension. The cost of extension is determined based on certain formulas as stipulated by the National Land Office. The National Land Office tends to grant an extension or renewal of HGB title certificates, subject to there being no changes in zoning policies by the government, abandonment of the land, destruction of land, egregious breaches of the conditions of the current HGB title by the owners of the land, and revocation of the HGB title due to public interest considerations.

The Independent Valuers have performed the valuation of the Yogyakarta Property on a perpetuity basis on the assumption that the HGB title would be renewed.

If the term of the HGB titles could not be extended, after the expiration date of such HGB titles:

(i) in the event that the HGB title is on state-owned land, such land will become state owned land[2];

(ii) in the event that the HGB title is on right to manage land, the former HGB holder shall return the land to the holder of the "right to manage" (*hak pengelolaan*) and shall comply with the agreement for the granting of HGB title entered into between the former HGB holder and the holder of the right to manage;

(iii) in the event that the HGB title is on "right to own" (*hak milik*) land, the former HGB holder shall return such land to the holder of the right to own and shall comply with the agreement for the granting of HGB title entered into between the former HGB holder and the holder of the right to own.

In addition to the above, in the event that the HGB title purchased by the company is a HGB title that was previously held and registered in the name of an eligible Indonesian individual as a result of the "down-grade" of his/her "right to own" (*hak milik*) land, such HGB title will become state owned land pursuant to the prevailing regulations.

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1 The requirements for renewal of the HGB title are as follows:

(i) the land is still utilized properly in accordance with the condition, nature, and purpose of the granting of HGB title;

(ii) the conditions of the granting of HGB title are still being complied with;

(iii) the applicant is eligible to be the holder of HGB title (HGB title can only be held only by Indonesian citizen or Indonesian legal entity); and

(iv) the land is still within the relevant Zone of the Spatial Planning (*Rencana Tata Ruang Wilayah*).

2 The HGB titles of Yogyakarta Property and KTS are both located on state-owned land.

The costs for the extension of HGB title will be determined based on a certain formulas as stipulated by the National Land Office. The land office has discretion to approve or reject the application for the extension of HGB title. The National Land Office, however, tends to grant an extension of HGB titles when the land is still duly used in accordance with the condition, nature and objective of the granting of such HGB title, all terms and conditions of the granting of such HGB title have been duly fulfilled by the title holder, the title holder is still eligible to hold an HGB title and there has been no change in the zoning policies of the government, abandonment or destruction of land, or revocation of the HGB title due to public interest considerations.

Under the GR 40/1996, the application to extend the term of an HGB title should be submitted no later than two years prior to the expiration of the initial term of the said HGB title.

3 THE PROPOSED KTS ACQUISITION

3.1 Description of KTS

KTS is a two-storey retail mall with a car park area, with NLA of 16,680 sq m (excluding 795 sq m of casual leasing area) located in Kediri city, East Java bearing the postal address Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java. KTS was completed in 2011 and commenced operations in the same year. It is a lifestyle mall strategically located in Kediri city, which provides a range of products and services covering daily needs, fashion, entertainment and F&B for families. Its tenants include a variety of brands, such as Matahari Department Store, Hypermart, Game Fantasia, Sport Stations and OPPO.

(See **APPENDIX A** of this Circular which provides further details about KTS.)

3.2 Structure of the KTS Acquisition

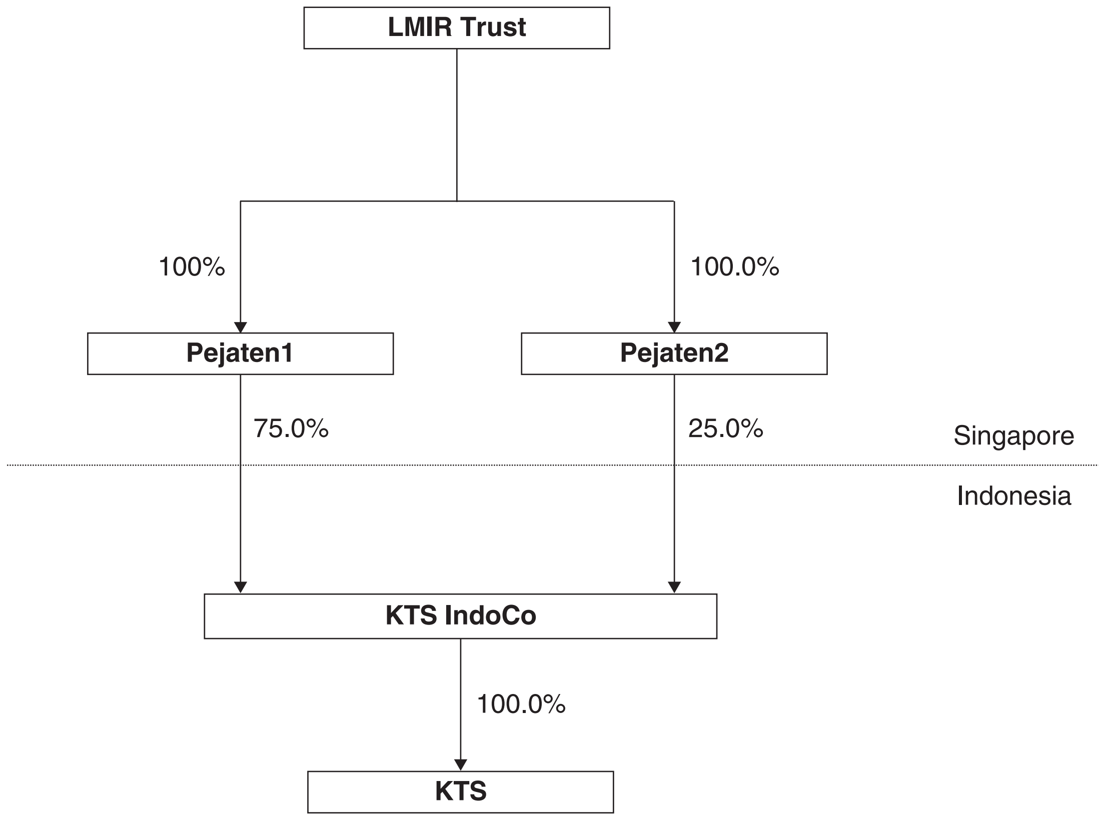
The Manager is seeking to acquire KTS from the KTS Vendor for the KTS Purchase Consideration of Rp.345.0 billion (S$37.0 million).

For the purposes of and prior to the KTS Acquisition, the Trustee had acquired 100% of the shares in Pejaten2, which was a wholly-owned subsidiary of Pejaten1, from Pejaten1, a company incorporated in Singapore and a wholly-owned subsidiary of LMIR Trust.

In furtherance of the KTS Acquisition, LMIR Trust, through Pejaten1 and Pejaten2, respectively own 75.0% and 25.0% of the issued share capital of KTS IndoCo. On 13 October 2017, the KTS IndoCo entered into the KTS Property CSPA with the KTS Vendor, a limited liability company incorporated in Indonesia, for the KTS Acquisition. The KTS Vendor and the Sponsor are under common control by the same beneficial owner.

Upon completion of the KTS Acquisition, KTS will be held by KTS IndoCo under one HGB title certificate which will expire on 12 August 2024.

The following chart sets out the structure under which KTS will be held by LMIR Trust upon completion of the KTS Acquisition, as well as the resulting shareholding and ownership interest in the entities set out below.



3.3 Valuation and KTS Purchase Consideration

The Independent Valuers, W&R and Rengganis, have been appointed by the Trustee and the Manager, respectively, to value KTS. The KTS Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of KTS by W&R and Rengganis, which were commissioned by the Trustee and the Manager, respectively. The valuations were derived by W&R and Rengganis using the income approach utilising the discounted cash flow method. This approach considers each subject property as an income producing property.

The following table sets out the appraised values, the respective dates of such appraisal and the KTS Purchase Consideration:

Property	Appraised Value				Average of two Valuations		KTS Purchase Consideration (S$ million)
	By W&R as at 30 September 2017		By Rengganis as at 30 September 2017				
	(S$ million)	(Rp. billion)	(S$ million)	(Rp. billion)	(S$ million)	(Rp. billion)	
KTS	38.9	363.1	39.0	363.7	38.9	363.4	37.0

The KTS Purchase Consideration is lower than the two independent valuations and represents a discount of 4.9% to S$38.9 million, which is the average of the two independent valuations of KTS.

(See **APPENDIX B** of this Circular for further details regarding the valuation of KTS by the Independent Valuers.)

3.4 Experience and track record of the Independent Valuers

See Paragraph 2.7 above for details of the experience and track record of the Independent Valuers.

3.5 Conditions Precedent for the Completion of the KTS Acquisition

Completion of the sale and purchase of KTS is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following conditions precedent:

3.5.1 the obtainment of approval from the Audit and Risk Committee (as defined below) and board of directors of the Manager;

3.5.2 the obtainment of corporate approvals from the respective shareholders, board of commissioners and board of directors of the KTS IndoCo, as applicable, pursuant to its articles of association;

3.5.3 in relation to the Panin Loan[1] (as defined in the KTS Property CSPA), the KTS IndoCo has received the duly executed copy of the following documents:

(i) the release and discharge letter from Panin regarding the Existing Panin Security (as defined in the KTS Property CSPA), in a form satisfactory to the KTS IndoCo; and

(ii) evidence from the Fiducia Registry Office which states that there is no recordation of any Encumbrances of Existing Panin Security, specifically for Fiduciary Security Rights over Insurance Claim Receivables and Fiduciary Security Rights over Receivables (each as defined in the KTS Property CSPA);

3.5.4 In relation to PT Bank Negara Indonesia (Persero) Tbk ("BNI") loan (the "**BNI Loan**"), the KTS IndoCo has received the duly executed copy of the following documents:

(i) confirmation letter from BNI containing the list of the Existing BNI Security (as defined in the KTS Property CSPA);

(ii) the release and discharge letter from BNI regarding Existing Mortgage (as defined in the KTS Property CSPA), in a form satisfactory to the KTS IndoCo; and

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1 The Panin Loan is an outstanding loan obtained by KTS Vendor. To secure the payment of Panin Loan, KTS Vendor had provided certain fiduciary security, the security objects of which include receivables from KTS' tenancy lease fee and claims receivables from insurance over KTS. Since the security encumbers the transfer of KTS to the KTS IndoCo, the release and discharge of these securities has been included as a condition precedent.

(iii) evidence of the release and discharge of all Existing BNI Security, including but not limited to (i) cover note from a Land Deed Officer (*Pejabat Pembuat Akta Tanah*) stating, among others that Existing Mortgage (as defined in the KTS Property CSPA) has been released and the recordation of Existing Mortgage in the authorized land office has been revoked, discharged and/or deleted; and (ii) (as may be applicable) evidence from the Fiducia Registry Office which states that there is no recordation of any Encumbrances of Existing BNI Security in the form of fiduciary security related to the KTS;

3.5.5 the approval by Unitholders to be given at the EGM for the transactions contemplated under the transaction documents for the KTS Acquisition including the sale and purchase of KTS pursuant to the KTS Property CSPA and for the relevant contracts;

3.5.6 the obtainment of approvals (if required) by the MAS and the SGX-ST and other regulatory approvals;

3.5.7 the KTS IndoCo and LMIR Trust being satisfied with the results of due diligence (including but not limited to legal, financial, tax and building due diligence which include building defects rectification and outstanding works, if any) to be conducted by the KTS IndoCo, LMIR Trust and/or its counsels or advisers, which KTS IndoCo and/or LMIR Trust may consider to be relevant, including due diligence and court searches (if necessary) conducted on or in connection with the KTS Vendor and KTS;

3.5.8 securing sufficient financing to undertake the purchase of KTS, and the agreement for such financing not having been terminated and being unconditional in all respects;

3.5.9 the receipt by KTS IndoCo of (a) the unqualified legal opinions (in form and substance satisfactory to KTS IndoCo) in relation to (a) the due incorporation and capacity of PT Nadya Putra Investama ("**PT NPI**") (and, as the case may be, another party approved by the Trustee to replace PT NPI as indemnifier under the KTS Deed of Indemnity) and the KTS Vendor and the enforceability of the transaction documents; and (b) the opinion (in form and substance satisfactory to the Manager) from an independent financial advisor appointed by the Manager;

3.5.10 there being no adverse change to the financial condition of any of the vendor group members or its ability to perform any of its obligations under the transaction documents;

3.5.11 the licenses, authorisations, orders, grants, confirmations, consents, permissions, notices, reports, registrations and other approvals necessary including but not limited to (a) prior written notification to PT Tehnik Perkasa as required under Mechanical – Electrical Equipment Maintenance Agreement of Kediri Town Square Building No. 002/AMP/ME/PGP-KTS/I/2014, dated 17 January 2014, (b) prior written consent from CV Pilar Mandiri as required under Advertising Space Lease Agreement of Kediri Town Square Building No. 018/PGP/LEG/VII/2017, dated 21 July 2017, and (c) prior written consent from CV Swadaya Mandiri as required under Advertising Space Lease Agreement of Kediri Town Square Building No. 019/PGP/LEG/VII/2017, dated 21 July 2017, for or in respect of the proposed sale and purchase of KTS pursuant to the transaction documents having been obtained or submitted by the relevant vendor group member from or to third parties (including notice to, and approval from other governmental or official authorities, courts or other regulatory bodies) on terms satisfactory to KTS IndoCo and such licenses, authorisations, orders, grants, confirmations, consents, permissions, notices, registrations and other approvals remain in full force and effect;

3.5.12 no law, regulation or decision which would prohibit, restrict or delay or adversely affect the sale and purchase of KTS or the operation of KTS having been proposed, enacted or taken by any governmental or official authority;

3.5.13 the obtainment by each KTS Vendor group member of corporate approvals from its respective Shareholders, Board of Commissioners and Board of Directors, as applicable, pursuant to its articles of association approving, among others, the sale of KTS and the transactions contemplated in the transaction documents to which such vendor group member is a party;

3.5.14 the submission of the December 2016 audited financial statement of PT NPI as indemnifier and if required by KTS IndoCo and/or the Trustee in their discretion, the change of the identity of the indemnifier to a party acceptable by KTS IndoCo and the Trustee and any amendments, supplements, novation, assignments and/or extensions to the KTS Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Trustee and KTS IndoCo;

3.5.15 all the tenancy agreements that has been expired prior to the date of the KTS Property CSPA and prior to Property Completion Date (as defined in the KTS Property CSPA) has been duly extended, and constitute legal, valid, binding obligations and enforceable in accordance with the terms under the tenancy agreements;

3.5.16 due execution of the Novation Agreements;

3.5.17 due execution of the KTS Property CSPA;

3.5.18 due execution of the KTS Deed of Indemnity by PT NPI and the Trustee in a form and substance satisfactory to the Trustee;

3.5.19 due execution of the termination agreements (as defined in the KTS Property CSPA);

3.5.20 there being no compulsory acquisition of KTS or any part thereof, and no notice of an intended compulsory acquisition has been given, or is anticipated by the government or other competent authority;

3.5.21 the obtainment by the KTS Vendor of all licenses required for the operation of KTS in accordance with applicable laws and regulations in the form satisfactory to the KTS IndoCo and copies of the relevant documents must be received by the KTS IndoCo prior to the Property Long Stop Date (as defined in the KTS Property CSPA);

3.5.22 the submission of all required reporting obligations related to the operation of the KTS by the KTS Vendor prior to the Property Completion Date (As defined in the KTS Property CSPA), including but not limited to:

(i) Notification to the relevant government agency on the plan to transfer the Mall pertaining to Nuisance Permit (*Izin Gangguan*); and

(ii) Reports pertaining to the Waste Water Disposal Permit, in the form satisfactory to KTS IndoCo and copies of the relevant documents must be received by KTS IndoCo prior to the Property Long Stop Date (as defined in the KTS Property CSPA);

3.5.23 subject to the KTS Property CSPA, the KTS or any part thereof is not materially damaged;

3.5.24 all requirements, including but not limited to, the obtainment, the timely renewal and/or extension of all requisite insurances, licenses and certifications having been obtained by the KTS Vendor;

3.5.25 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 KTS IndoCo, will or is likely to (a) have an adverse effect on KTS, (b) affect the effectiveness, legality, validity and/or enforceability of the sale and transfer of the KTS from the KTS Vendor to KTS IndoCo free of any encumbrance 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 KTS Vendor under any transaction document, (e) affect or impair the rights, entitlements, authorities and/or benefits of the KTS IndoCo group member under the transaction documents, and/or (f) affect the legal title and beneficial ownership of KTS by the KTS Vendor prior to or on the Property Completion Date (As defined in the KTS Property CSPA);

3.5.26 subject to the KTS Property CSPA, all the KTS Vendor's rights and obligations under the contracts, including the Required Tenancy Agreements (as defined in the KTS Property CSPA), have been irrevocably and unconditionally novated to KTS IndoCo on the Property Completion Date (As defined in the KTS Property CSPA);

3.5.27 evidence of rectification of all Category A (as defined in the KTS Property CSPA) defects as stipulated under building audit report (as defined in the KTS Property CSPA);

3.5.28 the issuance of Land Registration Confirmation Letter (*Surat Keterangan Pendaftaran Tanah*) from the competent Land Office, confirming, among others, (a) total area of the HGB No. 492/Kelurahan Balowerti, and (b) the validity of the HGB No. 492/Kelurahan Balowerti and that no recordation of mortgage, seize, or dispute in the land book;

3.5.29 the issuance of a cover note by the relevant notary stating that there is no recordation of any encumbrance (including mortgage), seizure or dispute recorded in the land book in the authorized Land Office in relation to the HGB No. 492/Kelurahan Balowerti; and

3.5.30 due execution of the other transaction documents or any other documents or agreements as may be agreed by KTS Vendor and KTS IndoCo.

In the event that not all (but at least 50% of the leases by total number of tenants at KTS and by total lease income of KTS) of the leases in relation to KTS are novated to KTS IndoCo with effect from the date of completion of the KTS Acquisition, provided that the KTS Vendor irrevocably and unconditionally assigns and transfer to the KTS IndoCo or any other appointed party by KTS IndoCo, all of its rights and entitlement over, all rental fees, service charges and all other payments payable by the tenants to the KTS Vendor under or in relation to the remaining tenancy agreements without any deductions, and such rental fees, services charges and other payments shall be paid by the KTS Vendor to the KTS IndoCo on a monthly basis in accordance with the procedures to be notified in writing by the KTS IndoCo to the KTS Vendor, the KTS Vendor will have a six months grace period commencing from the date of completion of the KTS Acquisition to novate the remaining tenancy agreements.

If the KTS Vendor fails to fully novate the remaining tenancy agreements at the end of this six months grace period, the KTS Vendor shall pay to KTS IndoCo the total rental fees, service charges and all other payments payable by the tenants to the KTS Vendor under or in relation to the remaining tenancy agreements for the remaining period of the remaining tenancy agreements at the end of the six month period.

As at the Latest Practicable Date, the conditions precedent to the KTS Acquisition that have been met are as follows:

(1) the obtainment of approval from the Audit and Risk Committee (as defined below) and board of directors of the Manager;

(2) the obtainment of corporate approvals from the respective shareholders, board of commissioners and board of directors of the KTS IndoCo, as applicable, pursuant to its articles of association;

(3) the KTS IndoCo and LMIR Trust being satisfied with the results of due diligence (including but not limited to legal, financial, tax and building due diligence which include building defects rectification and outstanding works, if any) to be conducted by the KTS IndoCo, LMIR Trust and/or its counsels or advisers, which KTS IndoCo and/or LMIR Trust may consider to be relevant, including due diligence and court searches (if necessary) conducted on or in connection with the KTS Vendor and KTS;

(4) the licenses, authorisations, orders, grants, confirmations, consents, permissions, notices, reports, registrations and other approvals necessary including but not limited to (a) prior written notification to PT Tehnik Perkasa as required under Mechanical – Electrical Equipment Maintenance Agreement of Kediri Town Square Building No. 002/AMP/ME/PGP-KTS/I/2014, dated 17 January 2014, (b) prior written consent from CV Pilar Mandiri as required under Advertising Space Lease Agreement of Kediri Town Square Building No. 018/PGP/LEG/VII/2017, dated 21 July 2017, and (c) prior written consent from CV Swadaya Mandiri as required under Advertising Space Lease Agreement of Kediri Town Square Building No. 019/PGP/LEG/VII/2017, dated 21 July 2017, for or in respect of the proposed sale and purchase of KTS pursuant to the transaction documents having been obtained or submitted by the relevant vendor group member from or to third parties (including notice to, and approval from other governmental or official authorities, courts or other regulatory bodies) on terms satisfactory to KTS IndoCo and such licenses, authorisations, orders, grants, confirmations, consents, permissions, notices, registrations and other approvals remain in full force and effect;

(5) the obtainment by each KTS Vendor group member of corporate approvals from its respective Shareholders, Board of Commissioners and Board of Directors, as applicable, pursuant to its articles of association approving, among others, the sale of KTS and the transactions contemplated in the transaction documents to which such vendor group member is a party;

(6) the submission of the December 2016 audited financial statement of PT NPI as indemnifier and if required by KTS IndoCo and/or the Trustee in their discretion, the change of the identity of the indemnifier to a party acceptable by KTS IndoCo and the Trustee and any amendments, supplements, novation, assignments and/or extensions to the KTS Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Trustee and KTS IndoCo;

(7) due execution of the KTS Property CSPA; and

(8) due execution of the KTS Deed of Indemnity by PT NPI and the Trustee in a form and substance satisfactory to the Trustee.

3.6 Indemnity in relation to the KTS Acquisition

The Trustee has, on 13 October 2017 entered into a deed of indemnity (the "**KTS Deed of Indemnity**") with PT NPI pursuant to which PT NPI will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the KTS Acquisition, subject to certain terms and conditions, including but not limited to: losses in connection with a breach of the warranties, representations, undertakings and covenants under the KTS Deed of Indemnity; losses in connection with a breach by the vendor group member of any warranties, representations, undertakings and covenants in the Transaction Documents (as defined in the KTS Deed of Indemnity) including but not limited to the completion of Works (as defined in the KTS Property CSPA), the issues, non-compliance, non-performance and all matters and notes, raised, mentioned, disclosed, stated and/or informed in the due diligence report, non-availability or non-obtainment of relevant licenses, certificates, permits, approvals, consents, resolutions, reports, notifications, extensions and/or all matters involving the KTS; losses in connection with KTS and/or Right-to-Build Certificate No. 492/Kelurahan Balowerti; losses in relation to any undisclosed information under due diligence and losses from any third party claims in relation to the transaction documents.

"Certain conditions" include, among others, the conditions that:

(i) the maximum aggregate liability of PT NPI to the trustee under the KTS Deed of Indemnity (which shall include accrued interest from the date of the relevant judgment or order of a court of competent jurisdiction against the KTS Vendor at the applicable judgment rate and any costs, fees and expenses incurred by the Trustee in taking any action on or enforcing the terms of the KTS Deed of Indemnity) in respect of all claims under the KTS Deed of Indemnity shall not exceed the KTS Purchase Consideration;

(ii) no claim shall be brought against PT NPI unless:

    (1) written particulars thereof (stating in reasonable detail the specific matters in respect of which the claim is made) shall have been notified in writing to PT NPI before the expiry of 24 months from the date of completion of the KTS Acquisition; and

    (2) unless such claim has already been settled to the satisfaction of the Trustee, proceedings in respect of the claim shall have been commenced by being both issued and served within four months of the expiry of the period mentioned in sub-paragraph (1) above.

3.7 Related Tenancy Agreements relating to KTS

Upon completion of the KTS Acquisition, and assuming that all of the leases of KTS are novated to KTS IndoCo immediately prior to completion of the KTS Acquisition, LMIR Trust will, through KTS IndoCo, take over all of the tenancy agreements with respect to KTS, including various tenancy agreements entered into by certain associates and subsidiaries of the Sponsor (the "**KTS Related Tenancy Agreements**"). The aggregate rental fees derived or to be derived from the KTS Related Tenancy Agreements is estimated at Rp. 41.9 billion (S$4.5 million). The amount of space taken up and the value of each of the KTS Related Tenancy Agreements are set out in **APPENDIX G** of the Circular. The percentage of NTA and NAV accounted for by the KTS Related Tenancy Agreements is also set out in **APPENDIX G** of the Circular.

The rental rates under the KTS Related Tenancy Agreements are comparable to the rental rates paid by tenants of KTS 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 foregoing, the Manager is of the view that the KTS Related Tenancy Agreements are made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

The rental rates under the KTS Related Tenancy Agreements as per the Independent Valuers are shown below:

				W&R	Rengganis
No.	**Tenant**	**Area (sq m)**	**Actual Rental Rate (Rp. per sq m/ month)**	**Market Rental Rate (Rp. per sq m/ month)**	**Market Rental Rate (Rp. per sq m/ month)**
1	Matahari Department Store	5,839	70,000	66,794	72,743
2	Hypermart	5,115	58,000	66,794	60,273
3	Nobu Bank	97	70,000	200,000	103,722
4	Maxx Coffee	170	4% Revenue Sharing	168,338	161,521

By approving the KTS Acquisition, Unitholders are deemed to have specifically given approval for LMIR Trust to take over the KTS Related Tenancy Agreements.

(See **APPENDIX G** of this Circular for further details about the KTS Tenancy Agreements.)

3.8 Indonesian Currency Law

On 28 June 2011, the Government of the Republic of Indonesia issued Law 7/2011 and on 31 March 2015, Bank Indonesia issued the BI Regulation No. 17/2015 which implementation is further regulated in Circular Letter of Bank Indonesia No. 17/11/DKSP dated 1 June 2015. Pursuant to Law 7/2011 and BI Regulation No. 17/2015, the terms and conditions of the transaction documents for the KTS Acquisition will be subject to said law and regulation.

Please refer to Paragraph 2.18 above for further details regarding Indonesian Currency Law.

3.9 Insurance

The KTS Property CSPA includes warranties that KTS has at all material times been and is insured in the name of the KTS Vendor:

(1) against such losses and risks and in such amounts as are required by under the relevant laws rules and regulations;

(2) by insurers of recognised financial responsibility against such losses and risks and in such amounts as are prudent and customary for properties of a similar nature as KTS and there are no claims by the KTS Vendor under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and

(3) in amounts to the full replacement value thereof against such risks (including but not limited to fire, third party, public liability and other risks) as are in accordance with good commercial practice normally insured against.

Upon completion of the KTS Acquisition, the KTS IndoCo will have in place the following insurance policies in relation to KTS:

(i) Property All Risk and Earthquake;

(ii) Machinery Breakdown;

(iii) Premises and Operation Liability;

(iv) Terrorism and Sabotage; and

(v) Business Interruption.

The Manager believes that the insurance policies taken out in relation to KTS are consistent with industry practice in Indonesia.

3.10 Completion

Completion of the sale and purchase of KTS by KTS IndoCo under the New KTS Property CSPA is expected to take place as soon as practicable after LMIR Trust raises adequate proceeds for the KTS Acquisition and after the conditions precedent set out in the KTS Property CSPA have been fulfilled.

3.11 Estimated Total KTS Acquisition Cost

The KTS Acquisition Cost is currently estimated to be approximately S$41.4 million, comprising the following:

(i) the KTS Purchase Consideration of Rp. 345.0 billion (S$37.0 million);

(ii) the VAT of Rp. 32.9 billion (S$3.5 million)[1];

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1 Restitution of the VAT will be sought from the relevant tax office at the end of the financial year after the completion of the KTS Acquisition. Conditions for VAT restitution include the following:

1. the restitution application and all of its supporting documents must be submitted by the taxable enterprises; and

2. if at the end of financial year there is an excess payment of the VAT.

(iii) the KTS Acquisition Fee payable to the Manager in the form of KTS Acquisition Fee Units of approximately S$0.4 million; and

(iv) the professional and other fees and expenses of approximately S$0.5 million to be incurred by LMIR Trust in connection with the KTS Acquisition.

3.12 Method of Financing the KTS Acquisition

The Manager intends to finance S$41.0 million, being the cash portion of the KTS Acquisition Cost (excluding the KTS Acquisition Fee payable in Units) via proceeds from the issuance of bonds and/or debt financing facilities from banks and internal funds. The VAT and professional and other fees and expenses will be funded by internal funds. 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.

As at the Latest Practicable Date, LMIR Trust has an aggregate leverage of 28.7%. Under the Property Funds Appendix, LMIR Trust's aggregate leverage cannot exceed 45.0% of its deposited property. Following completion of the KTS Acquisition and assuming the KTS Acquisition is financed with borrowings (except for the VAT portion and professional and other fees and expenses which is financed by internal funds), LMIR Trust's aggregate leverage will increase from 28.7% to approximately 29.9%, which is within the maximum aggregate leverage limit of 45.0% under the Property Funds Appendix. Following the completion of the LPJ Acquisition and the KTS Acquisition and assuming the LPJ Acquisition and the KTS Acquisition are financed 100.0% with borrowings (except for the VAT portion and professional and other fees and expenses for the KTS Acquisition which is financed by internal funds), the aggregate leverage is expected to increase from 28.7% to 32.2%.

3.13 HGB/"Right to Build" Land Titles

The term of the HGB title in relation to KTS will expire on 12 August 2024.

Please refer to Paragraph 2.24 above for further details regarding HGB title.

4 RATIONALE FOR THE TRANSACTIONS

The Manager believes that the Transactions will bring, among others, the key benefits to Unitholders as set out below.

4.1 Strategically Located Retail Mall Assets in Yogyakarta and East Java with Organic Growth Potential

The Yogyakarta Property is located at Gondokusuman, Yogyakarta. LPJ, which is part of the Yogyakarta 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.

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, Cinemaxx, Celebrity Fitness, Time Zone, Books & Beyond and many more.

KTS is a lifestyle mall strategically located in Kediri city, East Java, which is well-connected to other parts of East Java and has direct trains to major cities such as Surabaya, Yogyakarta or Bandung. Kediri city is a vibrant trading hub for tobacco and sugar and its economy is mostly agricultural with some industrial centres. It also has a growing tourism industry from its cultural heritage as well as its transport connections with cities such as Surabaya and Yogyakarta.

KTS provides a wide range of products and services covering daily needs, fashion, entertainment and F&B for families and tourists. Its tenants include a variety of international and local brands, such as such as Matahari Department Store, Hypermart, Game Fantasia, Sport Stations and OPPO.

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

Based on the pro forma financial statements for FY2016, the Net Property Income[1] contribution from LPJ and KTS (collectively, the "**Properties**") were S$7.6 million, which represents, on a historical pro forma basis, a 4.4% increase in LMIR Trust's Net Property Income for FY2016. Upon the completion of the Transactions, the size of LMIR Trust's portfolio is estimated to increase by approximately 5.3%, from S$1.89 billion[2] (as at 30 September 2017) to S$1.99 billion.

4.3 Increased Economies of Scale in Operations, Marketing and Financing

The Transactions 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 Portfolio[3] may be able to spread certain operating costs (e.g. staff and administrative costs) over a larger portfolio, and can potentially obtain cost savings due to its greater bargaining power with suppliers and service providers.

The Transactions are 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 with tenants of LPJ and KTS who are currently not tenants of LMIR Trust's malls. In addition, given that the Transactions will enlarge LMIR Trust's asset value and capital base, LMIR Trust can also expect to benefit from increased economies of scale in obtaining debt and equity financing.

(See **Appendix A** for further details in relation to the Properties as well as LMIR Trust's Existing Portfolio.)

4.4 Diversification of Assets within LMIR Trust's Portfolio to Minimise Concentration Risk

The Transactions will allow LMIR Trust to diversify its portfolio geographically across Indonesia as well as improve the diversification of its tenant base, thereby reducing tenant and 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 for LMIR Trust, thus benefiting its Unitholders.

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1 "**Net Property Income**" consists of property revenue less property operating expenses.

2 Including intangible assets of S$10.1 million.

3 "Enlarged Portfolio" consists of the Properties and the Existing Portfolio (as defined herein).

5 REQUIREMENT FOR UNITHOLDERS' APPROVAL

5.1 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, 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 Interested Person during the same financial year) is equal to or exceeds 5.0% of LMIR Trust's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of LMIR Trust for FY2016 (the "**FY2016 Audited Consolidated Financial Statements**"), the NTA of LMIR Trust was S$1,213.3 million and the NAV of LMIR Trust was S$1,232.6 million as at 31 December 2016. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by LMIR Trust with an Interested Person is, either in itself or in aggregate 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 the current financial year, equal to or in excess of S$60.7 million, such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an Interested Party Transaction by LMIR Trust which value exceeds 5.0% of LMIR Trust's latest audited NAV. Based on the FY2016 Audited Consolidated Financial Statements, the NAV of LMIR Trust was S$1,232.6 million as at 31 December 2016. Accordingly, if the value of a transaction which is proposed to be entered into by LMIR Trust with an Interested Party is equal to or greater than S$61.6 million, such a transaction would be subject to Unitholders' approval.

As at the Latest Practicable Date, 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, a wholly-owned subsidiary of Jesselton 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) 29.85% in LMIR Trust and (ii) 100.00% in the Manager, and is therefore regarded as a "Controlling Unitholder" of LMIR Trust and a "Controlling Shareholder" of the 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 Yogyakarta 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 Person and an Interested Party 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 at the Latest Practicable Date, PT Multipolar Tbk holds 100% interest in the KTS Vendor and 2.11% interest in the Sponsor. The KTS Vendor and the Sponsor are under common control by the same beneficial owner. The Sponsor is in turn a Controlling Unitholder of LMIR Trust and a Controlling Shareholder of the Manager). For the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the KTS Vendor is an Interested Person and an Interested Party of LMIR Trust.

As such, each of the LPJ Acquisition and the KTS Acquisition will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix.

Given the LPJ Purchase Consideration of S$61.1 million (which is 5.0% of each of the NTA and NAV of LMIR Trust as at 31 December 2016), the value of the LPJ Acquisition will in aggregate exceed (i) 5.0% of LMIR Trust's latest audited NTA and (ii) 5.0% of LMIR Trust's latest audited NAV. In compliance with the requirements of the Listing Manual and the Property Funds Appendix, the Manager is therefore seeking Unitholders' approval for the LPJ Acquisition (including the JV Deed and the LPJ Master Leases).

It should be noted that the Yogyakarta Transaction will also constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and an Interested Party Transaction under Paragraph 5 of the Property Funds Appendix by First REIT and therefore the approval of unitholders of First REIT is also required for the Yogyakarta Transaction to be completed.

Given the KTS Purchase Consideration of S$37.0 million (which is 3.1% and 3.0% of the latest audited NTA and latest audited NAV respectively of LMIR Trust as at 31 December 2016), the value of the KTS Acquisition when aggregated with the value of the Existing Interested Person Transactions, will in aggregate exceed (i) 5.0% of LMIR Trust's latest audited NTA and (ii) 5.0% of LMIR Trust's latest audited NAV. The Manager is therefore seeking Unitholders' approval for the KTS Acquisition.

UNITHOLDERS SHOULD NOTE THAT BY APPROVING THE YOGYAKARTA TRANSACTION THEY ARE ALSO DEEMED TO HAVE APPROVED THE LPJ MASTER LEASES AND THE LPJ RELATED TENANCY AGREEMENTS.

UNITHOLDERS SHOULD NOTE THAT BY APPROVING THE KTS ACQUISITION THEY ARE ALSO DEEMED TO HAVE APPROVED THE KTS RELATED TENANCY AGREEMENTS.

UNITHOLDERS SHOULD ALSO NOTE THAT THE YOGYAKARTA TRANSACTION IS DEPENDENT ON THE SATISFACTION OF CERTAIN CONDITIONS PRECEDENT, INCLUDING THE APPROVAL BY THE UNITHOLDERS OF FIRST REIT FOR THE YOGYAKARTA TRANSACTION.

5.2 Existing Interested Person Transactions

Prior to the Latest Practicable Date, 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$69.0 million, which is approximately 5.68% of the latest audited NTA of LMIR Trust and 5.59% of the latest audited NAV of LMIR Trust as at 31 December 2016.

Details of the Existing Interested Person Transactions may be found in **APPENDIX H** of this Circular.

5.3 Fees Payable to the Manager

As the Transactions will constitute Interested Party Transactions under the Property Funds Appendix, the LPJ Acquisition Fee of S$0.6 million and the KTS Acquisition Fee of S$0.4 million shall be payable to the Manager in the form of the LPJ Acquisition Fee Units and KTS Acquisition Fee Units, respectively. The LPJ Acquisition Fee Units and the KTS Acquisition Fee Units shall not be sold within one year from their date of issuance, in accordance with Paragraph 5.7 of the Property Funds Appendix which applies to Interested Party Transactions. LPJ Acquisition Fee Units and KTS Acquisition Fee Units are expected to be issued to the Manager for the LPJ Acquisition and KTS Acquisition, respectively.

After completion of the Transactions, the Manager will also be entitled under the Trust Deed to receive from LMIR Trust, management fees attributable the Properties comprising a base fee of 0.25% per annum of the value of the Properties and a performance fee of 4.0% per annum of the Net Property Income of the Properties. The Manager will be entitled to the management fees attributable to the Properties in the future for so long as the Properties continue to form part of the investment portfolio of LMIR Trust.

5.4 Approval by Unitholders for the Transactions

In approving the Transactions, Unitholders are deemed to have approved all documents which are required to be executed by the parties in order to give effect to the Transactions, including the Yogyakarta Property CSPA, the JV Deed, the LPJ Related Tenancy Agreements, the LPJ Master Lease Agreements and the SHYG Master Lease Agreement (in relation to the Yogyakarta Transaction), the KTS Property CSPA and the KTS Related Tenancy Agreements (in relation to the KTS Acquisition). These agreements are therefore not subject to Rules 905 and 906 of the Listing Manual (which require LMIR Trust to make an announcement or obtain the approval of Unitholders depending on the materiality of the Interested Person Transactions) insofar as there are no subsequent changes to the terms, rental, rates and/or basis of the fees charged thereunder which will adversely affect LMIR Trust. Future renewal or extension of these agreements will be subject to Rules 905 and 906 of the Listing Manual.

5.5 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

5.5.1 Interests of the Directors of the Manager

As at the Latest Practicable Date, none of the Directors has an interest, direct or indirect, in the units of LMIR Trust and the Transactions. Mr Ketut Budi Wijaya is also a non-independent non-executive director of the First REIT Manager.

5.5.2 Interests of the Substantial Unitholders

Based on the Register of Substantial Unitholders as at the Latest Practicable Date, 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	24.80	–	–	700,444,940	24.80
PT Sentra Dwimandiri ("**PTSD**")(2)	–	–	700,444,940	24.80	700,444,940	24.80
The Sponsor(3)	–	–	843,056,611	29.85	843,056,611	29.85
Wealthy Fountain Holdings Inc	168,935,500	5.98	–	–	168,935,500	5.98
Shanghai Summit Pte Ltd(4)	–	–	190,938,500	6.76	190,938,500	6.76
Tong Jinquan(5)	–	–	190,938,500	6.76	190,938,500	6.76
The Manager	142,611,671	5.05	–	–	142,611,671	5.05

Notes:

(1) Percentage interest is based on 2,823,987,723 Units in issue as at the Latest Practicable Date.

(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. In addition, the Manager is controlled by Peninsula, which in turn is controlled by the Sponsor. The Sponsor is therefore also deemed to be interested in 142,611,671 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 168,938,500 Units held by Wealthy Fountain Holdings Inc and 22,000,000 Units held by 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 deemed to be interested in 168,938,500 Units held by Wealthy Fountain Holdings Inc and 22,000,000 Units held by Skyline Horizon Consortium Ltd.

As at the Latest Practicable Date, the Sponsor, through its indirect wholly-owned subsidiaries BIL and through its 100% interest in the Manager, holds an aggregate indirect interest of 29.85% in LMIR Trust and is deemed to be a Controlling Unitholder of LMIR Trust.

5.6 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in relation to the Transactions or any other transactions contemplated in relation to the Transactions.

5.7 Major Transactions – Chapter 10 of the Listing Manual

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

(i) non-discloseable transactions;

(ii) discloseable transactions;

(iii) major transactions; and

(iv) very substantial acquisitions or reverse takeovers.

5.7.2 A proposed acquisition by LMIR Trust may fall into any of the categories set out in Paragraph 5.7.1 above depending on the size of the relative figures computed on the following bases of comparison:

(i) the net profits attributable to the assets acquired, compared with LMIR Trust's net profits;

(ii) the aggregate value of the consideration given, compared with LMIR Trust's market capitalisation; and

(iii) the number of Units issued by LMIR Trust as consideration for the acquisition, compared with the number of Units previously in issue (not applicable).

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 Unitholders, unless (i) such transaction is in the ordinary course of LMIR Trust's business or (ii) in the case of an acquisition of profitable assets, the only limit breached is the profit test set out in Paragraph 5.7.2(i) above.

5.7.3 The relative figures in relation to both the LPJ Acquisition and the KTS Acquisition using the applicable bases of comparison described in Paragraphs 5.7.2(i) and 5.7.2(ii) are set out in the table below.

Comparison of:	The Properties	LMIR Trust	Relative Figure
Net Property Income(1)	LPJ: S$4.9 million KTS: S$2.7 million Total Net Property Income of LPJ and KTS: S$7.6 million	S$171.9 million(2)	2.8% 1.6% 4.4%
Purchase Consideration against LMIR Trust's market capitalisation	LPJ: S$61.1 million KTS: S$37.0 million Total Purchase Consideration of LPJ and KTS: S$98.1 million(3)	LMIR Trust's market capitalisation: S$1,226.7 million(4),(5)	5.0% 3.0% 8.0%

Notes:

(1) In the case of a REIT, the Net Property Income is a close proxy to the net profits before tax attributable to its assets. Net Property Income refers to property revenue less property operating expenses.

(2) Based on LMIR Trust's FY2016 Audited Consolidated Financial Statements.

(3) Does not include transaction costs.

(4) Based on the weighted average of S$0.4344 per Unit on the SGX-ST on the market day preceding the date of the Yogyakarta Property CSPA and the KTS Property CSPA.

(5) Based on Units in issue as at the market day preceding the date of the Yogyakarta Property CSPA and the KTS Property CSPA.

6 PRO FORMA FINANCIAL INFORMATION

6.1 Pro Forma Financial Effects of the Transactions

FOR ILLUSTRATIVE PURPOSES ONLY:

LPJ Acquisition

The pro forma financial effects of the LPJ Acquisition presented below are **strictly for illustrative purposes only** and were prepared based on the audited financial statements of LMIR Trust and its subsidiaries for FY2016 (the "**FY2016 Audited Financial Statements**") and the unaudited financial statements of the nine months ended 30 September 2017 "**9M2017 Unaudited Financial Statements**") and assuming:

(i) the LPJ Acquisition Cost of S$68.4 million, of which S$67.8 million will be paid in cash; and

(ii) S$67.8 million, being the cash component of the LPJ Acquisition Cost is funded by proceeds from the issuance of bonds and/or debt financing facilities[1],

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

KTS Acquisition

The pro forma financial effects of the KTS Acquisition presented below are **strictly for illustrative purposes only** and were prepared based on the FY2016 Audited Financial Statements and the 9M2017 Unaudited Financial Statements and assuming:

(a) the KTS Acquisition Cost of S$41.4 million, of which S$41.0 million will be paid in cash;

(b) S$37.0 million of the cash component of the Total KTS Acquisition Cost is funded by proceeds from the issuance of bonds and/or debt financing facilities[2]; and

(c) S$4.0 million of the cash component of the Total KTS Acquisition Cost, being the VAT and professional and other fees and expenses, is funded by internal funds.

6.2 FY 2016

Pro Forma DPU

The pro forma financial effects of (i) the LPJ Acquisition and (ii) the KTS Acquisition, and (iii) the Transactions on the DPU and distribution yield for the financial year ended 31 December 2016, as if LMIR Trust had purchased the relevant Properties on 1 January 2016, and held and operated the relevant Properties through to 31 December 2016, are as follows:

	FY2016				
	Before the Transactions(1)	After the LPJ Acquisition	After the LPJ Acquisition Without Vendor Support (Master Leases & Service Charge)	After the KTS Acquisition	After the Transactions
Distributable Income (S$'000)	95,468	95,919	92,425	95,799	96,250
Units in issue and to be issued	2,802,992,873	2,805,175,898(2)	2,804,851,154(2)	2,804,284,518(2)	2,806,467,543(2)
DPU (cents)	3.41	3.42	3.30	3.42	3.43
Annualised Distribution yield	9.22%(3)	9.24%(3)	8.91%(3)	9.24%(3)	9.27%(3)

Notes:

(1) Based on the FY2016 Audited Financial Statements.

(2) The number of Units is arrived at after taking into account the issuance of (i) the LPJ Acquisition Fee Units and/or the KTS Acquisition Fee Units and (ii) new Units in payment of the performance fee as a result of additional Net Property Income after the LPJ Acquisition and/or the KTS Acquisition.

(3) Based on the DPU divided by the closing price on 31 December 2016 of S$0.37.

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1 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.

2 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.

Pro Forma NAV per Unit

The pro forma financial effects of (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on the NAV per Unit as at 31 December 2016, as if LMIR Trust had purchased the relevant Properties on 31 December 2016 are as follows:

	As at 31 December 2016			
	Before the Transactions[1]	**After the LPJ Acquisition**	**After the KTS Acquisition**	**After the Transactions**
NAV (S$'000)	1,091,688	1,092,299	1,092,058	1,092,669
Units in issue and to be issued	2,802,992,873	2,804,643,410[2]	2,803,991,882[2]	2,805,642,419[2]
NAV per Unit (cents)	38.95	38.95	38.95	38.95

Notes:

(1) Based on the FY2016 Audited 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 and/or the KTS Acquisition Fee.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of LMIR Trust as at 31 December 2016, as if LMIR Trust had completed (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on 31 December 2016.

	As at 31 December 2016			
	Actual[1]	**As adjusted for the LPJ Acquisition**	**As adjusted for the KTS Acquisition**	**As adjusted for the Transactions**
	(S$'000)	**(S$'000)**	**(S$'000)**	**(S$'000)**
Short-term debt:				
Unsecured	125,000	125,000	125,000	125,000
Secured	–	–	–	–
Total short-term debt	125,000	125,000	125,000	125,000
Long-term debt:				
Unsecured	380,710	448,510	417,710	485,510
Secured	145,000	145,000	145,000	145,000
Total long-term debt	525,710	593,510	562,710	630,510
Total Debt	650,710	718,510	687,710	755,510
Unitholders funds	1,091,688	1,092,299	1,092,058	1,092,669
Perpetual securities holders' funds	140,867	140,867	140,867	140,867
Total Capitalisation	1,883,265	1,951,676	1,920,635	1,989,046

Note:

(1) Based on the FY2016 Audited Consolidated Financial Statements.

6.3 9M2017

Pro Forma DPU

The pro forma financial effects of (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on the DPU and distribution yield for 9M2017, as if LMIR Trust had purchased the relevant Properties on 1 January 2017, and held and operated the relevant Properties through to 30 September 2017, are as follows:

	As at 30 September 2017				
	Before the Transactions(1)	**After the LPJ Acquisition**	**After the LPJ Acquisition Without Vendor Support (Master Leases & Service Charge)**	**After the KTS Acquisition**	**After the Transactions**
Distributable Income (S$'000)	74,674	74,993	72,342	74,947	75,266
Units in issue and to be issued	2,823,987,723	2,825,750,144(2)	2,825,540,664(2)	2,825,042,093(2)	2,826,804,514(2)
DPU (cents)	2.64	2.65	2.56	2.65	2.66
Annualised Distribution yield	8.19%(3)	8.22%(3)	7.94%(3)	8.22%(3)	8.25%(3)

Notes:

(1) Based on the 9M 2017 Unaudited Financial Statements.

(2) The number of Units is arrived at after taking into account the issuance of (i) the LPJ Acquisition Fee Units and/or the KTS Acquisition Fee Units and (ii) new Units in payment of the performance fee as a result of additional Net Property Income after the LPJ Acquisition and/or the KTS Acquisition.

(3) Based on the DPU divided by the closing price on 30 September 2017 of S$0.43.

Pro Forma NAV per Unit

The pro forma financial effects of (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on the NAV per Unit as at 30 September 2017, as if LMIR Trust had purchased the relevant Properties on 30 September 2017 are as follows:

	As at 30 September 2017			
	Before the Transactions(1)	**After the LPJ Acquisition**	**After the KTS Acquisition**	**After the Transactions**
NAV (S$'000)	999,001	999,582	999,353	999,934
Units in issue and to be issued	2,823,987,723	2,825,338,922(2)	2,824,805,554(2)	2,826,156,753(2)
NAV per Unit (cents)	35.38	35.38	35.38	35.38

Notes:

(1) Based on the 9M 2017 Unaudited 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 and/or the KTS Acquisition Fee.

Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of LMIR Trust as at 30 September 2017, as if LMIR Trust had completed (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on 30 September 2017.

	As at 30 September 2017			
	Actual(1)	**As adjusted for the LPJ Acquisition**	**As adjusted for the KTS Acquisition**	**As adjusted for the Transactions**
	(S$'000)	**(S$'000)**	**(S$'000)**	**(S$'000)**
Short-term debt:				
Unsecured	75,000	75,000	75,000	75,000
Secured	90,000	90,000	90,000	90,000
Total short-term debt	165,000	165,000	165,000	165,000
Long-term debt:				
Unsecured	415,710	483,510	452,710	520,510
Secured	–	–	–	–
Total long-term debt	415,710	483,510	452,710	520,510
Total Debt	580,710	648,510	617,710	685,510
Unitholders funds	999,001	999,582	999,353	999,934
Perpetual securities holders' funds	259,152	259,152	259,152	259,152
Total Capitalisation	1,838,863	1,907,244	1,876,215	1,944,596

Note:

(1) Based on the 9M 2017 Unaudited Financial Statements.

7 ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed KPMG Corporate Finance Pte Ltd as the Independent Financial Adviser (the "**IFA**") to advise the independent Directors of the Manager (being Mr Lee Soo Hoon, Phillip, Mr Goh Tiam Lock and Mr Douglas Chew) (collectively, the "**Independent Directors**") and the Trustee as to whether the Transactions are (a) on normal commercial terms and (b) prejudicial to the interests of LMIR Trust and its minority Unitholders.

Having considered the factors and made the assumptions set out in the letter from the IFA to the Independent Directors and Trustee containing its advice (the "**IFA Letter**"), and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, the IFA is of the opinion that the Transactions are on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

A copy of the IFA Letter, containing its advice in full, is set out in **APPENDIX C** of this Circular.

8 RECOMMENDATIONS

The Independent Directors and the audit and risk committee of the Manager (comprising Mr Lee Soo Hoon, Phillip, Mr Goh Tiam Lock and Mr Douglas Chew) (the "**Audit and Risk Committee**") have considered the relevant factors, including:

(i) the opinion of the IFA that the Transactions are on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders (the IFA's opinion on the Transactions are set out in the IFA Letter in **APPENDIX C** of this Circular); and

(ii) the rationale for the Transactions as set out in Paragraph 5 above,

and believe that the Transactions are based on normal commercial terms and would not be prejudicial to the interests of LMIR Trust or its minority Unitholders.

Accordingly, the Independent Directors recommends that Unitholders vote at the EGM in favour of the Resolutions in relation to the Transactions.

9 EXTRAORDINARY GENERAL MEETING

The EGM will be held at Marina Mandarin Ballroom (Level 1), Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 20 December 2017, Wednesday at 9:30 a.m., for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages I-1 to I-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of Ordinary Resolution is required in respect of Resolution 1 (in relation to the Yogyakarta Transaction with an Interested Person) and Resolution 2 (in relation to the KTS Acquisition from an Interested Person).

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat 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.

10 ABSTENTIONS FROM VOTING

10.1 RELATIONSHIP BETWEEN THE SPONSOR, THE MANAGER AND LMIR TRUST

As at the Latest Practicable Date, 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" of LMIR Trust as well as a "controlling Shareholder" of the Manager respectively.

10.2 ABSTENTION 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. The relevant associates of the Sponsor (other than the Manager) are Bridgewater International Ltd and PT Sentra Dwimandiri.

Given that the Transactions constitutes Interested Person Transactions under Chapter 9 of the Listing Manual or Interested Party Transactions under Paragraph 5 of the Property Funds Appendix, the Sponsor and the Manager (i) will abstain, and will procure that their associates will abstain, from voting at the EGM on Resolution 1 and Resolution 2 and (ii) will procure that their associates will not, accept appointments as proxies in relation to Resolution 1 and Resolution 2 unless specific instructions as to voting are given. The Manager will disregard any votes cast on Resolution 1 and Resolution 2 by the person required to abstain from voting by the Listing Rules.

11 ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Manager at 50 Collyer Quay, #06-07 OUE Bayfront, Singapore 049321, not later than 17 December 2017, Sunday at 9:30 a.m., being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of any of the resolutions must decline to accept appointments as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution.

12 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 Transactions. LMIR Trust 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 the Circular in its proper form and context.

13 CONSENTS

Each of the IFA, the Independent Valuers and the Independent Indonesia Tax Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and respectively the IFA Letter, the Valuation Summary Reports, the Full Valuation Reports and the Indonesian Tax Considerations, and all references thereto, in the form and context in which they are included in this Circular.

14 DOCUMENTS ON DISPLAY

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 Circular up to and including the date falling three months after the date of this Circular:

(i) the Yogyakarta Property CSPA (which contains the forms of the LPJ Master Lease Agreements and the SHYG Master Lease Agreement;

(ii) the JV Deed;

(iii) the Yogyakarta Deed of Indemnity;

(iv) the KTS Property CSPA;

(v) the KTS Deed of Indemnity;

(vi) the full valuation report on the Yogyakarta Property issued by Rengganis;

(vii) the full valuation report on the Yogyakarta Property issued by W&R;

(viii) the full valuation report on KTS issued by Rengganis;

(ix) the full valuation report on KTS issued by W&R;

(x) the FY2016 Audited Consolidated Financial Statements;

(xi) the 9M2017 Unaudited Consolidated Financial Statements; and

(xii) the IFA Letter.

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.

Yours faithfully

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

IMPORTANT NOTICE

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 Trustee is not required to and therefore does not opine on the commercial merits of the proposed Transactions. In this regard, under the Trust Deed, the Manager alone shall have absolute discretion to determine, and it would be the duty of the Manager to recommend or propose to the Trustee, what investments should be effected and when and how any proposed investment should be effected by LMIR Trust. As the proposed Transactions are Interested Person Transactions and Interested Party Transactions, Unitholders' approval for the Transactions must also be obtained at the EGM in compliance with the requirements of the Listing Manual and the Property Funds Appendix. If the Ordinary Resolutions are passed, the Trustee would be bound to comply with the directions of the Unitholders and proceed with the proposed Transactions in accordance with the Ordinary Resolutions. When so acting in accordance with the directions of the Unitholders, the Trustee would not be responsible to any Unitholder.

The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

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, should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

GLOSSARY

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

%	:	Per centum or percentage
9M2017	:	The nine months ended 30 September 2017
9M2017 Unaudited Consolidated Financial Statements	:	The audited financial statements of LMIR Trust and its subsidiaries for 9M2017
Aggregate Leverage	:	The total borrowings and deferred payments (if any) for assets of LMIR Trust
Audit and Risk Committee	:	The audit and risk committee of the Manager, comprising Mr Lee Soo Hoon, Phillip, Mr Goh Tiam Lock and Mr Douglas Chew
BNI	:	PT Bank Negara Indonesia (Persero) Tbk
BNI Loan	:	BNI loan
BPHTB	:	Land and building acquisition tax (*Bea Perolehan Hak Atas Tanah dan Bangunan*)
Business Day	:	Means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are generally open for business in Singapore and the SGX-ST (and, if the Units are listed on any other recognised stock exchange, that recognised stock exchange) is open for trading
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 5 December 2017
Class A Shares	:	The Class A ordinary shares in the issued capital of Yogyakarta IndoCo
Class B Shares	:	The Class B ordinary shares in the issued capital of Yogyakarta IndoCo
Controlling Shareholder	:	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

Controlling Unitholder	:	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
Decree	:	The Decree of MOF Indonesia (No. 101/PMK.01/2014) on Public Appraisal
Deed of SPA	:	The deed of sale and purchase (*akta jual beli*) between the Yogyakarta Vendor and Yogyakarta IndoCo transferring the Yogyakarta Property
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held at Marina Mandarin Ballroom (Level 1), Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 20 December 2017, Wednesday at 9:30 a.m., to approve the matters set out in the Notice of Extraordinary General Meeting on pages I-1 to I-3 of this Circular
Enlarged Portfolio	:	Consists of Lippo Plaza Jogja and Kediri Town Square and the Existing Portfolio
Existing Interested Person Transactions	:	Interested person transactions with the Sponsor and associates of the Sponsor during the course of LMIR Trust's current financial year
Existing Portfolio	:	The portfolio of properties currently held by LMIR Trust, consisting of: its retail malls, Gajah Mada Plaza, Cibubur Junction, Plaza Semanggi, Mal Lippo Cikarang, Ekalokasari Plaza, Bandung Indah Plaza, Istana Plaza, Sun Plaza, Pluit Village, Plaza Medan Fair, Tamini Square, Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza'), Palembang Square, Palembang Square Extension, Pejaten Village, Binjai Supermall, Lippo Mall Kemang, Lippo Plaza Batu, Palembang Icon, Lippo Mall Kuta and Lippo Plaza Kendari; and its retail spaces, Mall WTC Matahari Units, Metropolis Town Square Units, Depok Town Square Units, Java Supermall Units, Malang Town Square Units, Plaza Madiun, and Grand Palladium Medan Units
Existing SHYG Master Lease Agreement	:	The existing lease agreement of SHYG dated 4 June 2015 between the Yogyakarta Vendor and PT Taruna Perkasa Megah
F&B	:	Food and beverage

First REIT	:	First Real Estate Investment Trust
First REIT Manager	:	Bowsprit Capital Corporation Limited, in its capacity as manager of First REIT
First REIT Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT
First REIT Yogyakarta Property Valuations	:	The valuation of the Yogyakarta Property by the W&R and Rengganis which were appointed by the First REIT Trustee and the First REIT Manager respectively
FY2016	:	The financial year ended 31 December 2016
FY2016 Audited Consolidated Financial Statements	:	The audited financial statements of LMIR Trust and its subsidiaries for FY2016
GFA	:	Gross floor area
GR 40/1996	:	Government Regulation No. 40 of 1996 on the Right to Cultivate, Right to Build, and Right to Use the Land
GR No. 4/1988	:	Government Regulation No. 4 of 1988 pertaining to the rules on Multi-Storeyed House (*Rumah Susun*)
HGB	:	*Hak Guna Bangunan* (Right to Build)
HP	:	*Hak Pakai* (Right to Use title)
Icon1	:	Icon1 Holdings Pte Ltd, which is a Singapore-incorporated wholly-owned subsidiary of First REIT
Icon2	:	Icon2 Investments Pte Ltd, which is a Singapore-incorporated wholly-owned subsidiary of LMIR Trust
IFA	:	KPMG Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors and the Trustee containing its advice as set out in Appendix C of this Circular
Illustrative Rupiah Exchange Rate	:	The illustrative rupiah exchange rate of S$1.00 to Rp. 9,333.57
Independent Directors	:	The independent Directors of the Manager, being Mr Lee Soo Hoon, Phillip, Mr Goh Tiam Lock and Mr Douglas Chew
Independent Indonesia Tax Adviser	:	PB Taxand

Independent Reporting Accountant	:	RSM Chio Lim LLP
Independent Singapore Tax Adviser	:	Ernst & Young Solutions LLP
Independent Property Valuers	:	W&R and Rengganis
Indonesian Agrarian Law	:	Law No. 5 of 1960 regarding Basic Regulations of Agrarian Principles (*Undang Undang No. 5 tahun 1960 tentang Peraturan Dasar Pokok-Pokok Agraria*)
Interested Party	:	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 the property fund; 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 the property fund
Interested Party Transaction	:	Has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix
Interested Person	:	As stated in the Listing Manual, in the case of a real estate investment trust, has the meaning defined in the Code on Collective Investment Schemes issued by the MAS. Therefore, interested person means: (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of the property fund; 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 the property fund
Interested Person Transaction	:	Means a transaction between an entity at risk and an Interested Person
Jesselton	:	Jesselton Investment Ltd, a wholly-owned subsidiary of the Sponsor
Joint Acquisition	:	The joint acquisition of the Yogyakarta Property by LMIR Trust and First REIT through the acquisition of the Yogyakarta Property by Yogyakarta IndoCo
Joint Venture	:	The proposed joint venture with First REIT in connection with the Joint Acquisition

JV Deed	:	The joint venture deed entered into between Icon1 and Icon2 to regulate their relationship as shareholders of Yogyakarta IndoCo
KTS	:	"Kediri Town Square", a two-storey retail mall located in Kediri city, East Java bearing the postal address Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java
KTS Acquisition	:	The proposed acquisition of KTS
KTS Acquisition Cost	:	The total cost of the KTS Acquisition to be incurred by LMIR Trust
KTS Acquisition Fee	:	The acquisition fee in relation to the KTS Acquisition which is payable in Units to the Manager pursuant to Clause 15.2.1 of the Trust Deed
KTS Acquisition Fee Units	:	The Units which will be issued to the Manager as payment for the KTS Acquisition Fee
KTS Deed of Indemnity	:	The deed of indemnity entered into between the Trustee and PT NIP in relation to the KTS Acquisition
KTS Property CSPA	:	The conditional sale and purchase agreement entered into between the KTS Vendor and KTS IndoCo on 13 October 2017 for the acquisition of KTS
KTS Related Tenancy Agreements	:	The tenancy agreements with respect to KTS entered into by certain associates and subsidiaries of the Sponsor, as set out in **Appendix G**
KTS Vendor	:	PT Prima Gerbang Persada, an indirect wholly-owned subsidiary of the Sponsor
KJI	:	Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza')
KJPP	:	*Kantor Jasa Penilai Publik*, or Accredited Public Appraiser Firms
Large tenant	:	A tenant who leases a total area of between 400 sq m and 2,000 sq m
Latest Practicable Date	:	30 November 2017, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Listing Rules	:	The Listing Rules of the SGX-ST
LMIR Trust	:	Lippo Malls Indonesia Retail Trust

LMIRT Yogyakarta Property Valuations	:	The valuation of the Yogyakarta Property by the W&R and Rengganis which were appointed by the Trustee and the Manager respectively
LPJ	:	Lippo Plaza Jogja
LPJ Acquisition Cost	:	The total cost of the Yogyakarta Transaction to be incurred by LMIR Trust
LPJ Acquisition Fee	:	The acquisition fee in relation to the Yogyakarta Transaction which is payable in Units to the Manager pursuant to Clause 15.2.1 of the Trust Deed
LPJ Acquisition Fee Units	:	The Units which will be issued to the Manager as payment for the LPJ Acquisition Fee
LPJ Specialty Tenants Lease Agreement	:	The specialty tenants lease agreement to be entered into between Yogyakarta IndoCo and PT MCSS in relation to the specialty tenants areas (including the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, outdoor and rooftop areas) of LPJ
LPJ Car Park Lease Agreement	:	The car park lease agreement to be entered into between Yogyakarta IndoCo and PT ASP in relation to the car park lease of LPJ
LPJ Casual Leasing Space Lease Agreement	:	The casual leasing space lease agreement to be entered into between Yogyakarta IndoCo and PT MMS in relation to the casual leasing space lease of LPJ
LPJ Master Lessees	:	PT ASP, PT MMS and PT MCSS
LPJ Master Lease Agreements	:	The LPJ Car Park Lease Agreement, LPJ Casual Leasing Space Lease Agreement and LPJ Specialty Tenants Lease Agreements
LPJ Purchase Consideration	:	The purchase consideration for LPJ of Rp. 570.0 billion (S$61.1 million)
LPJ Related Tenancy Agreements	:	The tenancy agreements with respect to LPJ entered into by certain associates and subsidiaries of the Sponsor, as set out in **Appendix F**
Manager	:	LMIRT Management Ltd., in its capacity as manager of LMIR Trust
Market Day	:	Means any day on which the SGX-ST is open for trading in securities
MAS	:	Monetary Authority of Singapore

MOF Indonesia	:	Ministry of Finance of the Republic of Indonesia
National Land Office	:	The National Land Office of the Republic of Indonesia (*Badan Pertanahan Nasional*)
NAV	:	Net asset value
NLA	:	Net lettable area
NTA	:	Net tangible assets
Officer	:	The chairman of each of the First REIT Manager and the Manager
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 such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Other Shareholder	:	Icon1, with respect to the right of pre-emption
Pejaten1	:	Pejaten Holding Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of LMIR Trust
Pejaten2	:	Pejatenmall Investment Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of LMIR Trust
Peninsula	:	Peninsula Investment Limited, a wholly-owned subsidiary of Jesselton which is in turn a wholly-owned subsidiary of the Sponsor
President Commissioner	:	President of the board of commissioners
President Director	:	President of the board of the directors
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS in relation to real estate investment trusts
PT ASP	:	PT Andhikarya Sukses Pratama
PT MCSS	:	PT Mulia Cipta Sarana Sukses
PT MMS	:	PT Manunggal Megah Serasi
PT NPI	:	PT Nadya Putra Investama
Rengganis	:	KJPP Rengganis, Hamid & Rekan
Required Tenancy Agreements	:	Tenancy agreements of LPJ representing at least 50% of the total lease revenue of LPJ

Retail Malls	:	Gajah Mada Plaza, Cibubur Junction, Plaza Semanggi, Mal Lippo Cikarang, Ekalokasari Plaza, Bandung Indah Plaza, Istana Plaza, Sun Plaza, Pluit Village, Plaza Medan Fair, Tamini Square, Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza'), Palembang Square, Palembang Square Extension, Pejaten Village, Binjai Supermall, Lippo Mall Kemang, Lippo Plaza Batu, Palembang Icon, Lippo Mall Kuta and Lippo Plaza Kendari
Retail Spaces	:	Mall WTC Matahari Units, Metropolis Town Square Units, Depok Town Square Units, Java Supermall Units, Malang Town Square Units, Plaza Madiun and Grand Palladium Medan Units
Sale Shares	:	Class B Shares of the Transferor pursuant to the right of pre-emption
Securities	:	The creation or issue of any shares of the Yogyakarta IndoCo or other securities of the Yogyakarta IndoCo
Securities Act	:	U.S. Securities Act of 1933, as amended
SGX-ST	:	Singapore Exchange Securities Trading Limited
SGX-ST Consultation Paper	:	The consultation paper published by SGX-ST on 11 January 2016 on the "Listing Rules Amendments to Align with Changes to the Companies Act"
SHYG	:	Siloam Hospitals Yogyakarta
SHYG Acquisition	:	The acquisition of SHYG pursuant to the Joint Acquisition
SHYG Master Lease	:	The master lease granted to the Sponsor and PT Taruna Perkasa Megah in relation to SHYG
SHYG Master Lease Agreement	:	The master lease agreement to be entered into between Yogyakarta IndoCo (as the master lessor of SHYG) and the Sponsor and PT Taruna Perkasa Megah (as the master lessees of SHYG) pursuant to which a master lease over SHYG was granted to the Sponsor and PT Taruna Perkasa Megah
SHYG Purchase Consideration	:	The purchase consideration for SHYG of Rp. 264.6 billion (S$27.0 million)
Sponsor	:	PT Lippo Karawaci Tbk, which is the sponsor of LMIR Trust
sq m	:	Square metres
Substantial Unitholder	:	A Unitholder with an interest in more than 5.0% of all Units in issue

Transactions	:	The Yogyakarta Transaction and the KTS Acquisition
Transferor	:	Icon2, in the event it disposes of its Class B Shares pursuant to the right of pre-emption
Trust Deed	:	The trust deed dated 8 August 2007 constituting LMIR Trust, as supplemented by the first supplemental deed dated 18 October 2007 and the second supplemental deed dated 21 July 2010 and as amended by the first amending and restating deed dated 18 March 2016 entered into between the Trustee and the Manager, as amended, varied, or supplemented from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust
U.S.	:	United States
Unit	:	A unit representing an undivided interest in LMIR Trust
Unitholders	:	Unitholders of LMIR Trust
VAT	:	Value-added tax
W&R	:	KJPP Willson dan Rekan
Yogyakarta Deed of Indemnity	:	The deed of indemnity entered into between the Trustee, the First REIT Trustee and PT WJP in relation to the Yogyakarta Transaction
Yogyakarta IndoCo	:	PT Yogya Central Terpadu, a joint venture Indonesian limited liability company established by First REIT and LIMR Trust to enter into the Yogyakarta Property CSPA. Icon1 and Icon2 respectively own 100.0% of the Class A Shares and 100.0% of the Class B Shares in the issued share capital of Yogyakarta IndoCo
Yogyakarta Property	:	An integrated development, comprising a hospital component known as SHYG and a retail mall component known as LPJ located at Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, Indonesia
Yogyakarta Property CSPA	:	The conditional sale and purchase agreement entered into between the Yogyakarta Vendor and Yogyakarta IndoCo on 13 October 2017 for the acquisition of the Yogyakarta Property
Yogyakarta Property Purchase Consideration	:	The aggregate purchase consideration payable by Yogyakarta IndoCo in connection with the acquisition of the Yogyakarta Property comprising the LPJ Purchase Consideration and the SHYG Purchase Consideration

Yogyakarta Vendor	:	PT Mulia Citra Abadi, which is indirectly wholly-owned by the Sponsor

The terms "Depositor" 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* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment 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.

The exchange rates used in this Circular are for reference only. No representation is made that any Indonesian Rupiah amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

DETAILS OF THE PROPERTIES, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. YOGYAKARTA PROPERTY

1.1 DESCRIPTION OF LPJ

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 sq m) as specified in Right-to-Build Certificate No. 00131/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 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, which is located in the same building. LPJ serves the people of Yogyakarta and those from the surrounding areas and offers a diverse range of tenants including Matahari Department Store, Hypermart, Cinemaxx, Celebrity Fitness and Time Zone.

Yogyakarta economy relies on sectors such as wholesale and retail trade, transportation and warehousing, tourism and education services. As a city with large numbers of schools and universities and relatively low cost of living compared to other Indonesian cities, Yogyakarta has attracted large numbers of students from all over Indonesia. LPJ is located approximately 1.5 km for Yogyakarta State University which has over 30,000 undergraduates and graduates, for which LPJ actively targets with its cinema and F&B offerings.

The table below sets out a summary of selected information on LPJ as at 30 June 2017 (unless otherwise indicated).

Address/Location	Jalan Laksda Adi Sucipto No. 32 – 34 Yogyakarta, Indonesia
Description/Existing Use	Commercial
Parking Bays	752 car park lots and 875 motorcycle lots
Land Title to the Property	HGB title certificate (SHGB No. 00131/ Demangan), covering an area of 13,715 sq m and expiring on 27 December 2043
Date of completion of building	2005 (LPJ underwent major refurbishment from 2013 to 2015 and recommenced operations in June 2015)
Occupancy rate	88.1%
Average gross rent(1)	Anchor & Big Tenants – Rp. 69,652 per sq m per month Specialty & ATM – Rp. 186,906 per sq m per month
Number of tenants	57

GFA (sq m)	66,098 sq m (comprising 35,965 sq m for the mall and 30,133 sq m for the parking area)
NLA (sq m)	23,023 (excluding 550 sq m of casual leasing area)
Encumbrances	Nil
Valuation by Rengganis as at 30 September 2017	Rp. 599.3 billion (S$64.2 million)
Valuation by W&R as at 30 September 2017	Rp. 575.2 billion (S$61.6 million)

Note:

(1) This is computed by taking the average of the gross rent (excluding service charge) for 30 June 2017.

1.2 DESCRIPTION OF SHYG

SHYG has a GFA of 12,474 sq m with a maximum capacity of 220 beds and commenced operations under the "Siloam Hospitals" brand in July 2017 with Centres of Excellence for Neuroscience and Cardiology.

SHYG is centrally located in Yogyakarta, within the Gondokusuman District. It is situated along Jalan Laksda Adi Sucipto, co-located with many commercial developments of complementary uses, and is approximately five kilometres away from the Adisucipto International Airport. The Property is also highly accessible via public and private transportation.

The table below sets out a summary of selected information on SHYG as at 30 June 2017 (unless otherwise indicated).

Address/Location	Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta, Indonesia
Master Title Details	HGB title certificate (SHGB No. 00131/ Demangan), covering an area of 13,715 sq m and expiring on 27 December 2043
Description/Existing Use	Hospital within a 10-storey building (including one basement and one mezzanine level)
Hospital beds (Capacity)	220
Lease Term	15 years, with an option to renew for a further term of 15 years.
Date of completion of building	Completed in 2015
Commencement base rent	Rp. 23,814,000,000 (S$2,430,000)
GFA	12,474 sq m

2. KTS

2.1 DESCRIPTION OF KTS

KTS is a lifestyle mall strategically located in Kediri city East Java, which is well-connected to other parts of East Java and has direct trains to major cities such as Surabaya, Yogyakarta or Bandung. The mall itself is located approximately 1 km away from the main train station in Kediri.

Kediri city is a vibrant trading hub for tobacco and sugar and its economy is mostly agricultural with some industrial centres. It also has a growing tourism industry from its cultural heritage as well as its transport connections with cities such as Surabaya and Yogyakarta.

KTS provides a wide range of products and services covering daily needs, fashion, entertainment and F&B for families and tourists. Its tenants include a variety of brands, such as Matahari Department Store, Hypermart, Game Fantasia, Sport Stations and OPPO.

The table below sets out a summary of selected information on KTS as at 30 June 2017 (unless otherwise indicated).

Address/Location	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java
Master title details	HGB title certificate (SHGB No. 492/Kelurahan Balowerti expiring on 12 August 2024)
Description/Existing Use	Commercial
Parking Bays	169 car park lots and 736 motorcycle lots
Land Title to the Property	HGB title certificate (SHGB No. 492/Kelurahan Balowerti expiring on 12 August 2024)
Date of completion of building	10 August 2011
Occupancy rate	99.1%
Average gross rent[(1)]	Anchor & Big Tenants – Rp. 69,200 per sq m per month Specialty & ATM – Rp. 174,544 per sq m per month
Number of tenants	57
GFA (sq m)	28,688 (comprising 22,009 sq m for the mall and 6,679 sq m for the parking area)
NLA (sq m)	16,680 (excluding casual leasing area of 795 sq m)
Encumbrances	Existing BNI Security and Existing Panin Security (each as defined under the KTS Property CSPA)
Valuation by Rengganis as at 30 September 2017	Rp. 363.7 billion (S$39.0 million)
Valuation by W&R as at 30 September 2017	Rp. 363.1 billion (S$38.9 million)

Note:

(1) This is computed by taking the average of the gross rent (excluding service charge) for 30 June 2017.

3. THE EXISTING PORTFOLIO

The Existing Portfolio of LMIR Trust as at 30 June 2017 comprises: Gajah Mada Plaza, Cibubur Junction, Plaza Semanggi, Mal Lippo Cikarang, Ekalokasari Plaza, Bandung Indah Plaza, Istana Plaza, Sun Plaza, Pluit Village, Plaza Medan Fair, Tamini Square, Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza'), Palembang Square, Palembang Square Extension, Pejaten Village, Binjai Supermall, Lippo Mall Kemang, Lippo Plaza Batu, Palembang Icon, Lippo Mall Kuta and Lippo Plaza Kendari (collectively, the "**Retail Malls**"), as well as Mall WTC Matahari Units, Metropolis Town Square Units, Depok Town Square Units, Java Supermall Units, Malang Town Square Units, Plaza Madiun and Grand Palladium Medan Units (collectively, the "**Retail Spaces**").

3.1 Summary

The table below sets out the lease expiry profile by NLA in the Existing Portfolio (as at 30 June 2017).

Lease Expiry Profile(1) by NLA as at 30 June 2017

	2017	2018	2019	2020	2021 and beyond
Retail Malls and Existing Retail Spaces	18%	13%	10%	10%	38%

Note:

(1) The lease expiry profile is based on the percentage of actual running leases expiring per year out of the total leasable area which amounts to 872,858 sq m as at 30 June 2017.

3.2 Description of the Properties in the Existing Portfolio

3.2.1 RETAIL MALLS

(i) Gajah Mada Plaza

Gajah Mada Plaza is a shopping centre with seven levels, one basement level and a carpark. The mall is located prominently in the heart of Jakarta's Chinatown, an established and well-known commercial area in the city. Situated along Jalan Gajah Mada, one of the main roads in Jakarta, Gajah Mada Plaza is positioned as a one-stop shopping, dining and entertainment destination for middle to upper income families as well as professional executives and students from the offices and schools within its vicinity. It has a diverse and complementary tenant mix anchored by Matahari Department Store and Hypermart. The mall's strong leisure entertainment component, which includes a cinema, restaurants, family karaoke outlets, video game centres, a fitness centre and a swimming pool, adds to its overall attractiveness.

(ii) Mal Lippo Cikarang

Mal Lippo Cikarang is a two-level retail mall located within the Lippo Cikarang estate, approximately 40 km east of Jakarta and connected to Jakarta via the Jakarta-Cikampek toll road. The estate comprises industrial, commercial and residential components and is home to numerous residents and economic activities. Mal Lippo Cikarang is the main shopping centre in the estate and has limited competition within an approximately 10-km radius. The mall is anchored by Matahari Department Store, ACE Hardware and Hypermart, complemented by a cinema, a bookshop, a video game centre, restaurants and dining outlets, and a list of international and local fashion labels.

(iii) Cibubur Junction

Cibubur Junction is a shopping centre with five levels, a partial roof top level, one basement level and a carpark. It is located strategically in the middle of Cibubur, which is one of the most affluent and upmarket residential areas in Jakarta. The mall is situated 5 km south of Jakarta's Jagorawi toll road and is easily accessible and visible from the main road.

Cibubur Junction is the only mall within its vicinity that offers shoppers a one-stop shopping experience. Its anchor tenants, Hypermart and Matahari Department Store, are well complemented by international and local specialty tenancies which include restaurants, fashion labels, a cinema, bookstores, a video game centre and a fitness centre.

(iv) Plaza Semanggi

The Plaza Semanggi is a modern mixed development comprising a shopping centre with seven levels and two basement levels, 13 levels of offices and a carpark. It is strategically located in the heart of Jakarta's Central Business District within the city's Golden Triangle at the Semanggi interchange, which is a junction channelling north-south and east-west traffic across central Jakarta. The development is situated among many commercial buildings and is adjacent to Atmajaya University, one of Jakarta's most prominent universities. Anchored by Centro Department Store and Foodmart, its diverse and comprehensive tenant mix offers a suit of choices for all shoppers.

(v) Ekalokasari Plaza

Ekalokasari Plaza is a six-level retail mall with three basement levels as well as a carpark. It is located approximately 2.0 km south east of the Bogor City Centre on a major road, Jalan Siliwangi, and approximately 3.5 km south or five minutes' drive from the Bogor exit of the Jagorawi toll road which connects Jakarta to Bogor. Bogor is approximately 50.0 km south of Jakarta.

Ekalokasari Plaza is positioned as the retail mall of convenience and choice for its population catchment and provides a comprehensive retail mix anchored by Matahari Department Store, Hypermart, bookstores, a children entertainment zone and a concentration of fashion labels and outlets.

(vi) Bandung Indah Plaza

Bandung Indah Plaza is a retail mall with four levels, three basement levels and a carpark. It is located strategically in the heart of the Central Business District of Bandung, the fourth most populous city in Indonesia. The retail mall is easily accessible from Jalan Merdeka, a major road which connects North Bandung to South Bandung, and is surrounded by commercial buildings and middle to upper income residential areas. It is also attached to Hyatt Regency Hotel, one of the leading five-star hotels in Bandung. Bandung Indah Plaza is anchored by Matahari Department Store, Hypermart, a bookstore, a cinema and supported by other international and local tenants.

(vii) Istana Plaza

Istana Plaza is a retail mall with four levels, two basement levels and a carpark, strategically located in the heart of the Central Business District of Bandung, the fourth most populous city in Indonesia.

Situated at the junction between two busy roads of Jalan Pasir Kaliki and Jalan Pajajaran, it is easily accessible by car and public transport. Anchored by Matahari Department Store and Giant Supermarket, its diverse mix of tenants provide a one-stop shopping experience for the middle to upper income residents within its population catchment. Istana Plaza's many popular international fashion labels have also helped to attract the young and trendy shopper base.

(viii) Sun Plaza

Sun Plaza is the biggest upmarket shopping centre in Medan, the capital of North Sumatra Province and the third most populous city in Indonesia. The mall is located amidst Medan's commercial district with prominent landmarks such as the governor's office, foreign embassies and major banks located within the vicinity.

Anchored by Sogo Department Store and Hypermart, it is also home to various exclusive tenants including international brands such as H&M, Zara, Sushi Tei, Starbucks, Body Shop, Hush Puppies and Pizza Hut. Sun Plaza provides all classes of shoppers in Medan with a one-stop shopping, dining and entertainment destination.

(ix) Pluit Village

Pluit Village is a five-level retail mall located in North Jakarta, in close proximity to and surrounded by affluent residential estates and apartments with a Chinese ethnic majority. Anchored by Matahari Department Store and Carrefour, the mall has a diverse and complementary tenant mix including a list of international and local brand names such as Gramedia Bookstore, J.Co Donut, Body Shop, Starbucks, Best Denki and FJ Square.

(x) Plaza Medan Fair

Plaza Medan Fair is a four-level retail mall with one basement level, strategically located in the shopping and business district of Medan, North Sumatra, which is the third most populous city in Indonesia after Jakarta and Surabaya. It is the second largest retail mall in Medan, with a list of tenants including well-known international and domestic retailers and brand names such as Carrefour, Matahari Department Store, Electronic City, Timezone and Bata. It is also surrounded by residences and is within walking distance to famous hotels in town.

(xi) Tamini Square

Tamini Square is a strata-titled retail mall with four levels and two basement levels, located in the city of Jakarta, within close proximity to one of Jakarta's most popular tourist destinations – Taman Mini Indonesia Indah. Tamini Square is located within a strategic area in East Jakarta and is surrounded by recreational areas. It has good accessibility due to proximity to the toll road gate and is supported by public transportation including the Trans Jakarta Busway.

(xii) Lippo Plaza Kramat Jati (formerly known as 'Kramat Jati Indah Plaza')

Lippo Plaza Kramat Jati is a five-level retail mall with one basement level. It is situated 2.5 km south of Jakarta's Jagorawi toll road and is within easy reach from the main road with good accessibility to passing traffic. In close vicinity to the mall is Taman Mini Indonesia Indah, which is one of the most popular tourist destinations in Jakarta as well as a culture-based recreational area. Anchored by Carrefour and Matahari Department Store, the mall has a diverse and complementary tenant mix including international and local brand names such as Solaria, Bata, Electronic City and Batik Keris.

(xiii) Palembang Square

Palembang Square is a four-level retail mall located in Palembang, South Sumatra. The mall is part of a mixed-use development consisting of a hotel, a proposed hospital and Palembang Square Extension. Anchored by Carrefour, the mall is well complemented by a list of international and local specialty tenants which include Solaria restaurant, fashion labels, a cinema, Gramedia Bookstore, a video game centre and a home furnishing store.

(xiv) Palembang Square Extension

Palembang Square Extension is a retail mall with two levels and a basement level located in Palembang, South Sumatra. It is part of a mixed-use development consisting of a hotel, a proposed hospital and an existing mall, and is directly connected with Palembang Square and the proposed hospital via a bridge. The mall is anchored by Matahari Department Store and Hypermart, complemented by a list of international and local fashion labels such as Giordano, Batik Keris and Levis.

(xv) Pejaten Village

Pejaten Village is a retail mall with six levels and a basement level strategically located in the heart of South Jakarta, surrounded by commercial developments such as medium-rise office buildings, shop houses and hotels within proximity to Kemang, which is a popular residential area for the expatriates in Jakarta. Pejaten Village offers both destination and convenience shopping, supported by its central location which is easily accessible by cars and public transport.

Anchored by Matahari Department Store and Hypermart, it provides shoppers with a diverse and comprehensive shopping options including well-known retailers and brand names such as J.Co Donut & Coffee, Fitness First, Body shop and Samsonite.

(xvi) Binjai Supermall

Binjai Supermall is a three-level retail mall, strategically located along the main road connecting the Binjai City and Medan City. It is the first and only modern retail mall in Binjai City. Anchored by Matahari Department Store and Hypermart, the mall has a diverse tenant mix including well-known international and local brand names such as Gramedia Bookstore, Texas Chicken, Dunkin Donuts.

(xvii) Lippo Mall Kemang

Lippo Mall Kemang is a mid-sized, fashion and lifestyle mall built to cater to the discerning consumers in Kemang and South Jakarta. It offers an intimate and exclusive shopping experience to shoppers through customer service excellence and attention to details.

The mall has four anchor tenants and numerous specialty tenants in fashion, entertainment, dining and lifestyle. The anchors are Matahari Department Store, Hypermart, Cinema XXI and ACE Hardware. Its other major tenants include First Platinum, Best Denki and Timezone.

(xviii) Lippo Plaza Batu

Lippo Plaza Batu is a retail mall with three levels and one basement level located in Batu City, approximately 20 km northwest of Malang, the second largest city in East Java. Batu city is known mainly for agro and eco-tourism with its numerous apple orchards and strawberry plantations. It also has several natural sights such as caves, waterfalls and nature reserves. The cool temperature and pristine nature makes the city popular for recreational retreats since the Dutch colonial days.

Anchored by Matahari Department Store and Hypermart, the mall has a diverse tenant mix.

(xix) Palembang Icon

Palembang Icon is a retail development with five levels and a basement level, as well as a sports centre in the city of Palembang, South Sumatra. It is strategically located in a premium location that will be integrated with a convention centre and a five-star hotel. Positioned as a new lifestyle icon in South Sumatra, Palembang Icon provides a complete range of products and services covering daily needs, fashion, entertainment and F&B for families.

Anchored by Cinemaxx, Foodmart Gourmet and Celebrity Fitness, many first-to-market outlets from international and local brands have opened in this sophisticated mall, including Charles & Keith, Donini, Holika Holika, L'Occitane, Starbucks Coffee and Electronic City.

(xx) Lippo Mall Kuta

Lippo Mall Kuta is a lifestyle mall with three levels and a basement, and is integrated with a premium hotel of approximately 180 rooms. It is strategically located in Bali, a leading tourist destination in Indonesia, famous for its local traditions, culture and nightlife. Tourist arrivals are projected to increase due to improvements in air and sea transport with the establishment of new air routes to China and the Middle East and car-ferry services between Java and Bali.

Lippo Mall Kuta provides a wide range of products and services covering daily needs, fashion, entertainment and F&B for families and tourists as it positions itself as a new lifestyle icon in Bali. Its tenants include a variety of international and local brands, such as Nike, Bata, Quiksilver, Planet Sports, Amazing Kuta, Matahari Department Store and Cinemaxx.

(xxi) Lippo Plaza Kendari

Lippo Plaza Kendari is a four-storey family mall with a car park area and it provides a range of products and services for all family needs in one location. It is strategically located in the heart of Kendari, the capital of Southeast Sulawesi. Economic development is growing at a rapid pace in Kendari, where agriculture is the dominant economic activity. The government of Sulawesi has rolled out a series of major infrastructure projects to improve connectivity and spur economic development in Southeast Sulawesi, including a railway network which will connect all major cities in Sulawesi.

The mall's tenants include a variety of well-known retailers such as Matahari Department Store, Hypermart, Pizza Hut, Solaria, Cinemaxx and Timezone.

3.2.2 RETAIL SPACES

(i) Mall WTC Matahari Units

Mall WTC Matahari is located along Jalan Serpong Raya, Serpong within the administrative area of Tangerang, Banten province and is approximately 18 km west of Jakarta's Central Business District. It is connected to the fast-growing, middle-upper to upper class BSD residential estate, the largest residential estate in Greater Jakarta. Tangerang's physical proximity to Jakarta led to the recent growth of residential estates and satellite cities, housing people who commute to Jakarta for work.

The Mall WTC Matahari Units comprise four strata units on part of the ground floor, upper ground floor, mezzanine and second floor of the building. They are currently utilised as a department store, hypermarket and entertainment and game centre.

(ii) Depok Town Square Units

Depok Town Square is located on Jalan Margonda Raya, adjacent to the south eastern side of the prominent University of Indonesia. The centre has direct access to Pondok Cina Railway Station at its rear entrance, which is connected to Jalan Margonda Raya. Approximately 16 km south of Jakarta's Central Business District, Depok is renowned as the city of students, being home to four large universities. Over the last few years, the commercial area of Depok has been growing rapidly with the emergence of many modern shopping centre developments and commercial buildings.

The Depok Town Square Units comprise four strata units on part of the lower ground floor, first floor and second floor of the building. They are currently utilised as a department store, hypermarket and entertainment and games centre.

(iii) Java Supermall Units

Java Supermall is located within the vicinity of a middle to upper class residential area, easily accessible from most areas in Semarang, the capital city of Central Java and the fifth most populous city in Indonesia. With its location along the northern coast of Java, Semarang is an important trading port for the region.

The Java Supermall Units comprise four strata units on the semi-basement, first floor and second floor of the building. They are currently utilised as a department store and supermarket.

(iv) Malang Town Square Units

Malang Town Square, an international lifestyle mall, is the biggest and most comprehensive mall in Malang. The centre has easy access to public transportation and is surrounded by exclusive residential communities and several universities contributing to a huge student population of over 50,000 students. Malang is the second largest city in the East Java province with a population of approximately 0.8 million. The region has many natural tourist attractions such as Mount Bromo, a cool climate and a rich colonial history.

The Malang Town Square Units comprise three strata units on part of the ground floor, upper ground floor, first floor and second floor of the building. They are currently utilised as a department store, hypermarket and entertainment and games centre.

(v) Plaza Madiun

Plaza Madiun is located within the city of Madiun in the East Java province, closely connected to major cities in Central and East Java. Situated along Jalan Pahlawan, the primary thoroughfare in Madiun, it is in the centre of the commercial and administrative zone, near most of the prominent buildings in Madiun, including the City Hall, Merdeka Hotel, Tentara Hospital and Pasaraya Shopping Centre. Jalan Pahlawan is accessible from Jalan Sudirman, another major thoroughfare in the city.

The Trust owns 100% of Plaza Madiun, which holds two HGB titles, covering the basement, first floor, second floor and third floor. The space is currently occupied by a supermarket and a department store.

(vi) Grand Palladium Units

Grand Palladium Units is conveniently located within the Medan Central Business District and is only 2.5 km from the Polonia International Airport. The mall is located in the centre of Medan, drawing shoppers from all around the city, including the offices and hotels nearby. It is surrounded by government and business offices and the town hall, and therefore benefits from regular crowds of government and business visitors. Medan is the provincial capital of North Sumatra, the largest city in Sumatra and the third most populous city in Indonesia after Jakarta and Surabaya.

The Grand Palladium Units comprise four strata units in part of the basement, lower ground floor, upper ground floor, first floor and third floor of the building. They are currently utilised as a department store, hypermarket and entertainment and games centre.

(vii) **Metropolis Town Square Units**

Metropolis Town Square is a one-stop shopping mall located within the middle to upper income Kota Modern residential estate in Tangerang city of Banten province, along one of the main roads in Tangerang, with good accessibility to passing traffic. Designed in art deco style, the mall is the only major retail development in the Tangerang Municipality. Tangerang's strategic location between Jakarta and the Soekarno-Hatta International Airport makes it a popular choice for offices and factories.

The Metropolis Town Square Units comprise three strata units on part of the ground floor, first floor and second floor of the building. They are currently utilised as a department store, hypermarket and entertainment and games centre.

The table below sets out selected information about the Existing Portfolio as at 30 June 2017.

Property	Bandung Indah Plaza	Cibubur Junction	Ekalokasari Plaza	Gajah Mada Plaza	Istana Plaza	Mal Lippo Cikarang	Plaza Semanggi	Sun Plaza	Pluit Village	Medan Fair
GFA (sq m)(1)	75,868	66,071	58,858	66,160	46,809	39,293	155,122	107,373	134,576	125,053
NLA (sq m)(1)	30,288	34,564	27,684	36,539	27,431	29,926	61,535	68,367	87,394	55,267
No of tenants(1)	239	187	71	165	133	127	393	356	162	404
Valuation (S$m)(2)	85.5	48.3	44.0	83.7	76.4	65.3	125.8	195.6	110.0	116.1
Occupancy(1)	99.4%	98.1%	76.9%	73.6%	96.3%	95.7%	83.6%	98.5%	91.0%	99.7%

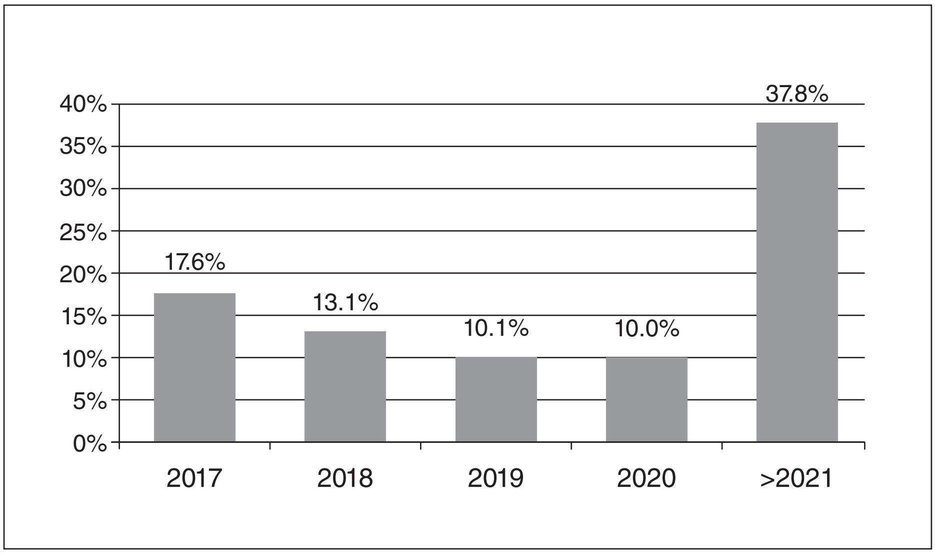
Notes:

(1) The GFA, NLA, No of tenants and occupancy rates are as at 30 June 2017.

(2) The information on the Valuations is as at 31 December 2016.

3.3 Lease Expiry for the Existing Portfolio

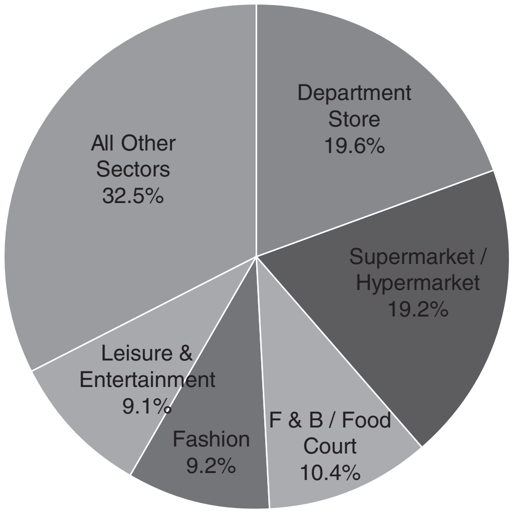
The graph below illustrates the lease expiry profile of the Existing Portfolio by rental income for the month of 30 June 2017 and NLA as at 30 June 2017.



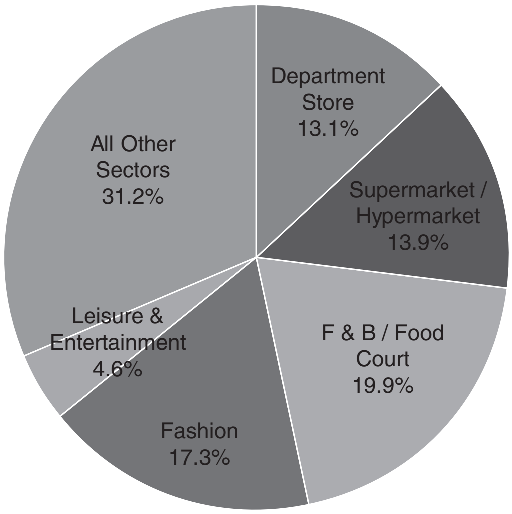
3.4 Major Usage Mix for the Existing Portfolio

The graphs below provide a breakdown of the major usage mix represented in the Existing Portfolio by rental income for the month of 30 June 2017 and NLA as at 30 June 2017.

Major Usage Mix (by NLA as at 30 June 2017)



Major Usage Mix (by rental income for the month of 30 June 2017)



3.5 Top Ten Tenants of the Existing Portfolio

The table below sets out selected information about the top ten tenants of the Existing Portfolio by rental income (excluding casual leasing) for the month of 30 June 2017.

No	Top ten tenants of the Existing Portfolio (by rental income for the month of 30 June 2017)	%
1	Matahari Department Store	13.2
2	Hypermart	9.2
3	Carrefour	3.4
4	Foodmart	0.8
5	Electronic Solution	0.8
6	Ace Hardware	0.7
7	Solaria	0.7
8	Sport Station	0.6
9	Fitness First	0.6
10	Gramedia	0.6

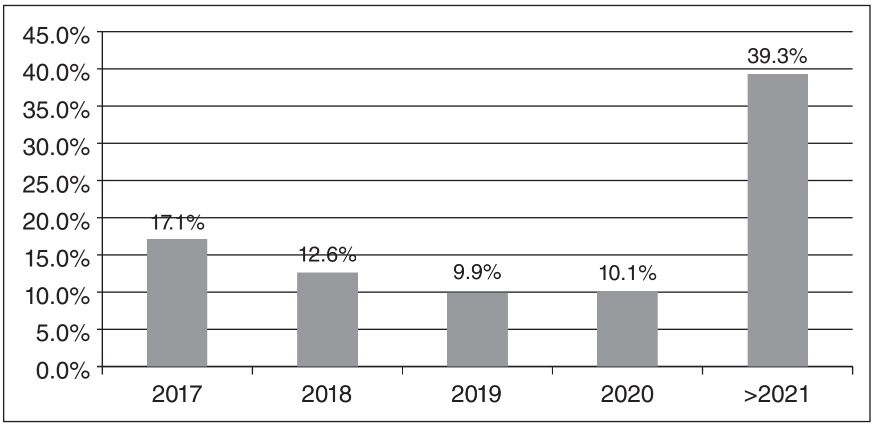
The table below sets out selected information about the top ten tenants of the Existing Portfolio by NLA as at 30 June 2017.

No	Top ten tenants of the Existing Portfolio (by NLA for the month of 30 June 2017)	%
1	Matahari Department Store	17.6
2	Hypermart	14.0
3	Carrefour	6.9
4	Cinemaxx	1.9
5	Cinema XXI	1.7
6	Sogo	1.6
7	Ace Hardware	1.1
8	Gramedia	1.1
9	Electronic Solution	1.0
10	Foodmart	0.9

4. ENLARGED PORTFOLIO

4.1 Lease Expiry Profile for the Enlarged Portfolio

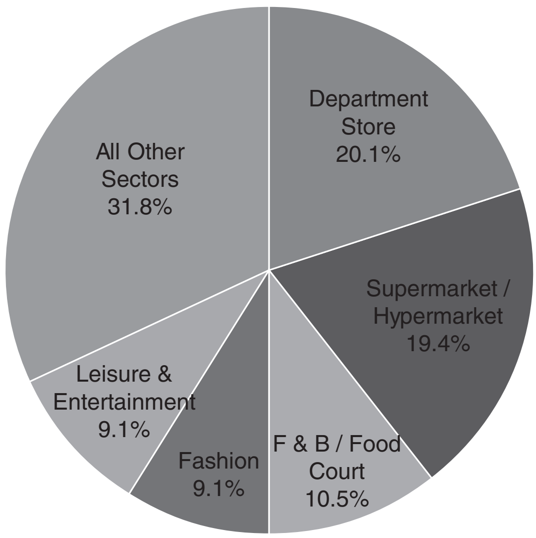
The graph below illustrates the lease expiry profile of the Enlarged Portfolio as a percentage of rental income for the month of 30 June 2017 and NLA as at 30 June 2017.



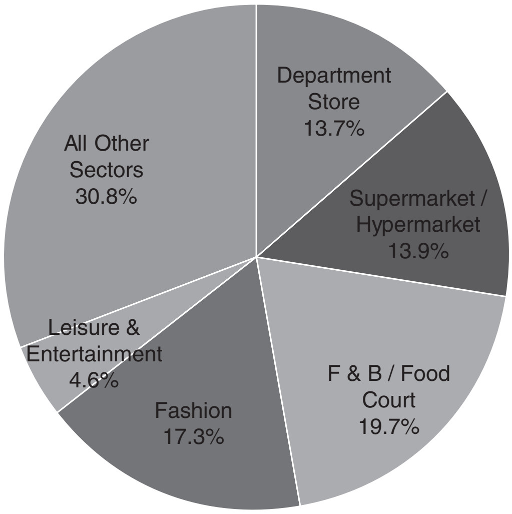
4.2 Major Usage Mix for the Enlarged Portfolio

The graphs below provide a breakdown of the major usage mix represented in the existing portfolio by rental income for the month of 30 June 2017 and NLA as at 30 June 2017.

Usage Mix (by NLA as at 30 June 2017)



Usage Mix (by rental income for the month of 30 June 2017)



4.3 Top Ten Tenants of the Enlarged Portfolio

The table below sets out selected information about the top ten tenants of the Enlarged Portfolio by rental income (excluding retail turnover rent) for the month of 30 June 2017 and NLA as at 30 June 2017.

No	Top ten tenants of the Enlarged Portfolio (by rental income for the month of 30 June 2017)	%
1	Matahari Department Store	13.5
2	Hypermart	9.1
3	Carrefour	3.3
4	Foodmart	0.8
5	Electronic Solution	0.7
6	Solaria	0.7
7	Ace Hardware	0.7
8	Sport Station	0.7
9	Fitness First	0.7
10	Gramedia	0.6

No	Top ten tenants of the Enlarged Portfolio (by NLA as at 30 June 2017)	%
1	Matahari Department Store	18.2
2	Hypermart	14.4
3	Carrefour	6.6
4	Cinemaxx	2.0
5	Cinema XXI	1.6
6	Sogo	1.6
7	Ace Hardware	1.1
8	Gramedia	1.0
9	Electronic Solution	1.0
10	Foodmart	0.9

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VALUATION SUMMARY REPORTS

HSBC Institutional Trust Services (Singapore) Limited
(in Its Capacity as Trustee of Lippo Malls Indonesia Retail Trust)

HSBC Institutional Trust Services (Singapore) Limited
(in Its Capacity as Trustee of First Real Estate Investment Trust)

VALUATION OF FINANCIAL INTEREST IN SILOAM HOSPITALS YOGYAKARTA AND LIPPO PLAZA JOGJA

Jalan Laksda Adi Sucipto No.32-34,
Demangan Sub District, Gondokusuman District, Yogyakarta City
Special Region of Yogyakarta, Indonesia

No. Report : RHR00R1P1117005A
Date : 15 November 2017

KJPP RHR
KJPP Rengganis, Hamid & Rekan
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

KJPP RHR
KJPP Rengganis, Hamid & Rekan
Izin Usaha KJPP No. 2.09.0012
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To : HSBC Institutional Trust Services (Singapore) Limited	Our Ref.	:	RHR00C1P07171220
(as Trustee of First Real Estate Investment Trust)		:	RHR00C1P03170490
HSBC Institutional Trust Services (Singapore) Limited	No. Report	:	RHR00R1P1117005A
(as Trustee of Lippo Malls Indonesia Retail Trust)	Date	:	15 November 2017
21 Collyer Quay			
#13-02 HSBC Building			
Singapore 049320			

VALUATION OF FINANCIAL INTEREST IN
SILOAM HOSPITALS YOGYAKARTA AND LIPPO PLAZA JOGJA
Jalan Laksda Adi Sucipto No. 32-34
Demangan Sub-District, Gondokusuman District, Yogyakarta City
Special Region of Yogyakarta Province, Indonesia

Dear Sir/Madam,

Following the instruction of HSBC Institutional Trust Services (Singapore) Limited ("**HSBC**") as Trustee of First Real Estate Investment Trust ("**First REIT**") under contract No. RHR00C1P07171220 dated 11 July 2017 and addendum No. RHR00C1P07171221 dated 17 October 2017 to form an opinion of Market Value of Financial Interest and Indicative Reinstatement Value of Siloam Hospitals Yogyakarta ("**SHYG**"), and the instruction of HSBC as Trustee of Lippo Malls Indonesia Retail Trust ("**LMIRT**") under contract No. RHR00C1P03170490 dated 24 March 2017, addendum No. RHR00C1P03170491 dated 7 July 2017, and addendum No. RHR00C1P03170492 dated 18 October 2017 to form an opinion of Market Value of Financial Interest in Lippo Plaza Jogja ("**LPJ**"), both are located at Jalan Laksda Adi Sucipto No. 32-34, Demangan Sub-District, Gondokusuman District, Yogyakarta City, Special Region of Yogyakarta, Indonesia, we hereby declare that we have completed our inspection and analysis, and submit the attached report for your consideration.

1. Introduction

   This assignment has been carried out by an independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan-KJPP RHR (previously PT Heburinas Nusantara). KJPP RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia), provided with a business permit from the Ministry of Finance and registered in OJK "Otoritas Jasa Keuangan" previously Bapepam-LK (Securities Exchange Commision "SEC"). Partners of KJPP-RHR have been registered in the Ministry of Finance and OJK.

KJPP-RHR has established a strategic alliance with **CBRE**, the world's premier, and full service real estate services company listed in New York Stock Exchange.

2. Client and Intended User

The Client is:

- HSBC Institutional Trust Services (Singapore) Limited as Trustee of First REIT;
- HSBC Institutional Trust Services (Singapore) Limited as Trustee of LMIRT.

The Intended User are:

- HSBC Institutional Trust Services (Singapore) Limited as Trustee of First REIT;
- HSBC Institutional Trust Services (Singapore) Limited as Trustee of LMIRT;
- Bowsprit Capital Corporation Limited as Manager of First REIT;
- LMIRT Management Ltd as Manager of LMIRT;
- Financier of First REIT;
- Insurer of First REIT.

3. Purpose and Objective of Valuation

The purpose and objective of this valuation is to form an opinion of Market Value and Indicative Reinstatement Value for following purposes:

- Potential acquisition
- Bank financing and mortgage
- Insurance

The subject property is proposed to be jointly acquired by First REIT and LMIRT whereby First REIT will hold the financial interest in SHYG, while LMIRT will hold the financial interest in LPJ.

4. The Subject Property

The subject property is a Financial Interest in land and building component of Siloam Hospitals Yogyakarta ("**SHYG**") and Lippo Malls Jogja ("**LPJ**"). SHYG's building and LPJ's building are located in one parcel of land.

	SHYG	LPJ
GFA	± 12,474 square meters	± 35,965 square meters excluding parking area of ± 30,133 square meters
Beds/NLA	Max 220 beds	± 23,023 square meters excluding casual leasing of ± 550 square meters
Land Area	± 13,715 square meters	

The subject property is located at Jalan Laksda Adi Sucipto No. 32-34, Demangan Sub District, Gondokusuman District, Yogyakarta City, Special Region of Yogyakarta Province, Indonesia.

5. Ownership Right and Type

The ownership of the SHYG and LPJ is individual type each but the ownership of the land for SHYG and LPJ each is partial interest covered by Right to Build Certificate (Hak Guna Bangunan) registered under the name of PT Mulia Citra Abadi.

6. Basis of Valuation

This valuation is prepared according to the Indonesian Valuation Standards (SPI – Standar Penilaian Indonesia) in which the appropriate basis for this valuation is the Market Value, Reinstatement Value and Liquidation Value. The Indonesian Valuation Standards defines the Market Value, Reinstatement Value, Liquidation Value, and Financial Interest as follows:

Market Value

"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". (SPI 101-3.1)

Market value refers and reflects the actual value regardless of any tax liability or cost associated with these sales transactions. The property is valued based on the assumption that it is free and clear all mortgages, encumbrances, and other outstanding premiums and charges.

The above stated basis is also consistent with Fair Value measurement as defined in Singapore Financial Reporting Standard 113.

Reinstatement Value

"The estimated cost to replace, repair, or rebuild the insured property to a condition substantially the same as, but not better or more extensive than, its condition when new". (SPI 102-3.9)

Liquidation Value

"The sum of money that may be received from the sale of an asset in a relatively short period of time to be able to meet the marketing period in the definition of Market Value. In some situation, Liquidation value may involve sellers who are not interested in selling, and buyers who purchase by knowing the seller unfortunate situation". (SPI 102-3.7)

Valuer must state the basis of this value as an Indicative Liquidation Value. The basis of this value should only be granted in the event of nonperforming loans or default.

Financial Interest

"Financial Interest in property legally is derived from the division of ownership in the business entities and real property (e.g. alliance/partnership, syndicate, BOT, lease/co-Tenancies, joint venture), and granting contractual option rights to buy or sell property (for example land and buildings, shares or other financial instruments) at a stated price within a specific period, or derived from the establishment of investment instruments that are secured by a bunch of real estate assets."(KPUP – Type of Property 5.1)

7. Date of Valuation

The date of valuation is 30 September 2017. The inspection date is 4 August 2017.

8. Currency

The exchange rate at the date of valuation is SGD1= Rp9,926.07/- (middle rate)

- For SHYG, we have valued the property in Singapore Dollar currency since the rental revenue is in Singapore Dollar. However, the operating asset generates income in Rupiah and for variable rent conversion to Singapore Dollar, we used fixed exchange rate of SGD1= Rp9,800.00/- as stated in the proposed term sheet and the proposed MLA of SHYG.
- For LPJ, we have valued the property in Rupiah since the rent revenue is in Rupiah.

9. Depth of Investigation

The valuation is conducted with limitation of investigation as follows:

a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data

Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report:

- Bank Indonesia, the Central Bank of Indonesia;
- Indonesia Stock Exchange or other countries stock exchange;
- Statistics Indonesia, Central Bureau of Statistics of Indonesia;
- Research data from independent institution/firms;
- Relevant information from the electronic/mass media.

11. Term on Approval for Publication

The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

The Client may disclose the valuation report for internal approval process with the investors for informational purposes

12. Assumption of Valuation

Our valuation is subject to the followings:

1) The inspection date is before the date of valuation. In this valuation we have assumed that there is no significant change of the subject property between the date of valuation and inspection date;
2) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
3) We have valued the financial interest since the value is depending on the potential rental as stated in signed term sheet and proposed MLAs. In this valuation we have assumed that the Lessee will fulfil their liabilities until the end of contract;
4) The proposed MLAs for SHYG will be materialized with exact same terms specified in the proposed term sheet;
5) We understand that sustainability of the proposed MLAs for SHYG is critical in this discounted cash flow valuation. We have capitalized the contractual rent based on special assumption that the contract will be automatically renewed under similar terms upon expiry;
6) We have received tenancy schedule and lease agreements between of tenants for LPJ, and we assumed that the term and condition in the tenancy schedule is true and accurate.
7) We have received the tenancy schedule for LPJ with the NLA of each tenant for occupied space and checked with NLA stated in lease agreement, but for vacant space we have assumed that the NLA provided by the management is true and correct;
8) We have received proposed MLA between PT Yogya Central Terpadu and third parties which cover casual leasing, specialty, and parking. In this valuation, we have assumed that the third parties will fulfil their liabilities. We stated that if these prove to be on the contrary, this valuation is deemed to be not valid.
9) We have taken into account the asset enhancement initiative in our calculation based on the planning and schedule provided by the Client. We stated that if these prove to be unrealized, this valuation is deemed to be not valid.
10) The subject property is managed by professional and competent management.

13. Valuation Approach

In this valuation, we have adopted Income Approach with Discounted Cash Flow Method for Market Value and Cost Approach for Indicative Reinstatement Value.

14. Confirmation on Indonesian Valuation Standards

We confirm that this valuation is conducted based on Indonesian Valuers Code of Ethics (KEPI) and Indonesian Valuation Standard (SPI) 6th Edition – 2015 but there is a deviation from Indonesian Valuation Standard (SPI) 6th Edition - 2015 whereas there is another valuer engaged in this valuation for the same purpose and valuation date.

15. Valuation Conclusion

Having considered all relevant information and prevailing market conditions, we are of the opinion that the Market Value of Financial Interest in **SHYG** and **LPJ**, located at Jalan Laksda Adi Sucipto No. 32-34, Demangan Sub-District, Gondokusuman District, Yogyakarta City, Special Region of Yogyakarta, Indonesia, as of 30 September 2017 is:

SHYG

SGD27,200,000/-
(TWENTY SEVEN MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1= Rp9,926.07/- the Market Value of SHYG is:

Rp269,989,000,000/-
(TWO HUNDRED SIXTY NINE BILLION NINE HUNDRED EIGHTY NINE MILLION RUPIAHS)

LPJ

Market Value with Master Lease Agreement

Rp599,327,000,000/-
(FIVE HUNDRED NINETY NINE BILLION THREE HUNDRED TWENTY SEVEN MILLION RUPIAHS)

Market Value without Master Lease Agreement

Rp545,933,000,000/-
(FIVE HUNDRED FORTY FIVE BILLION NINE HUNDRED THIRTY THREE MILLION RUPIAHS)

Jakarta, 15 November 2017
Yours faithfully,
KJPP Rengganis, Hamid & Rekan

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)
Partner – Property and Business Valuer
License Valuer No. PB-1.09.00263
MAPPI No. 00-S-01256

COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that:

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias to respect of the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
   - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
   - Data collection and property inspection;
   - Data analysis;
   - Value estimation using suitable approaches;
   - Report writing.
10. No one other than the undersigned Valuers were involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (SPI 6th Edition - 2015).

Name	Qualification	Signatures
Job Captain:		
Vivien Heriyanthi, MAPPI (Cert.) Licensed Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property & Business Valuer	....
Reviewer :		
Felix Sulistio Thio MAPPI No.12-T-03860	Property & Business Valuer	....
Valuer:		
Teguh Lestariono MAPPI No.15-P-05517	Property Valuer	....
Subarno MAPPI No. 14-P-04840	Property Valuer	....
Pipit Puspita MAPPI No. 15-P-05819	Property Valuer	....
Yakobus Yulianto Budi Raharjo MAPPI No. 17-P-07724	Property Valuer	....

VALUATION CERTIFICATE OF
SILOAM HOSPITALS YOGYAKARTA AND LIPPO PLAZA JOGJA

General Description of Property

Property Brief

The subject property is a Financial Interest of SHYG and LPJ. SHYG is a private hospital with maximum capacity of 220 beds and gross floor area of about 12,474 square meters. LPJ is a shopping center with net lettable area of about 23,023 square meters (excluding casual leasing of about 550 square meters) and gross floor area of about 35,965 square meters exclude parking area of about 30,133. Both are erected on land with area of 13,715 square meters.

Location

SHYG and LPJ are a mixed use development located at Jalan Laksda Adi Sucipto No. 32-34, Demangan Sub-District, Gondokusuman District, Yogyakarta City, Special Region of Yogyakarta, Indonesia. SHYG and LPJ are located on the south side of Jalan Laksda Adi Sucipto or within radius of:

- about 2.6 kilometers to the east of Tugu Monument;
- about 3.0 kilometers to the northeast of Tugu Railway Station;
- about 4.3 kilometers to the northeast of Yogyakarta Townsquare.
- about 5.8 kilometers to the west of Adisuctipto International Airport.

Property Identification

Site Details and Tenure

The site is almost rectangular in shape. The frontage to Jalan Laksda Adi Sucipto is about 73 square meters and the maximum depth is about 166 square meters. It is generally flat and higher than the fronting road with land area of 13,175 square meters that covers the hospital and the shopping center.

The land is covered with 1 (one) Right to Build Certificate (Sertipikat Hak Guna Bangunan – "SHGB") No.00131 registered under the name of PT Mulia Citra Abadi. It was issued on 14 November 2005 and will be expired on 27 December 2043. The land area is 13,715 square meters as stated in Situation Drawing No. 00440/Demangan/2005 dated 14 November 2005.

Town Planning

Zoning : Commercial
Site coverage (KDB) : 80%
Plot ratio (KLB) : 6.4
Height limitation : 32 meters

The building is covered by Building Permit No. 0079/GK/2014 dated 29 January 2014 and is registered under the name of PT Mulia Citra Abadi.

The hospital is completed with Hospital Operational Permit (Izin Operational Rumah Sakit) No. 503/6668 dated 20 June 2017 and will be expired on 20 June 2022, registered under the name of SHYG.

Building Description

The building comprises 8-storey with 2-level basement with gross building area of about 81,492 square meters, described as follow:

Floor	Hospital	Mall	Parking	Void
6	386	195	5,624	232
5	2,307	561	3,977	104
4	6,360	2,173	-	92
3	-	737	7,916	309
2	-	673	7,914	310
1	-	8,620	-	680
UG	187	8,252	-	705
GF	590	7,989	-	247
LGM	77	579	2,304	137
LG	2,567	6,186	2,398	103
Total	**12,474**	**35,965**	**30,133**	**2,919**

Market Value as of 30 September 2017

Siloam Hospitals Yogyakarta

SGD27,200,000/-
(TWENTY SEVEN MILLION TWO HUNDRED THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of date of valuation SGD1= Rp9,926.07 the Market Value is:

Rp269,989,000,000/-
(TWO HUNDRED SIXTY NINE BILLION NINE HUNDRED EIGHTY NINE MILLION RUPIAHS)

Lippo Plaza Jogja

Market Value with Master Lease Agreement is:

Rp599,327,000,000/-

(FIVE HUNDRED NINETY NINE BILLION THREE HUNDRED TWENTY SEVEN MILLION RUPIAHS)

Market Value without Master Lease Agreement is:

Rp545,933,000,000/-

(FIVE HUNDRED FORTY FIVE BILLION NINE HUNDRED THIRTY THREE MILLION RUPIAHS)

General Description of Property	Property Identification	Market Value as of 30 September 2017
	The building completed its construction in the 2000 and has been renovated in 2015. SHYG commenced operation on 28 July 2017, while LPJ has been in operation since June 2015.	

KANTOR JASA PENILAI PUBLIK
WILLSON DAN REKAN
Izin No.2.09.0049
Jasa Penilaian Properti
Wilayah Kerja Negara Republik Indonesia

Letter No. 395/W&R-Letter/XI/2017

28 November 2017

To:
HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Lippo Malls Indonesia Retail Trust)
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Attention: SVP, REITs

RE: Valuation of Lippo Plaza Jogja and Siloam Hospitals Yogyakarta, Yogyakarta – Indonesia.

Instruction

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Lippo Malls Indonesia Retail Trust) and LMIRT Management Ltd, whom hereinafter jointly referred to as (the "Client"), has instructed KJPP Willson dan Rekan in association with Knight Frank (the "Valuer") based on the Valuation Proposal No.183/W&R-Proposal/X/2017 dated 19 October 2017 to conduct an independent property valuation.

Valuer Qualification

KJPP Willson dan Rekan is associated with Knight Frank, which is an international property consultant that is headquartered in London – England. Knight Frank has a network of 519 offices in 59 countries around the world. Our association has been legalized and approved by the Minister of Finance of the Republic of Indonesia with the *Surat Persetujuan Pencantuman Nama Badan Usaha Jasa Penilai Asing* (BUJPA) No.413/MK./2009 dated 21 July 2009.

Valuation Purpose

The Client requires this valuation in relation with the proposed acquisition of the Subject Property, and thereafter inclusion of the property into Lippo Mall Indonesia Retail Trust, which is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX").

Basis of Valuation

This Valuation has been made with reference the Indonesian Valuation Standards (Standar Penilaian Indonesia / SPI) VI Edition - 2015 and the Indonesian Valuer Code of Ethics (Kode Etik Penilai Indonesia / KEPI) 2015.

This valuation will adopt the basis of Market Value, whichin the Indonesian Valuation Standards 2015 (SPI 101-3.1) is 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"

The Subject Property

The Subject Property is Lippo Plaza Jogja and Siloam Hospitals Yogyakarta which stands on 13,715 square meters land plot located at Jalan Laksda Adisucipto No.32-34, Sub-District of Demangan, District of Gondokusuman, City of Yogyakarta, Province of DI Yogyakarta, Indonesia. The Lippo Plaza Jogja has a total leasable retail floor area of about 23,023 square meters and accommodates a hypermarket, a department store, specialty stores, restaurants, a movie theatre, etc. Major tenants include Hypermart, Matahari Department Store, and Cinemax. Siloam Hospitals Yogyakarta has a maximum capacity of 220 beds and a gross floor area of 12,474 square meters, which started operations since 28 July 2017.

1. Land Description

Total land area	:	13,715 square meters.
Shape	:	Similar to trapezoid shape.
Road Frontage	:	About 85 meters facing along Jalan Laksda Adisucipto.
Lot Position	:	Middle lot.
Orientation	:	North.
Boundaries	:	North : Jalan Laksda Adisucipto. East : Saphir Hotel. South : Settlement. West : Internal Road.
Terrain	:	Flat.
Elevation	:	Higher than the road Surface of Jalan Laksda Adisucipto.
Improvements	:	- Asphalted driveways; - Paved parking area; - Decorated landscaping; and
Site Condition	:	built with carpark building and ancillary building.

2. Building Description

Building Type	:	A retail shopping center and hospital.
Building Level	:	5-storeys with a rooftop structure.
Gross Floor Area	:	Shoping Centre : ± 35,965.395 square meters. Hospital : ± 12,474.180 square meter Parking Area : ± 30,132.830 square meters (sharing space with the Hospital).
Lettable Floor Area (Lippo Plaza Jogja)	:	±23,023 square meters (excluding Asset Enhancement and Master Lease). ±24,325 square meters (Including Asset Enhancement and Master Lease). ±23,315 square meters (after Asset Enhancement and Master Lease end).
Occupancy Rate	:	90% (exisiting condition without master lease and asset enhancement) for Lippo Plaza Jogja. 100% for Siloam Hospitals Yogyakarta.
Start Operation	:	Lippo Plaza Jogja : 4 June 2015; Siloam Hospital Yogyakarta : 28 July 2017.
Tenancy profile	:	The shopping center building accommodates a department store, a hypermarket, specialty stores, restaurants, food court, a book store, an electronic store, a movie theater, etc. Major tenants include Hypermart, Matahari, Celebrity Fitness, Cinemaxx, and Maxx Kitchen. Siloam Hospitals Yogyakarta is operated by Siloam Hospitals Group.
Condition	:	Very good.

3. Land Title Certificate

Under 1 Hak Guna Bangunan (Right to Build) Land Title Certificates. *Sertipikat Hak Guna Bangunan (SHGB)* No.00131/Demangan.

Registered Proprietor	:	PT Mulia Citra Abadi.
Issuance Date	:	14 November 2005.
Expiry Date	:	27 December 2043.
Measurement No	:	00440/Demangan/2005.
Measurement Date	:	14 November 2005.
Land Area	:	13,715 square meters.

4. Relevant Agreements

Mall Operator Agreement	Dated	:	1 October 2014, Addendum Mall Operator Agreement for Lippo Plaza Yogya dated 1 March 2015, and New mall operator agreement as stated in the draft given to the Valuer.
	Between	:	PT Mulia Citra Abadi and PT Multi Nusantara Karya.
Property Management Agreement	Dated	:	1 July 2017 and New mall operator agreement as stated in the draft given to the Valuer.
	Between	:	PT Lippo Malls Indonesia and PT Yogya Central Terpadu.

5. Master Lease Agreement (Lippo Plaza Jogja)

Draft 6 of Master Lease Agreement of Specialty Area	Dated	:	6 September 2017.
	Between	:	PT Yogya Central Terpadu and PT Mulia Cipta Sarana Sukses.
	Remarks	:	The draft agreement stated that the lease period will be for 5 years and the lease payment is Rp.151,178,217,600.-. Covering a total area of 14,171 sqm.
Draft 6 of Master Lease Agreement of Parking Area	Dated	:	6 September 2017.
	Between	:	PT Yogya Central Terpadu and PT Adhikarya Sukses Pratama.
	Remarks	:	The draft agreement stated that the lease period will be for 5 years and the lease payment is Rp.35,000,000,000.-
Draft 6 of Master Lease Agreement of Casual Leasing Area	Dated	:	6 September 2017.
	Between	:	PT Yogya Central Terpadu and PT Manunggal Megah Serasi.
	Remarks	:	The draft agreement stated that the lease period will be for 5 years and the lease payment is Rp.27,000,000,000.- The total area of casual leasing being guaranteed by this agreement is 550 sqm.

6. Proposed Master Lease Agreement (Siloam Hospitals Yogyakarta)

Dated : 29 August 2017.

Between : PT Mulia Citra Abadi, a subsidiary of PT. Lippo Karawaci, Tbk and HSBC Institutional Trust Service (Singapore) Limited, as trustee of First REIT, and HSBC Institutional Trust Services (Singapore) Limited, as trustee of LMIRT (the "Trustee"), through Indo SPC.

Remarks : The draft agreement stated that the lease period will be for 15 years and the annual base rent is S$2,430,000, based on agreed exchange rate of S$1 = Rp.9,800, payable quarterly in advance.

Variable Rent is computed as follows:
(A) x (B)
Where:
(A) Variable rent factor ("A") is computed as follows:

- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the lessee by more than or equal to 5% but less than 15%, A is 0.75%.
- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year of the Lessee by more than or equal to 15% but less than 30%, A is 1.25%.

- If GOR of the preceding financial year of the Lessee exceeds the GOR of the further preceding financial year the Lessee by more than or equal to 30%, A is 2.00%.

(B) **("B")** is the surplus of GOR of the preceding financial year of the Lessee over the GOR of the further preceding financial year of the Lessee.

The total lettable area is 12,474 square meters.

Refer to the full report for more details on the terms of the proposed Siloam Hospital Yogyakarta MLA.

7. Asset Enhancement for the Shopping Centre
   The Asset Enhancement plan can be summarized as follows:

No.	Enhancement Unit	Location	NLA Before Enhancement (sqm)	NLA After Enhancement (sqm)	Start	End
1	Rooftop	Roof	-	498.9	January 2018	June 2018
2	MDS	1st Floor	1,799	1,374	July 2018	June 2019
3	MDS	UG	2,413	2,096	July 2018	June 2019
4	Add Chiller Zone	UG	-	402	July 2018	June 2019
5	Food court	1st Floor	845	886	March 2019	December 2019

Valuation Approach

In determining the Market Value of the Subject Property, we have adopted the Income Approach with Discounted Cash Flow Method based on going concern of the Subject Property.

Valuation Conclusion

The conclusion of Market Value with Master Lease Agreements and Asset Enhancement Plan as at 30 September 2017; subject to our disclaimers and limiting conditions to be described herein is:

Property Name (With Master Lease)	Market Value
Lippo Plaza Jogja (with Asset Enhancement and Master Lease)	Rp.575,244,000,000.-
Siloam Hospital Yogyakarta*	Rp.270,783,000,000.-*
Total	**Rp.846,027,000,000.-**

(Indonesian Rupiahs Eight Hundred Forty Six Billion Twenty Seven Million Only)

Reflecting Singapore Dollars 85,232,826 (Singapore Dollar Eighty Five Million Two Hundred Thirty Two Thousand Eight Hundred Twenty Six Only) at an exchange rate of Rp.9,926.07 for every 1 Singapore Dollar, as at 30 September 2017.

** The value of Siloam Hospitals Yogyakarta as at 30 September 2017 is SGD 27,280,000 (Singapore Dollar Twenty Seven Million Two Hundred Eighty Thousand Only), at an exchange rate of Rp 9,926.07 as at 30 September 2017.*

Valuation Without Master Lease	**Market Value**
Lippo Plaza Jogja (including Asset Enhancement, Without Master Lease)	Rp.499,836,000,000.-

(Indonesian Rupiahs Four Hundred Ninety Nine Billion Eight Hundred Thirty Six Million Only)

The Indonesia Rupiah equivalent for Lippo Plaza Jogja is based on SGD 50,355,881 (Singapore Dollar Fifty Million Three Hundred Fifty Five Thousand Eight Hundred Eighty One Only), at an exchange rate of Rp 9,926.07 as at 30 September 2017.

Limiting Conditions

This valuation is based on the following assumptions:

(i) The Subject Property is free from all liens and encumbrances, encompassing both physical and legal encumbrances;

(ii) This valuation is for a 100% interest only and does not relate to the Client's percentage interest, if any;

(iii) That all information relating to the subject property as provided to us is correct and accurate;

(iv) This valuation is subject to the term and conditions as stipulates in the operational agreements, master parking agreement, food court agreement, specialty and casual leasing, and other relevant agreements.

(v) This valuation is based on the condition that the draft master lease agreement will be finalized and the leases are able to pay all the rental revenue stated in the master lease agreement.

(vi) This valuation is based on an evaluation of the current economic condition, which does not take into account nor make any provision for the effect of any sharp rise or decline in future economic conditions caused by the global financial crisis;

(vii) This Valuation Report speaks only as of its date. The Valuer takes no responsibility for any events, conditions or circumstances affecting the market value of the Subject Property that take place subsequent to either the date of valuation or the date of site inspection, whichever occurs first;

(viii) Any financial forecasts assessment presented in this report are based on an evaluation of the current economic condition, which do not take into account nor make provision for the effect of any sharp rise or decline in future economic conditions. We do not warrant that the forecasts will be attained but they have been prepared on the basis of information obtained during the course of this valuation exercise and are intended to reflect the expectations of typical investors;

(ix) That part of prepaid rentals, if only, will be recoverable from the current property owner by the purchaser, and it will be apportioned fairly and equitably.

(x) No allowances have been made for any charges, mortgages or amounts owing on any property interest nor for any expenses or taxation which may be incurred in acquiring the subject property or when effecting a market sale of the Subject Property; and

(xi) The Subject Property can be sold in the open market without the benefit of a deferred contract, leaseback, joint venture, management agreement that could serve to increase the value of The Subject Property.

(xii) The Valuer reserves the right to revise this valuation should any of the information provided by the Client and/or the above assumptions that the Valuer has adopted in this valuation prove to be inaccurate.

(xiii) The valuation is subject to the execution of the new mall operator agreement, master lease agreement for the shopping center and hospital, and the asset enhancement scheme as stated in the draft given to the Valuer.

This letter serves for information purposes only in presenting the above valuation result.

KJPP Willson dan Rekan
in association with Knight Frank

KJPP Willson & Rekan

Mosalina Dewi
ST, MM, MAPPI (Cert).
Partner

Public Valuer License No.: P-1.11.00321 (Property Valuation)
OJK Registration No.01/PM.22/STTD-P/A/2014 (Property Valuation)
Member of Indonesian Society of Appraiser (MAPPI) No.: 00-S-012

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Lippo Malls Indonesia Retail Trust)

VALUATION OF KEDIRI TOWN SQUARE

Jalan Hasanudin No. 2
Balowerti Sub-District, Kota District, Kediri City
East Java Province, Indonesia

Report No. : RHR00R1P1017004A
Date of Report : 15 November 2017

KJPP RHR
KJPP Rengganis, Hamid & Rekan
Penilaian Properti, Bisnis & Konsultansi
Wilayah Kerja Negara Republik Indonesia

To: HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Lippo Malls Indonesia Retail Trust)
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Our Ref. : RHR00C1P03170470
No. Report : RHR00R1P1117004A
Date : 15 November 2017

VALUATION OF
KEDIRI TOWN SQUARE
Jalan Hasanudin No. 2
Balowerti Sub-District, Kota District, Kediri City
East Java Province, Indonesia

Dear Sir/Madam,

Following instruction of HSBC Institutional Trust Services (Singapore) Limited as Trustee of Lippo Malls Indonesia Retail Trust ("the Client") under contract No. RHR00C1P03170470 dated 22 March 2017, amendment No. RHR00C1P03170471 dated 15 June 2017, and addendum No. RHR00C1P03170472 dated 23 October 2017 to form an opinion of Market Value of Kediri Town Square located at Jalan Hasanudin No. 2, Balowerti Sub-District, Kota District, Kediri City, East Java Province, Indonesia, we hereby declare that we have completed our inspection and analysis and submit the attached valuation report for your consideration.

1. Introduction

This assignment has been carried out by independent valuer who is a Public Valuer in KJPP Rengganis, Hamid & Rekan ("KJPP-RHR"). KJPP-RHR is an independent valuation firm registered in Indonesian Appraisers Society (Masyarakat Profesi Penilai Indonesia). KJPP-RHR is provided with a business permit from the Ministry of Finance and registered in Financial Service Authority ("FSA" or "OJK") previously Bapepam-LK (Securities Exchange Commision – "SEC").

KJPP-RHP has established a strategic alliance with **CBRE**, the world's premier, full service real estate services company listed in New York Stock Exchange.

2. Client and Intended User

   The Client is HSBC Institutional Trust Services (Singapore) Limited as Trustee of LMIRT.

   The Intended User are:

   - HSBC Institutional Trust Services (Singapore) Limited as Trustee of LMIRT;
   - LMIRT Management Limited as Manager of LMIRT;

3. Purpose and Objective of Valuation

   The purpose and objective of this valuation is to form an opinion of Market Value of the subject property for potential REITs acquisition.

4. The Subject Property

   The subject property is a retail mall known as Kediri Town Square with total NLA (Net Lettable Area) of about 16,680 square meters and gross floor area of 22,009 square meters excluding parking area of 6,679 square meters and erected on land area of about 17,136 square meters. It is located at Jalan Hasanudin No. 2, Balowerti Sub-District, Kota District, Kediri City, East Java Province, Indonesia.

5. Ownership Right and Type

   The ownership of the subject property is individual type covered by Right to Build Certificate (Hak Guna Bangunan) registered under the name of PT Prima Gerbang Persada.

6. Basis of Valuation

   The basis of valuation is Market Value. The Indonesian Valuation Standard (Standar Penilaian Indonesia) defines Market Value as follows:

   "Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". (SPI 101.3.1)

   Market Value refers and reflects the actual value regardless of any tax liability or costs associated with these sales transactions. The property is valued based on the assumption that it is free and clear of all mortgages, encumbrances and other outstanding premiums and charges.

7. Date of Valuation

   The valuation date is 30 September 2017 and the inspection date is 19 June 2017.

8. Currency
   We understand that the market of the property is transacted in Rupiah currency; therefore, we have valued the property in Rupiah currency. We advise that the use of currency other than stated in this report is not applicable. However, for your information only, the exchange rate at the date of valuation is SGD 1= Rp9,926.07/- (Indonesian Central Bank middle rate).

9. Depth of Investigation
   The valuation is conducted with limitation of investigation as follows:
   a. The investigation is carried out through the process of data collection by doing the inspection, calculation, and analysis;
   b. Investigation, calculation and analysis can be done favorably without being obstructed by the hidden information or intentionally hidden.

10. Reliable Information Data
   Data from the following reliable domestic and international sources, that have not been independently verified, were relied upon in the preparation of this valuation report:
   - Bank Indonesia, the Central Bank of Indonesia;
   - Indonesia Stock Exchange or other countries stock exchange;
   - Statistics Indonesia, Central Bureau of Statistics of Indonesia;
   - Research data from independent institutions/firms;
   - Relevant information from the electronic/mass media.

11. Term on Approval for Publication
   The valuation report and / or the attached references are only intended for the Client and Intended User as stated in this scope of work. The use of this report beyond the scope of work must be approved by KJPP RHR and the Client.

   The Client may disclose the valuation report for internal approval process with the investors for informational purposes.

12. Assumption of Valuation
   Our valuation is subject to the followings:
   1) The inspection date is after the valuation date. In this valuation we have assumed that there is no significant change of the subject property between the valuation date and inspection date;
   2) We have not investigated the title or any liabilities affecting the property appraised. No consideration was made for any outstanding amount owed in financing agreements, if any;
   3) We also have received tenancy schedule and sample of lease agreements of tenants, and we assumed that the term and condition in the agreement is true and accurate;
   4) We have received the tenancy schedule with the NLA of each tenant for occupied space and checked with NLA stated in lease agreement, but for vacant space we have assumed that the NLA provided by the management is true and correct;
   5) The subject property is managed by professional and competent management.

13. Valuation Approach

In this valuation, we have adopted the Income Approach.

14. Confirmation on Indonesian Valuation Standards

We confirm that this valuation is conducted based on Indonesian Valuers Code of Ethics (KEPI) and Indonesian Valuation Standard (SPI) 6th Edition – 2015 but there is a deviation from Indonesian Valuation Standard (SPI) 6th Edition - 2015 whereas there is another valuer engaged in this valuation for the same purpose and valuation date.

15. Valuation Conclusion

Having considered all relevant information and the prevailing market condition, we are of the opinion that the Market Value of Kediri Town Square located at Jalan Hasanudin No. 2, Balowerti Sub-District, Kota District, Kediri City, East Java Province, Indonesia as of 30 September 2017, is:

Rp363,720,000,000/-
(THREE HUNDRED SIXTY THREE BILLION
SEVEN HUNDRED TWENTY MILLION RUPIAHS)

Jakarta, 15 November 2017
Yours faithfully,
KJPP Rengganis, Hamid & Rekan

KJPP Rengganis, Hamid & Rekan

Vivien Heriyanthi, MAPPI (Cert)
Partner – Property and Business Valuer
License Valuer No. PB-1.09.00263
MAPPI No. 00-S-01256

COMPLIANCE STATEMENT

Within the limitations of our ability and belief, we the undersigned declare that:

1. The statement in this report, which are based on the analysis, opinions and conclusions described therein, are to the best of our knowledge true and correct.
2. The report explains the limiting conditions and disclaimer that may have influenced the aforementioned analysis, opinion and conclusions.
3. We have no present or contemplated future interest in the property that is subject of this appraisal, nor have personal interests or bias to respect of the subject matters of this valuation or the parties involved.
4. The professional fee is not related with the opinion of value as stated in this report.
5. The Valuers have already accomplished professional education requirements defined/implemented by MAPPI (Masyarakat Profesi Penilai Indonesia).
6. The Valuers possess adequate understanding regarding the location and/or the type of property under valuation.
7. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The Valuers compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.
9. The Valuers have carried out the following scope of work:
   - Problem identification (identifying the limitation, property rights, purpose and objective, definition of value, date of valuation);
   - Data collection and property inspection;
   - Data analysis;
   - Value estimation using suitable approaches;
   - Report writing.
10. No one other than the undersigned Valuers were involved in the inspection, analysis, conclusion, and opinions concerning the property that are set forth in this valuation report.
11. The Valuer's analysis, opinions, and conclusions, together with the report have been prepared in conformity with the Indonesian Valuation Standards and Valuer Ethic Codes (SPI 6th Edition - 2015).

Name	Qualification	Signature
Job Captain:		
Vivien Heriyanthi, MAPPI (Cert.) License Valuer No. PB-1.09.00263 MAPPI No. 00-S-01256	Property and Business Valuer	....
Reviewer:		
Felix Sulistio Thio MAPPI No. 12-T-03860	Property and Business Valuer	....
Valuer:		
Novia Riska Kumalasari MAPPI No. 15-P-06156	Property Valuer	....
Vania Alfrida MAPPI No. 16-P-06711	Property Valuer	....
Assistant:		
Andri Wijaya	Assistant	....

VALUATION CERTIFICATE OF
KEDIRI TOWN SQUARE

General Description of Property

Property Brief

The subject property is Kediri Town Square ("**KTS**"). KTS is a retail mall with net lettable area of about 16,680 square meters excluding casual leasing of about 795 square meters. Gross floor area of 22,009 square meters excluding parking area of 6,679 square meters and erected on land area of about 17,136 square meters.

Location

KTS is located at Jalan Hasanudin No. 2, Balowerti Sub-District, Kota District, Kediri City, East Java Province, Indonesia. It is located on the south side of Jalan Hasanudin or within radius of:

- about 94 meters to the east of intersection between Jalan Diponegoro, Jalan Balowerti, Jalan Basuki Rahmat and Jalan Hasanudin;
- about 564 meters to the north of Kediri Railway Station;
- about 1.54 kilometer to the west of Brawijaya Stadion;
- about 5.15 kilometer to the west of Simpang Lima Gumul.

Property Identification

Site Details and Tenure

The site is almost rectangular in shape. The frontage to Jalan Hasanudin is about 83 meters and the maximum depth is about 174 meters. It is generally flat and higher than the fronting road with land area of 17,136 square meters.

The land is covered with 1 (one) Right to Build Certificate (Sertipikat Hak Guna Bangunan – "SHGB") No. 492 registered under the name of PT Prima Gerbang Persada. It was issued on 10 August 2010 and will be expired on 12 August 2024. The land area is 17,136 square meters as stated in Situation Drawing No. 76/Balowerti/2010 dated 21 April 2010.

Town Planning

Zoning	:	Commercial
Site coverage (KDB)	:	n/a
Plot ratio (KLB)	:	n/a
Height limitation	:	n/a

The building is covered by Building Permit No. 640/312/419.49/2010 dated 5 November 2010 and is registered under the name of PT Prima Gerbang Persada.

Building Description

The building comprises 2-storey shopping center building and a 6-storey parking building with gross building area of about 28,688 square meters, described as follow:

Floor	GFA (sqm)	Parking (sqm)	Total (sqm)
Ground Floor (GF) + P1	11,156	1,113	12,269
P2		1,113	1,113
First Floor (FF) + P3	10,853	1,113	11,966
P4		1,113	1,113
P5		1,113	1,113
P6		1,113	1,113
Total	22.009	6.679	28.688

The building completed its construction and commenced its operation in 2011.

Market Value as of 30 September 2017

Rp363,720,000,000/-
(THREE HUNDRED SIXTY THREE BILLION SEVEN HUNDRED TWENTY MILLION RUPIAHS)

KANTOR JASA PENILAI PUBLIK
WILLSON DAN REKAN
Izin No.2.09.0049
Jasa Penilaian Properti
Wilayah Kerja Negara Republik Indonesia

Letter No.394/W&R-Letter/XI/2017

29 November 2017

To:
HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Lippo Malls Indonesia Retail Trust)
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Attention: SVP, REITs

RE: Valuation of Kediri Town Square at Jalan Hasanudin No.2, Kediri, Province of East Java – Indonesia.

Instruction

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Lippo Malls Indonesia Retail Trust) (the "Client"), has instructed KJPP Willson dan Rekan in association with Knight Frank (the "Valuer") based on the Valuation Proposal No.181/W&R-Proposal/X/2017 dated 27 October 2017 to conduct an independent property valuation.

Valuer Qualification

KJPP Willson dan Rekan is associated with Knight Frank, which is an international property consultant that is headquartered in London – England. Knight Frank has a network of 519 offices in 59 countries around the world. Our association has been legalized and approved by the Minister of Finance of the Republic of Indonesia with the *Surat Persetujuan Pencantuman Nama Badan Usaha Jasa Penilai Asing* (BUJPA) No.413/MK./2009 dated 21st July 2009.

Valuation Purpose

The Client requires this valuation in relation with the proposed acquisition of the property, and thereafter inclusion of the property into Lippo Mall Indonesia Retail Trust, which is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX").

Basis of Valuation

This Valuation has been made with reference the Indonesian Valuation Standards (Standar Penilaian Indonesia / SPI) VI Edition - 2015 and the Indonesian Valuer Code of Ethics (Kode Etik Penilai Indonesia / KEPI) 2015.

This valuation will adopt the basis of Market Value, which in the Indonesian Valuation Standards 2015 (SPI 101-3.1) is 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"

The Subject Property

The Subject Property is Kediri Town Square shopping center owned by PT Prima Gerbang Persada and located at Jalan Hasanudin No.2, Sub-District Of Balowerti, District of Kota, City of Kediri, Province of East Java, Indonesia.

Kediri Town Square is a 2-storey shopping center with total lettable retail floor area of about 16,680 square meters. It offers a wide range of shopping, dining, and leisure activities. The building accommodates a supermarket, a department store, retail units, restaurants and food outlets.

1. Land Description

Total land area	:	17,136 square meters.
Shape	:	Regular, almost rectangle.
Road Frontage	:	± 84 meters facing Jalan Hasanudin.
Lot Position	:	Middle lot.
Orientation	:	North.
Boundaries	:	North : Jalan Hasanudin. East : Railroad tracks. South : Shophouse. West : Auto 2000 (Toyota Showroom and Workshop).
Terrain	:	Flat.
Elevation	:	Higher than the road Surface of Jalan Hasanudin.
Improvements	:	- Asphalted driveways; - Paved parking area; - Decorated landscaping; and
Site Condition	:	Built with carpark building and ancillary building.

2. Building Description

Building Type	:	A rental shopping center.
Building Level	:	2-storeys.
Gross Floor Area of Mall	:	± 22,009 square meters.
Parking Area	:	± 6,679 square meters.
Lettable Floor Area	:	± 16,680 square meters.
Occupancy Rate		98.31% (Based on master tenancy list as at 30th September 2017).
Start Operation	:	2011
Tenancy profile	:	The shopping center building accommodates a supermarket, a department store, retail units, restaurants and food outlets. Major tenants include Hypermart, Matahari, Game Fantasia and Sport Stations.
Condition	:	Good.

3. Land Title Certificate

Right-to-Build (Hak Guna Bangunan) No.492/Balowerti.

- Registered Proprietor	:	PT. Prima Gerbang Persada.
- Issuance Date	:	21 April 2010.
- Expiry Date	:	12 August 2024.
- Measurement Letter No.	:	76/Balowerti/2010.
- Measurement Letter Date	:	21 April 2010.
- Land Area	:	17,136 square meters.

4. Relevant Agreements

Consultation and Assets Management Agreement	:	Dated	:	14 March 2016.
		Between	:	PT Prima Gerbang Persada and PT Nadya Putra Investama.

WILLSON & REKAN | Knight Frank

Valuation Approach

In determining the Market Value of the Subject Property, we have adopted the Income Approach for shopping mall with Discounted Cash Flow Method.

Valuation Conclusion

The conclusion of Market Value of the Subject Property as at 30 September 2017; subject to our disclaimers and limiting conditions to be described herein is:

Rp363,138,000,000.-

(Indonesian Rupiahs Three Hundred Sixty Three Billion One Hundred Thirty Eight Million Only)

The above amount is equivalent to Singapore Dollars 36,584,267.49 at the exchange rate of Rp9,926.07,- (middle rate of the Bank of Indonesia) as at the date of valuation.

Limiting Conditions

This valuation is based on the following assumptions:

(i) The Subject Property is free from all liens and encumbrances, encompassing both physical and legal encumbrances;

(ii) This valuation is for a 100% interest only and does not relate to the Client's percentage interest, if any;

(iii) That all information relating to the subject property as provided to us is correct and accurate;

(iv) This valuation is subject to the term and conditions as stipulates in the operational agreements, master parking agreement, food court agreement, specialty and casual leasing, and other relevant agreements.

(v) This valuation is based on the condition that the draft master lease agreement will be finalized and the leases are able to pay all the rental revenue stated in the master lease agreement.

(vi) This valuation is based on an evaluation of the current economic condition, which does not take into account nor make any provision for the effect of any sharp rise or decline in future economic conditions caused by the global financial crisis;

(vii) This Valuation Report speaks only as of its date. The Valuer takes no responsibility for any events, conditions or circumstances affecting the market value of the Subject Property that take place subsequent to either the date of valuation or the date of site inspection, whichever occurs first;

(viii) Any financial forecasts assessment presented in this report are based on an evaluation of the current economic condition, which do not take into account nor make provision for the effect of any sharp rise or decline in future economic conditions. We do not warrant that the forecasts will be attained but they have been prepared on the basis of information obtained during the course of this valuation exercise and are intended to reflect the expectations of typical investors;

(ix) That part of prepaid rentals, if only, will be recoverable from the current property owner by the purchaser, and it will be apportioned fairly and equitably.

(x) No allowances have been made for any charges, mortgages or amounts owing on any property interest nor for any expenses or taxation which may be incurred in acquiring the subject property or when effecting a market sale of the Subject Property; and

(xi) The Subject Property can be sold in the open market without the benefit of a deferred contract, leaseback, joint venture, management agreement that could serve to increase the value of The Subject Property.

(xii) The Valuer reserves the right to revise this valuation should any of the information provided by the Client and/or the above assumptions that the Valuer has adopted in this valuation prove to be inaccurate.

(xiii) The valuation is subject to the execution and its addendum of the new mall operator agreement as stated in the draft given to the Valuer.

This letter serves for information purposes only in presenting the above valuation result.

KJPP Willson dan Rekan
in association with Knight Frank

KJPP Willson & Rekan

Mosalina Dewi
ST, MM, MAPPI (Cert).
Partner
Public Valuer License No.: P-1.11.00321 (Property Valuation)
OJK Registration No.01/PM.22/STTD-P/A/2014 (Property Valuation)
Member of Indonesian Society of Appraiser (MAPPI) No.: 00-S-01272

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INDEPENDENT FINANCIAL ADVISER'S LETTER

KPMG Corporate Finance Pte Ltd.
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet kpmg.com.sg

The Independent Directors
LMIRT Management Ltd
(as manager of Lippo Malls Indonesia Retail Trust)
50 Collyer Quay, #06-07 OUE Bayfront
Singapore 049321

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Lippo Malls Indonesia Retail Trust)
21 Collyer Quay, #13-02 HSBC Building
Singapore 049320

5 December 2017

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE YOGYAKARTA TRANSACTION

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to the unitholders of Lippo Malls Indonesia Retail Trust (the "**Unitholders**")("**LMIR Trust**") dated 5 December 2017 (the "**Circular**")*

1. INTRODUCTION

1.1 Overview

LMIRT Management Ltd in its capacity as manager of LMIR Trust (the "**Manager**") is seeking the approval of Unitholders of LMIR Trust for the proposed joint acquisition with First Real Estate Investment Trust ("**First REIT**") 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 "**Yogyakarta Property**", and the acquisition of the Yogyakarta Property, the "**Joint Acquisition**"), from PT Mulia Citra Abadi (the "**Yogyakarta Vendor**") and the proposed joint venture with First REIT in connection with the Joint Acquisition (the "**Joint Venture**") 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 the economic rights and obligations in respect of LPJ (including the LPJ Master Leases (as defined herein),

(the "**Yogyakarta Transaction**").

The interests of First REIT and LMIR Trust will be held through their respective wholly owned subsidiaries, Icon1 Holdings Pte Ltd ("**Icon1**") and Icon2 Investments Pte Ltd (together the "**Yogyakarta Purchasers**"), with:

- Icon1 owning 100.0% of the Class A ordinary shares ("**Class A Shares**") of PT Yogya Central Terpadu ("**Yogyakarta IndoCo**"); and

- Icon2 owning 100.0% of the Class B ordinary shares ("**Class B Shares**") in Yogyakarta IndoCo.

Icon1 and Icon2 have entered in to a joint venture deed ("**JVA**") to govern their relationship as shareholders of Yogyakarta IndoCo.

The Yogyakarta Vendor is indirectly wholly-owned by PT Lippo Karawaci Tbk, the sponsor of LMIR Trust ("**Lippo Karawaci**" or the "**Sponsor**").

The purchase consideration of the Yogyakarta Property is Rp.834.6 billion (S$88.1 million) (the "**Yogyakarta Property Purchase Consideration**"), which comprises:

- the consideration attributable to SHYG of Rp.264.6 billion (S$27.0 million) (the "**SHYG Purchase Consideration**"); and

- the consideration attributable to LPJ of Rp.570.0 billion (S$61.1 million) (the "**LPJ Purchase Consideration**").

Each of LMIR Trust and First REIT shall only be responsible for paying the LPJ Purchase Consideration and the SHYG Purchase Consideration, respectively.

The total cost to LMIR Trust of the Yogyakarta Transaction, comprising (i) the LPJ Purchase Consideration of Rp.570.0 billion (S$61.1 million), (ii) the value-added tax (Pajak Pertambahan Nilai) ("**VAT**") for the LPJ Acquisition of Rp.54.3 billion (S$5.8 million), (iii) the acquisition fee of S$0.6 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$0.9 million to be incurred by LMIR Trust in connection with the Yogyakarta Transaction, is estimated to be approximately S$68.4 million (the "**LPJ Acquisition Cost**").

Rp.632.8 billion (S$67.8 million) of the LPJ Acquisition Cost will be paid in cash on the date of completion of the LPJ Acquisition. The LPJ Acquisition Cost (excluding the LPJ Acquisition Fee Units) 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.

For the purpose of Chapter 9 of the Listing Manual and Appendix 6 – Investment: Property Funds of the Code on Collective Investment Schemes (the "**Property Funds Appendix**"), the Yogyakarta 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 Person and an Interested Party 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 Yogyakarta Transaction will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and also Interested Party Transaction under Paragraph 5 of the Property Funds Appendix for which Unitholders' approval is required.

In accordance with the above, KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**IFA**") to advise the Independent Directors of the Manager and the Trustee as to whether the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ) is: (a) on normal commercial terms; and (b) prejudicial to the interests of LMIR Trust and the minority Unitholders (the "**Opinion**").

2. TERMS OF REFERENCE

Our responsibility is to provide the Opinion in respect of the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ).

Our Opinion is delivered under Rule 921(4) of the Listing Manual as well as for the use and benefit of the addressees of this letter (as appropriate) (the "**Addressees**") for their deliberations on the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ), before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the Yogyakarta Transaction, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their sole responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of LMIR Trust. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Yogyakarta Transaction, or on the future prospects of LMIR Trust and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the Yogyakarta Transaction to any alternative transactions previously considered by, or that may have been available to, LMIR Trust or any alternative transactions that may be available in the future. Such evaluations or comments remain the sole responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of LMIR Trust.

In formulating our Opinion, we have held discussions with the directors of the Manager (the "**Directors**") and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Manager and the Addressees' professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing and the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular, the Yogyakarta Transaction that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Manager and the Addressees' professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our Opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our Opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the latest practicable date prior to the printing of the Circular, being 30 November 2017 (the "**Latest Practicable Date**"). Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our Opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our Opinion contained herein.

In rendering our Opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Unitholder. As different Unitholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any Unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our Opinion should be considered in the context of the entirety of this letter and the Circular.

3. DETAILS CONCERNING THE YOGYAKARTA PROPERTY

Yogyakarta Property and LPJ

The Yogyakarta 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 originally built in 2005, erected on land with a total land area of 13,715 sq m as specified in Right-to-Build Certificate No. 00131/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 GFA of 66,098 sq m (comprising 35,965 sq m for the mall and 30,133 sq m for the parking area) and NLA of 23,023 sq m (excluding 550 sq m of casual leasing 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, Cinemaxx, Celebrity Fitness and Time Zone.

LPJ Master Leases

As part of the Yogyakarta Transaction, the Yogyakarta Vendor will terminate the existing leases over the car park space, casual leasing space and specialty tenants space at LPJ and upon completion of the LPJ Acquisition, Yogyakarta IndoCo (as the master lessor) will enter into the following leases:

- a car park lease agreement with PT Andhikarya Sukses Pratama (as the lessee of the car park space) ("**PT ASP**") (the "**LPJ Car Park Lease Agreement**");

- a casual leasing space lease agreement with PT Manunggal Megah Serasi (as the lessee of the casual leasing space of LPJ) ("**PT MMS**") (the "**LPJ Casual Leasing Space Lease Agreement**"); and

- a lease agreement over the specialty areas (which includes the areas leased to the anchor tenant (Matahari Department Store) and specialty tenants (including food court, outdoor area and rooftop area) with PT Mulia Cipta Sarana Sukses (as the lessee of the specialty areas of LPJ) ("**PT MCSS**") (the "**LPJ Specialty Tenants Lease Agreements**").

(collectively, the "**LPJ Master Lease Agreements**").

PT ASP, PT MMS and PT MCSS (collectively, the "**LPJ Master 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**") will be granted to the LPJ Master Lessees for a lease term of five years each commencing from the date of completion of the LPJ Acquisition.

4. OUR EVALUATION

In arriving at our Opinion in relation to the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ), we have taken into account the following key factors:

4.1 Rationale for the Yogyakarta Transaction

The Manager has provided its rationale for the Yogyakarta Transaction, which is set out in Section 4 of the Circular.

We have reviewed the rationale and consider it to be reasonable.

4.2 Financial assessment of the Yogyakarta Transaction

In evaluating the reasonableness of the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ), we have considered the following factors which have a bearing on our assessment:

Basis for arriving at the Yogyakarta Property Purchase Consideration

KJPP Willson dan Rekan (in association with Knight Frank) ("**W&R**") and KJPP Rengganis, Hamid & Rekan (in association with CBRE) ("**Rengganis**") (collectively, the "**Independent Valuers**") were appointed by the Trustee and the Manager, respectively, to value the Yogyakarta Property (the "**LMIRT Yogyakarta Property Valuations**").

The Yogyakarta 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 Yogyakarta Property Valuations (in respect of SHYG only) and the LMIRT Yogyakarta Property Valuations (in respect of LPJ only).

The following table sets out the appraised values of LPJ based on the LMIRT Yogyakarta Property Valuations, the respective dates of such appraisal and the LPJ Purchase Consideration:

LPJ Valuations and Purchase Consideration

	By W&R as at 30 September 2017		By Rengganis as at 30 September 2017		Average of two Valuations		LPJ Purchase Consideration
Property	**(S$million)**	**(Rp. billion)**	**(S$million)**	**(Rp. billion)**	**(S$million)**	**(Rp. billion)**	**(S$million)**
LPJ	61.6	575.2	64.2	599.3	62.9	587.3	61.1
LPJ (Without Master Lease and Service Charges)	53.6	499.8	58.5	545.9	56.1	522.9	

Summarised versions of the valuation reports (the "**Valuation Reports**") are contained in Appendix B of the Circular.

Our observations in relation to the Valuation Reports are as follows:

- According to the Independent Valuers, the LMIRT Yogyakarta Property Valuations have been prepared in conformity with the Indonesia Valuation Standards 6th Edition – 2015.

- The LMIRT Yogyakarta Property Valuations assess the market value as at 30 September 2017 for the Yogyakarta Property, which is within six months of the intended settlement date of the LPJ Acquisition.

- The 'market value', as defined in the respective LMIRT Yogyakarta Property Valuations is 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 transacting parties have each acted knowledgeably, prudently and without compulsion.

- In arriving at appraisals of market value, and on the basis that LPJ is an income producing property, both Independent Valuers adopted the income valuation method and utilised a discounted cash flow analysis. W&R and Rengganis made projections over a ten year investment horizon, respectively.

  In determining a capitalised value, W&R and Rengganis capitalised the eleventh year of net property income, respectively, each using a single capitalization rate to arrive at the terminal disposal value.

- Upon the completion of the LPJ Acquisition, the LPJ Master Leases Agreements will be entered into for a lease term of 5 years each, commencing from the date of completion of the LPJ Acquisition.

  The LPJ Master Leases will cover 62.8% of the NLA (including 550 sqm of casual leasing area), and account for between 74.4% and 79.9% of the gross rental revenues from 2017 to 2021, as projected by W&R, and between 74.1% and 77.3% of the gross rental revenues from 2017 to 2021, as projected by Rengganis.

  - The Manager will be entering into the LPJ Master Leases having regard to the following:

    - LPJ is still in its infancy stage, having commenced operations in June 2015, and it requires time for its rental and occupancy rates to stabilise and reach full market rental levels.

    - The Manager understands from the LPJ Master Lessees and the property manager of LMIR Trust that the current average underlying rental rates of the areas under the LPJ Master Lessees are low as some tenants are still enjoying concessionary rental rates. Such concessionary rental rates will generally expire between 2018 and 2020 and the Manager's intention is for new leases to be entered into or renewed at prevailing market rental rates.

    - The Vendor has committed to undertake and complete enhancement works for the mall in stages until the end of 2019, including, among others, by converting the rooftop and outdoor areas into lettable area and converting some anchor and big tenant areas to speciality areas which can command higher rental income.

The Manager is of the view that the LPJ Master Leases will allow LMIRT Trust to benefit from the additional stability of rental income and downside protection during the initial ramping up period as the mall continues to mature.

We have reviewed the rationale for the LPJ Master Leases and consider it to be reasonable.

- Based on projections by Independent Valuers, the monthly rents payable under the LPJ Master Leases are significantly higher than rents that could potentially be achieved for that period under normal operating assumptions. As the Independent Valuers have used the monthly rents payable under the LPJ Master Leases in arriving at their valuations, this has the effect of increasing the upfront valuation by Rp.53.2 billion (S$5.8 million) and Rp.45.4 billion (S$4.9 million), as estimated by W&R and Rengganis, respectively, and approximately 10.6% and 8.3% of the assessed market value for LPJ derived using the rent estimated under normal operating assumptions.

  In each case, the higher upfront valuation amounts are roughly equal to the present value of the difference between the contracted rent during the period under the LPJ Master Leases Agreements and rent estimated under normal operating assumptions.

  We understand from the Manager that the incremental value paid upfront will be recorded in the financial statements of LMIR Trust as an intangible asset to be amortised over the period of the LPJ Master Leases.

  While the LPJ Master Leases are a significant contributor to gross rental revenues, the total actual rental income received from the underlying tenants the LPJ Master Leases for FY2016 was Rp.13.6 billion, which represents only 31.9% of the total annual rental income under the LPJ Master Leases of Rp.42.6 billion.

  We have enquired with the Independent Valuers and the Manager as to the achievability of the projected revenue after the expiry of the LPJ Master Leases, and based on the table and analysis on page 7 and 8 of the Circular:

  - We observe that the revenue as projected by Rengganis exceeds the contracted revenue from the LPJ Master Leases in the final year of the LPJ Master Leases.

  - We further observe that the revenue as projected by W&R exceeds the contracted revenue from the LPJ Master Leases in the year following the expiry of the LPJ Master Leases.

- o The Manager is of the view that the rental revenues under the LPJ Master Leases are attainable after the expiry of the LPJ Master Leases.

  Following on from the above, we note that the achievement of the projected revenues after the expiry of the LPJ Master Leases will be dependent upon the ability of the management to achieve the projected rental and occupancy rates. In the event that the management is unable to achieve the projected rental and occupancy rates, LMIR Trust may fall short of the projected revenue.

  We further understand from the Manager that PT WJP will, subject to certain conditions, indemnify the Trustee against liabilities or damages suffered by Trustee arising from the LPJ Master Lessees.

- As mentioned in Section 2.9 of the Circular, commencing from the completion date until the expiry of five years thereafter, the Yogyakarta Vendor shall collect all service charges, utilities recoveries and other operations related income, and shall bear all costs and expenses of operation and maintenance of LPJ, according to the reasonable requirement of the Yogyakarta IndoCo and/or LMIR Trust.

  According to the projections of W&R and Rengganis, the net income forecasted in respect of the above arrangements is estimated to be negative Rp.28.1 billion and Rp.7.5 billion respectively. As a result of the Yogyakarta Vendor assuming responsibility for the service charge arrangements, this has the effect of increasing the upfront valuations by Rp.22.2 billion (S$2.2 million) and Rp.8.0 billion (S$0.8 million), as estimated by W&R and Rengganis respectively.

We observe that the appraised values for LPJ estimated by W&R and Rengganis as at 30 September 2017 are between Rp.575.2 billion (S$61.6 million) and Rp.599.3 billion (S$64.2 million), respectively. The LPJ Purchase Consideration of Rp.570.0 billion (S$61.1 million) represents a discount of 2.9% to the average of the two independent LMIRT Yogyakarta Property Valuations.

We further note that should the Master Leases and service charge arrangements not be taken into account in the appraised values of LPJ, the respective valuations as estimated by W&R and Rengganis as at 30 September 2017 are between Rp.499.8 billion (S$53.6 million) and Rp.545.9 billion (S$58.5 million). The Purchase Consideration of Rp.570.0 billion (S$61.1 million) would then represent:

- A premium of approximately 4.4% to the higher of the two independent valuations without Master Leases and service charge arrangements;

- A premium of approximately 14.0% to the lower of the two independent valuations without Master Leases and service charge arrangements; and

- A premium of approximately 9.0% to the average of the two independent valuations without Master Leases and service charge arrangements.

5. FINANCIAL EFFECTS

The pro forma financial effects of the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ) are provided for in Section 6 of the Circular, and are strictly for illustrative purposes only.

Based on the figures in section 6 of the Circular, we note that:

FY2016

- The Annualised Distribution yield will increase from 9.22% to 9.24% after the Yogyakarta Transaction.
- The NAV per Unit will remain constant at 38.95 Singapore cents after the Yogyakarta Transaction.
- The total capitalisation will increase from S$1,883.3 million to S$1,951.7 million after the Yogyakarta Transaction.

9M2017

- The Annualised Distribution yield will increase from 8.19% to 8.22% after the Yogyakarta Transaction.
- The NAV per Unit will remain constant at 35.38 Singapore cents after the Yogyakarta Transaction.
- The total capitalisation will increase from S$1,838.9 million to S$1,907.2 million after the Yogyakarta Transaction.

6. OTHER RELEVANT CONSIDERATIONS

JVA

The Manager understands that there are no regulations permitting the regional government of Yogyakarta to subdivide the Yogyakarta Property and issue separate strata titles (*Hak Milik Atas Satuan Rumah Susun* certificate). Accordingly, LMIR Trust and First REIT have structured the Yogyakarta Transaction as a Joint Acquisition and have entered into the JVA to govern the relationship between Icon1 and Icon2 as shareholders of the Yogyakarta IndoCo.

We note the following key terms of the JVA:

- Under the terms of the JVA, LMIR Trust shall not transfer, sell, dispose of or deal with its interest in any of its shares unless and until certain rights of pre-emption have been exhausted.

  We note that the pre-emption requirements may dissuade a third party purchaser from acquiring the shares of Icon2 from LMIR Trust.

- Pursuant to the JVA:

  - Each of LMIR Trust and First REIT shall commit to provide necessary additional funding, in the same percentages in Yogyakarta IndoCo or through shareholders' loan. Notwithstanding this, First REIT will make contributions in respect of issues solely in connection with SHYG, while LMIR Trust will make contributions in respect of issues solely in connection with LPJ.

  - LMIR Trust and First REIT have agreed to a cross indemnity whereby LMIR Trust will indemnify First REIT for losses in connection with LPJ, while First REIT will indemnify LMIR Trust for losses in connection with SHYG.

  - LMIR Trust and First REIT will procure that Yogyakarta IndoCo's total net profit after tax (excluding revaluation surpluses or deficits and any provisions for deferred tax made or released in relation to such surpluses or deficits) which are attributable to LPJ and SHYG, are distributed to LMIR Trust and First REIT, respectively.

  We note that the JVA is structured so as to accord with the intentions of First REIT and LMIR Trust, that they will be entitled to all the rights and obligations in respect of SHYG and LPJ, respectively.

- LMIR Trust and First REIT have agreed on various procedures to resolve any deadlocks that occur with respect to Yogyakarta IndoCo and the Yogyakarta Property.

  Whilst it is prudent to have agreed upon procedures, we note that process may endure for a period of time, potentially having a material adverse effect on the Yogyakarta Property or on the assets, operations or financial condition of Yogyakarta IndoCo.

- LMIR Trust and First REIT have agreed that the following matters will require unanimous approval of the shareholders of Yogyakarta IndoCo:
  - any amendment of the JVA and the memorandum and articles of association of Yogyakarta IndoCo;
  - the cessation of change of the business or businesses of Yogyakarta IndoCo or change of use of the Yogyakarta Property of the Yogyakarta IndoCo;
  - the winding up, dissolution, liquidation or termination, judicial management or administration (and other analogous proceedings) of Yogyakarta IndoCo;
  - any changes to the dividend distribution policy of Yogyakarta IndoCo;
  - any reduction or other alteration in the issued share capital or capital structure of Yogyakarta IndoCo, the creation or issue of any shares of the Yogyakarta IndoCo or other securities of the Yogyakarta IndoCo ("**Securities**"), the making of calls on shares of the Yogyakarta IndoCo or Securities, the grant of any option or right to subscribe for any shares of the Yogyakarta IndoCo or Securities in the Yogyakarta IndoCo, the forfeiture or redemption of shares of the Yogyakarta IndoCo or Securities or any resolution altering the classification of shares of the Yogyakarta IndoCo or Securities or any rights, privileges, restrictions or obligations pertaining thereto;
  - any buy-back, purchase, redemption, exchange, reduction, cancellation or return in any way of any shares in or assets of Yogyakarta IndoCo and its subsidiaries;
  - incurring and/or repayment of any borrowings incurred by Yogyakarta IndoCo;
  - the creation of any security or charge over the assets of Yogyakarta IndoCo or any part thereof (including but not limited to the Yogyakarta Property);
  - transfer or disposal of the assets of Yogyakarta IndoCo;
  - the approval of asset enhancement and capital expenditure plans by Yogyakarta IndoCo for any assets of Yogyakarta IndoCo or any part thereof (including but not limited to the Yogyakarta Property); and
  - the entry into interested person transaction(s) (as defined in the Listing Manual) and/or interested party transaction(s) (as defined in the Property Funds Appendix).

Related Tenancy Agreements

Upon completion of the LPJ Acquisition, and assuming that all of the leases of LPJ are novated to Yogyakarta IndoCo immediately prior to completion of the LPJ Acquisition, LMIR Trust will, through Yogyakarta IndoCo, take over all of the tenancy agreements with respect to LPJ, including various tenancy agreements entered into by certain associates and subsidiaries of the Sponsor (the "**LPJ Related Tenancy Agreements**"). We note that the aggregate rental fees to be derived from the Related Tenancy Agreements (excluding the LPJ Master Leases) is estimated at Rp.37.0 billion (S$4.0 million).

We note the following:

- The statement of the Manager that the rental rates under the LPJ Related Tenancy Agreements are comparable to the rental rates paid by other 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.

- The rental rates under the LPJ Rental Tenancy Agreements as per the Independent Valuers are shown below:

Rental rates under LPJ Related Tenancy Agreements

				W&R	Rengganis
No.	**Tenant**	**Area (sqm)**	**Actual Rental Rate (Rp. per sqm/month)**	**Market Rental Rate (Rp. per sqm/month)**	**Market Rental Rate (Rp. per sqm/month)**
1	Hypermart	4,224	70,304	84,132	71,356
2	Cinemaxx	2,046	38,221	42,780	41,167
3	Timezone	639	100,000	103,260	68,502

Rooftop and outdoor area

Under the Yogyakarta Property CSPA, the Vendor has committed to undertake and complete enhancement works for the mall in stages until the end of 2019, including, among others, by converting the rooftop and outdoor area into lettable area. We note that the successful completion of the conversion work pertaining to the rooftop and outdoor area shall be dependent on the attainment of the relevant regulatory approvals.

Lease Novation Delay

In the event that there are contracts, agreements, leases and/or letters of intent (excluding the Related Tenancy Agreements) in relation to the Yogyakarta Property which have not been novated from the Yogyakarta Vendor to Yogyakarta IndoCo from the date of completion of the LPJ Acquisition, the Yogyakarta Vendor shall novate the remaining tenancy agreements to Yogyakarta IndoCo within six months commencing from the date of completion of the LPJ

Acquisition and within such six-month period, Yogyakarta IndoCo shall be entitled to receive all rental fees and service charges in relation to the remaining tenancy agreements from the Yogyakarta Vendor without any deductions, and such rental fees and service charges shall be paid on a monthly basis. If the Yogyakarta Vendor has not fully novated the remaining tenancy agreements at the end of the above six month period, the Yogyakarta Vendor shall pay Yogyakarta IndoCo the total rental fees and service charges for the remaining terms of such tenancy agreements.

We consider the attainment of this entitlement to be prudent. It will protect against potential losses arising from delay in certain leases being novated.

Deed of Indemnity

The First REIT Trustee and the Trustee have, on 13 October 2017, entered into a deed of indemnity (the "**Yogyakarta 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 the First REIT Trustee and the Trustee against liabilities or damages suffered by First REIT Trustee and the Trustee arising from the Yogyakarta Transaction.

In connection with the above, we have reviewed the financial standings of PT WJP and as at 30 September 2017, PT WJP has a net asset value (net of contingent liabilities and existing indemnities but not considering the contingent liabilities in respect of SHYG and LPJ) of Rp.3,443.0 billion (S$368.9 million), which is higher than the LPJ Purchase Consideration. We note that the current financial standings of PT WJP may not be an indication of its future financial position.

7. OUR OPINION

In arriving at our Opinion in respect of the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ), we have examined the factors below which we consider to be pertinent in our assessment:

(a) Rationale

We have reviewed the rationale and consider it to be reasonable.

(b) Financial assessment

In reviewing the LPJ Purchase Consideration, we have reviewed, inter alia, the two LMIRT Yogyakarta Property Valuations compiled by the Independent Valuers.

- We observe that the appraised values for LPJ estimated by W&R and Rengganis as at 30 September 2017 are between Rp.575.2 billion (S$61.6 million) and Rp.599.3 billion (S$64.2 million), respectively. The LPJ Purchase Consideration of Rp.570.0 billion (S$61.1 million) represents a discount of 2.9% to the average of the two independent LMIRT Yogyakarta Property Valuations.

It is important to note that:

- The LPJ Master Leases are a significant contributor to gross rental revenues, however, the total actual rental income received from the underlying tenants the LPJ Master Leases for FY2016 was Rp.13.6 billion, which represents only 31.9% of the total annual rental income under the LPJ Master Leases of Rp.42.6 billion.

  There are several risks associated with the LPJ Master Leases. If the LPJ Master Lessees fail to satisfy their obligations under the LPJ Master Leases Agreements, or occupancy and rental rates cannot be sustained after expiry of the LPJ Master Leases, LMIR Trust may fall short of the projected rental revenues.

(c) Financial effects

We note that following the Yogyakarta Transaction, and based on the FY2016 Audited Financial Statements, the Annualised Distribution yield will increase from 9.22% to 9.24%, and the total capitalisation will increase from S$1,883.3 million to S$1,951.7 million.

We also note that following the Yogyakarta Transaction, and based on the 9M2017 Unaudited Financial Statements, the Annualised Distribution yield will increase from 8.19% to 8.22%, and the total capitalisation will increase from S$1,838.9 million to S$1,907.2 million.

(d) Other relevant considerations

We have reviewed the rationale and the terms of the JVA and have taken into consideration the rental rates under the Related Tenancy Agreements, the proposed enhancement works on the rooftop and outdoor area, the timing of the novation of leases as well as the indemnity provided by PT WJP.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our observations above, we are of the Opinion that:

- The Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ) is in accordance with Chapter 9 of the Listing Manual, on normal commercial terms and not prejudicial to LMIR Trust and the minority Unitholders.

- the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ) is made in accordance with Paragraph 5 and Paragraph 6 of the Property Funds Appendix and is on normal commercial terms and not prejudicial to the minority Unitholders.

This Opinion is issued to comply with Rule 921(4) of the Listing Manual as well as addressed to the Independent Directors and the Trustee for their use and benefit, in connection with and for the purpose of their consideration of the Yogyakarta Transaction (to the extent that it concerns the acquisition of LPJ).

The recommendations to be made by the Independent Directors to the Unitholders shall remain their responsibility.

A copy of this letter may be reproduced in the Circular.

This Opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Your faithfully
for and on behalf of
KPMG Corporate Finance Pte Ltd

Vishal Sharma	Jeremy Bogue
Executive Director	*Director*

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5 December 2017

Dear Sirs

INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE KEDIRI TOWN SQUARE ACQUISITION

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given in the circular to the unitholders of Lippo Malls Indonesia Retail Trust (the "**Unitholders**")("**LMIR Trust**") dated 5 December 2017 (the "**Circular**")*

1. INTRODUCTION

1.1 Overview

LMIRT Management Ltd in its capacity as manager of LMIR Trust (the "**Manager**") is seeking the approval of Unitholders of LMIR Trust for the proposed acquisition of the property known as "Kediri Town Square", a two storey retail mall which is located at Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java ("**KTS**", and the proposed acquisition of KTS, the "**KTS Acquisition**") from PT Prima Gerbang Persada (the "**KTS Vendor**").

In furtherance of the KTS Acquisition, LMIR Trust, through Pejaten Holding Pte Ltd. ("**Pejaten1**"), a company incorporated in Singapore and a wholly-owned subsidiary of LMIR Trust, and Pejatenmall Investment Pte Ltd ("**Pejaten2**"), a company incorporated in Singapore and a wholly-owned subsidiary of LMIR Trust, respectively own 75.0% and 25.0% of the issued share capital of the PT Panca Permata Pejaten, an Indonesian limited liability company ("**KTS IndoCo**"). On 13 October 2017, the KTS IndoCo entered into a conditional sale and purchase agreement (the "**KTS Property CSPA**") with the KTS Vendor for the KTS Acquisition.

The KTS Vendor, which is a wholly owned subsidiary of PT Multipolar Tbk, and PT Lippo Karawaci Tbk, the sponsor of LMIR Trust ("**Lippo Karawaci**" or the "**Sponsor**") are under common control by the same beneficial owner.

The purchase consideration for KTS is Rp.345.0 billion (S$37.0 million) (the "**KTS Purchase Consideration**").

The total cost to LMIR Trust of the KTS Acquisition, comprising (i) the KTS Purchase Consideration of Rp.345.0 billion (S$37.0 million), (ii) the VAT of Rp.32.9 billion (S$3.5 million), (iii) the acquisition fee of S$0.4 million (the "**KTS Acquisition Fee**") payable to the Manager pursuant to the Trust Deed which is payable in the form of Units, as well as (iv) the professional and other fees and expenses of approximately S$0.5 million to be incurred by LMIR Trust in connection with the KTS Acquisition, is estimated to be approximately S$41.4 million (the "**KTS Acquisition Cost**").

Rp.382.7 billion (S$41.0 million) of the KTS Acquisition Cost will be paid in cash on the date of completion of the KTS Acquisition. The KTS Acquisition Cost (excluding the KTS Acquisition Fee Units, the VAT and professional and other fees and expenses) is expected to be financed via proceeds from the issuance of bonds and/or debt financing facilities from banks. The VAT and professional and other fees and expenses will be funded by internal funds. 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.

PT Multipolar Tbk holds 100% interest in the KTS Vendor and 2.11% interest in the Sponsor. The KTS Vendor and the Sponsor are under common control by the same beneficial owner. The Sponsor is in turn a Controlling Unitholder of LMIR Trust and a Controlling Shareholder of the Manager). For the purpose of Chapter 9 of the Listing Manual and the Property Funds Appendix, the KTS Vendor is an Interested Person and an Interested Party of LMIR Trust.

As such, the KTS Acquisition will an constitute an Interested Person Transaction under Chapter 9 of the Listing Manual and also an Interested Party Transaction under Paragraph 5 of Appendix 6 – Investment: Property Funds of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") for which Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the KTS Acquisition.

In accordance with the above, KPMG Corporate Finance Pte Ltd ("**KPMG Corporate Finance**") has been appointed as the independent financial adviser ("**IFA**") to advise the Independent Directors of the Manager and the Trustee as to whether the KTS Acquisition is: (a) on normal commercial terms; and (b) prejudicial to the interests of LMIR Trust and the minority Unitholders (the "**Opinion**").

2. TERMS OF REFERENCE

Our responsibility is to provide the Opinion in respect of the KTS Acquisition.

Our Opinion is delivered under Rule 921(4) of the Listing Manual as well as for the use and benefit of the addressees of this letter (as appropriate) (the "**Addressees**") for their deliberations on the KTS Acquisition, before arriving at a decision on the merits or demerits thereof, and in making any recommendations. We were not involved in any aspect of the negotiations pertaining to the KTS Acquisition, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Addressees (as appropriate) to proceed with these. The decisions of and recommendations made by the Addressees (as appropriate) shall remain their sole responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of LMIR Trust. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the KTS Acquisition, or on the future prospects of LMIR Trust and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Addressees (as appropriate).

It is also not within our terms of reference to compare the relative merits of the KTS Acquisition to any alternative transactions previously considered by, or that may have been available to, LMIR Trust or any alternative transactions that may be available in the future. Such evaluations or comments remain the sole responsibility of the Addressees (as appropriate), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our Opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of LMIR Trust.

In formulating our Opinion, we have held discussions with the directors of the Manager (the "**Directors**") and its management team. We have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided by the Manager and the Addressees' professional advisers, which may include solicitors, auditors, tax advisers and valuers. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing and the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the representation of the Directors including those who may have delegated detailed supervision of the Circular, the KTS Acquisition that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Manager and the Addressees' professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular are fair and accurate in all material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular, information and facts disclosed to us or our Opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the "Directors' Responsibility Statement" of the Circular. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our Opinion is based upon market, economic, industry, monetary and other conditions (where applicable) in effect on the latest practicable date prior to the printing of the Circular, being 30 November 2017 (the "**Latest Practicable Date**"). Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our Opinion in the light of any subsequent changes or developments after the Latest Practicable Date even if it may affect our Opinion contained herein.

In rendering our Opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Unitholder. As different Unitholders would have different investment objectives and profiles, we would advise the Addressees (as appropriate) to recommend that any Unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Addressees (as appropriate) have been separately advised by their own professional advisers in the preparation of the Circular (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

Our Opinion should be considered in the context of the entirety of this letter and the Circular.

3. DETAILS CONCERNING THE KEDIRI TOWN SQUARE PROPERTY

KTS is a two-storey retail mall with a car park area, with NLA of 16,680 sq m (excluding 795 sq m of casual leasing area) located at Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java. KTS was completed in 2011 and commenced operations in the same year. It is a lifestyle mall strategically located in Kediri city, which provides a range of products and services covering daily needs, fashion, entertainment and F&B for families. Its tenants include a variety of brands, such as Matahari Department Store, Hypermart, Game Fantasia, Sport Stations, and OPPO.

4. OUR EVALUATION

In arriving at our Opinion in relation to the KTS Acquisition, we have taken into account the following key factors:

4.1 Rationale for the KTS Acquisition

The Manager has provided its rationale for the KTS Acquisition, which is set out in Section 4 of the Circular.

We have reviewed the rationale and consider it to be reasonable.

4.2 Financial assessment of the KTS Acquisition

In evaluating the reasonableness of the KTS Acquisition, we have considered the following factors which have a bearing on our assessment:

Basis for arriving at the KTS Purchase Consideration

KJPP Willson dan Rekan (in association with Knight Frank) ("**W&R**") and KJPP Rengganis, Hamid & Rekan (in association with CBRE) ("**Rengganis**") (collectively, the "**Independent Property Valuers**") were appointed by the Trustee and the Manager, respectively, to value KTS (the "**KTS Property Valuations**").

The KTS Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the two independent valuations of KTS by W&R and Rengganis.

The following table sets out the appraised values of KTS based on the KTS Property Valuations, the respective dates of such appraisal and the KTS Purchase Consideration:

KTS Valuations and Purchase Consideration

	By W&R as at 30 September 2017		By Rengganis as at 30 September 2017		Average of two KTS Property Valuations		KTS Purchase Consideration
Property	(S$million)	(Rp. billion)	(S$million)	(Rp. billion)	(S$million)	(Rp. billion)	(S$million)
KTS	38.9	363.1	39.0	363.7	38.9	363.4	37.0

Summarised versions of the KTS valuation reports (the "**KTS Valuation Reports**") are contained in Appendix B of the Circular.

Our observations in relation to the KTS Valuation Reports are as follows:

- According to the Independent Property Valuers, the Valuation Reports have been prepared in conformity with the Indonesia Valuation Standards 6th Edition – 2015.

- The KTS Valuation Reports assess the market value as at 30 September 2017 for KTS, which is within six months of the intended settlement date of the KTS Acquisition.
- The 'market value', as defined in the respective KTS Valuation Reports is 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 transacting parties have each acted knowledgeably, prudently and without compulsion.
- In arriving at appraisals of market value, and on the basis that KTS is an income producing property, both Independent Valuers adopted the income valuation method and utilised a discounted cash flow analysis. W&R and Rengganis made projections over a ten year investment horizon, respectively.

  In determining a capitalised value, W&R and Rengganis capitalised the eleventh year of net property income, respectively, each using a single capitalization rate to arrive at the terminal disposal value.
- We observe that the appraised values for KTS estimated by W&R and Rengganis as at 30 September 2017 are between Rp.363.1 billion (S$38.9 million) and Rp. 363.7 billion (S$39.0 million), respectively. The KTS Purchase Consideration of Rp.345.0 billion (S$37.0 million) represents a discount of 4.9% to the average of the two independent KTS Property Valuations.

5. FINANCIAL EFFECTS

The pro forma financial effects of the KTS Acquisition are provided for in Section 6 of the Circular, and are strictly for illustrative purposes only.

Based on the figures in section 6 of the Circular, we note that:

FY2016

- The Annualised Distribution yield for FY2016 will increase from 9.22% to 9.24% after the KTS Acquisition.
- The NAV per Unit as at 31 December 2016 will remain constant at 38.95 Singapore cents after the KTS Acquisition.
- The total capitalisation as at 31 December 2016 will increase from S$1,883.3 million to S$1,920.6 million after the KTS Acquisition.

9M2017

- The Annualised Distribution yield for 9M2017 will increase from 8.19% to 8.22% after the KTS Acquisition.
- The NAV per Unit as at 30 September 2017 will remain constant at 35.38 Singapore cents after the KTS Acquisition.
- The total capitalisation as at 30 September 2017 will increase from S$1,838.9 million to S$1,876.2 million after the KTS Acquisition.

6. OTHER RELEVANT CONSIDERATIONS

Related Tenancy Agreements

Upon completion of the KTS Acquisition, and assuming that all of the leases of KTS are novated to KTS IndoCo immediately prior to completion of the KTS Acquisition, LMIR Trust will, through KTS IndoCo, take over all of the tenancy agreements with respect to KTS, including various tenancy agreements entered into by certain associates and subsidiaries of the Sponsor (the "**KTS Related Tenancy Agreements**"). The aggregate rental fees derived or to be derived from the KTS Related Tenancy Agreements is estimated at Rp.41.9 billion (S$4.5 million).

We note the following:

- The statement of the Manager that the rental rates under the KTS Related Tenancy Agreements are comparable to the rental rates paid by the other anchor tenants of KTS 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.

- That the rental rates under the KTS Related Tenancy Agreements as per the Independent Property Valuers are shown below:

Rental rates under KTS Related Tenancy Agreements

				W&R	Rengganis
No.	**Tenant**	**Area (sqm)**	**Actual Rental Rate (Rp. per sqm/month)**	**Market Rental Rate (Rp. per sqm/month)**	**Market Rental Rate (Rp. per sqm/month)**
1	Matahari Department Store	5,839	70,000	66,794	72,743
2	Hypermart	5,115	58,000	66,794	60,273
3	Nobu Bank	97	70,000	200,000	103,722
4	Maxx Coffee	170	4% Revenue Sharing	168,338	161,521

Lease Novation Delay

In the event that not all (but at least 50% of the leases by total number of tenants at KTS and by total lease income of KTS) of the leases in relation to KTS are novated to KTS IndoCo with effect from the date of completion of the KTS Acquisition, provided that the KTS Vendor irrevocably and unconditionally assigns and transfer to the KTS IndoCo or any other appointed party by KTS IndoCo, all of its rights and entitlement over, all rental fees, service charges and all other payments payable by the tenants to the KTS Vendor under or in relation to the remaining tenancy agreements without any deductions, and such rental fees, services charges and other payments shall be paid by the KTS Vendor to the KTS IndoCo on a monthly basis in accordance with the procedures to be notified in writing by the KTS IndoCo to the KTS Vendor, the KTS Vendor will have a six months grace period commencing from the date of completion of the KTS Acquisition to novate the remaining tenancy agreements.

If the KTS Vendor fails to fully novate the remaining tenancy agreements at the end of this six months grace period, the KTS Vendor shall pay to KTS IndoCo the total rental fees, service charges and all other payments payable by the tenants to the KTS Vendor under or in relation to the remaining tenancy agreements for the remaining period of the remaining tenancy agreements at the end of the six month period.

We consider the attainment of this entitlement to be prudent. It will protect against potential losses arising from delay in certain leases being novated.

Deed of Indemnity

The Trustee has, on 13 October 2017 entered into a deed of indemnity (the "**KTS Deed of Indemnity**") with PT NPI pursuant to which PT NPI will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the KTS Acquisition, subject to certain terms and conditions.

In connection with the above, we have reviewed the financial standings of PT NPI and as at 31 December 2016, PT NPI has a net asset value (net of contingent liabilities and existing indemnities) of Rp.1,881.0 billion (S$201.5 million), which is higher than the KTS Purchase Consideration. We note that the current financial standings of PT NPI may not be an indication of its future financial position.

7. OUR OPINION

In arriving at our Opinion in respect of the KTS Acquisition, we have examined the factors below which we consider to be pertinent in our assessment:

(a) Rationale

We have reviewed the rationale and consider it to be reasonable.

(b) Financial assessment

In reviewing the KTS Acquisition, we have reviewed, inter alia, the KTS property valuations compiled by the Independent Valuers. We observe that the appraised values for KTS estimated by W&R and Rengganis as at 30 September 2017 are between Rp.363.1 billion (S$38.9 million) and Rp.363.7 billion (S$39.0 million), respectively. The KTS Purchase Consideration of Rp.345.0 billion (S$37.0 million) represents a discount of 4.9% to the average of the two independent KTS Property Valuations.

(c) Financial effects

We note that following the KTS Acquisition, and based on the FY2016 Audited Financial Statements, the Annualised Distribution yield will increase from 9.22% to 9.24%, and the total capitalisation will increase from S$1,883.3 million to S$1,920.6 million.

We also note that following the KTS Acquisition, and based on the 9M2017 Unaudited Financial Statements, the Annualised Distribution yield will increase from 8.19% to 8.22%, and the total capitalisation will increase from S$1,838.9 million to S$1,876.2 million.

(d) Other relevant considerations

We have taken into consideration the rental rates under the KTS Related Tenancy Agreements, the timing of the novation of leases as well as the indemnity provided by PT NPI.

After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to our observations above, we are of the Opinion that:

- The KTS Acquisition is in accordance with Chapter 9 of the Listing Manual, on normal commercial terms and not prejudicial to LMIR Trust and the minority Unitholders.

- the KTS Acquisition is made in accordance with Paragraph 5 and Paragraph 6 of the Property Funds Appendix and is on normal commercial terms and not prejudicial to the minority Unitholders.

This Opinion is issued to comply with Rule 921(4) of the Listing Manual as well as addressed to the Independent Directors and the Trustee for their use and benefit, in connection with and for the purpose of their consideration of the KTS Acquisition.

The recommendations to be made by the Independent Directors to the Unitholders shall remain their responsibility.

A copy of this letter may be reproduced in the Circular.

This Opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Your faithfully
for and on behalf of
KPMG Corporate Finance Pte Ltd

Vishal Sharma	Jeremy Bogue
Executive Director	*Director*

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SINGAPORE TAX CONSIDERATIONS

The following summary of certain Singapore income tax considerations to Unitholders in respect of the Acquisition is based upon tax laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary is not a tax advice and does not purport to be a comprehensive description of all the tax considerations that may be relevant to Unitholders. Unitholders should consult their own tax advisers on the tax implications that may apply to their own individual circumstances.

1. Acquisition of Lippo Plaza Jogja

(a) *Income derived from LMIR Trust's relevant interest in Lippo Plaza Jogja*

The rental income and other related income earned from LMIR Trust's relevant interest in Lippo Plaza Jogja will be received in Singapore by Icon2 in a combination of some or all of the following forms:

(i) dividend income;

(ii) interest income; and

(iii) proceeds from repayment of shareholder's loans.

The foreign dividend income received in Singapore by Icon2 from Yogyakarta IndoCo will be exempt from tax under Section 13(8) of the Singapore Income Tax Act ("**SITA**"), provided that Icon2 is a tax resident of Singapore and the following conditions are met:

(i) in the year the foreign dividend income is received in Singapore, the headline corporate tax rate of the jurisdiction from which it is received is at least 15.0%;

(ii) the foreign dividend income has been subjected to tax in the jurisdiction from which it is received; and

(iii) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to Icon2.

Icon2 has obtained a confirmation from the Inland Revenue Authority of Singapore ("**IRAS**") that the interest income it will receive in Singapore from Yogyakarta IndoCo is exempt from Singapore income tax under Section 13(12) of the SITA.

This tax exemption is subject to meeting the qualifying conditions and will apply to interest income received in Singapore from Yogyakarta IndoCo so long as Icon2 continues to beneficially own, directly or indirectly, the relevant interest in Lippo Plaza Jogja as at the date the interest income is received in Singapore.

Cash that cannot be repatriated by Yogyakarta IndoCo in the form of dividends may be used by Yogyakarta IndoCo to repay the principal amount of shareholder's loans. The proceeds from the repayment of shareholder's loans received in Singapore by Icon2 are capital receipts and hence not subject to Singapore income tax.

LMIR Trust will in turn receive dividends or proceeds from the redemption (at cost) of preference shares or a combination of both from Icon2. Provided that Icon2 is a resident of Singapore for income tax purposes, the dividends received by LMIR Trust will be one-tier (tax-exempt) dividends and hence exempt from Singapore income tax in the hands of LMIR Trust. The proceeds from redemption (at cost) of preference shares received by LMIR Trust are capital receipts and not subject to Singapore income tax.

(b) *Distributions to Unitholders*

Distributions made by LMIR Trust out of the income or cashflow generated from its relevant interest in Lippo Plaza Jogja may comprise either or both of the following two components:

(i) tax-exempt income component ("**Tax-Exempt Income Distributions**"); and

(ii) capital component ("**Capital Distributions**").

Tax-Exempt Income Distributions refer to distributions made by LMIR Trust out of its tax-exempt income (which comprises mainly the one-tier (tax-exempt) dividends that it will receive from Icon2). Such distributions are exempt from Singapore income tax in the hands of Unitholders. No tax will be deducted at source on such distributions.

For this purpose, the amount of Tax-Exempt Income Distributions that LMIR Trust can distribute for a distribution period will be to the extent of the amount of tax-exempt income that it has received or is entitled to receive in that distribution period. Any distribution made for a distribution period out of profits or income which LMIR Trust is entitled to receive as its own tax-exempt income after the end of that distribution period will be treated as a capital distribution and the tax treatment described in the next paragraph on "Capital Distributions" will apply. The amount of such tax-exempt income that is subsequently received may be used to frank tax-exempt income distributions for subsequent distribution periods.

Capital Distributions refer, *inter alia*, to distributions made by LMIR Trust out of proceeds received from the redemption of preference shares. Unitholders will not be subject to Singapore income tax on such distributions. These distributions are treated as returns of capital for Singapore income tax purposes and the amount of Capital Distributions will be applied to reduce the cost of Units held by Unitholders. Accordingly, the reduced cost base will be used for the purpose of calculating the amount of taxable trading gains for those Unitholders who hold Units as trading or business assets and are liable to Singapore income tax on gains arising from the disposal of Units. If the amount of Capital Distributions exceeds the cost or the reduced cost, as the case may be, of Units, the excess will be subject to tax as trading income of such Unitholders.

2. Acquisition of Kediri Town Square

(a) *Income derived from LMIR Trust's interest in Kediri Town Square*

The rental income and other related income earned from LMIR Trust's interest in Kediri Town Square will be received in Singapore by Pejaten1 and Pejaten2 respectively in a combination of some or all of the following forms:

(i) dividend income;

(ii) interest income; and

(iii) proceeds from repayment of shareholder's loans.

The foreign dividend income received in Singapore by Pejaten1 and Pejaten2 from KTS IndoCo will be exempt from tax under Section 13(8) of the SITA provided that Pejaten1 and Pejaten2 tax residents of Singapore and the conditions as described in item 1(a) above are met.

LMIR Trust will seek a confirmation from the IRAS that the interest income Pejaten1 will receive in Singapore from KTS IndoCo is exempt from Singapore income tax under Section 13(12) of the SITA. This tax exemption, if granted, will apply to interest income received in Singapore from KTS IndoCo so long as Pejaten1 continues to beneficially own, directly or indirectly, the interest in Kediri Town Square as at the date the interest income is received in Singapore and all the qualifying conditions for the tax exemption are met.

Cash that cannot be repatriated by KTS IndoCo in the form of dividends may be used by KTS IndoCo to repay the principal amount of shareholder's loans. The proceeds from the repayment of shareholder's loans received in Singapore by Pejaten1 are capital receipts and hence not subject to Singapore income tax.

LMIR Trust will in turn receive dividends or proceeds from the redemption (at cost) of preference shares or a combination of both from Pejaten1 and Pejaten2. Provided that Pejaten1 and Pejaten2 are residents of Singapore for income tax purposes, the dividends received by LMIR Trust will be one-tier (tax-exempt) dividends and hence exempt from Singapore income tax in the hands of LMIR Trust. The proceeds from redemption (at cost) of preference shares received by LMIR Trust are capital receipts and not subject to Singapore income tax.

(b) *Distributions to Unitholders*

Distributions made by LMIR Trust out of the income or cashflow generated from its interest in Kediri Town Square may comprise either or both of the following two components:

(i) tax-exempt income component ("**Tax-Exempt Income Distributions**"); and

(ii) capital component ("**Capital Distributions**").

Tax-Exempt Income Distributions refer to distributions made by LMIR Trust out of its tax-exempt income (which comprises mainly the one-tier (tax-exempt) dividends that it will receive from Pejaten1 and Pejaten2). Capital Distributions refer, *inter alia*, to distributions made by LMIR Trust out of proceeds received from the redemption of preference shares. The Singapore tax implications arising from the Tax-Exempt Distributions and Capital Distributions are described in item 1(b) above.

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INDONESIAN TAX CONSIDERATIONS

The following is a summary of the principal Indonesia tax consequences relevant to the transaction relating to the Acquisition. The summary below represents a general guide only. The summary does not address any laws other than the prevailing taxation laws of Indonesia and as they are applied in practice as of the date of this Circular.

Tax Implications on the Proposed Lippo Plaza Jogja Acquisition

A. Tax Implications on the Sale of Lippo Plaza Jogja ("LPJ") by PT Mulia Cipta Abadi ("MCA") to PT Yogya Central Terpadu ("YCT")

- **YCT – as Buyer**

  Land and Building Acquisition Duty

  YCT pay duty on the acquisition of land and building rights (BPHTB) at the rate of five percent (5%) of the transaction price or the tax object sale value (NJOP) as determined by the head of the local government, whichever is higher, at the time Sales and Purchase Agreement is made.

- **MCA – as Sellers**

  Income Tax on Transfer of Title to Land and/or Building

  MCA should pay Income Tax on the transfer of the land and/or building (PPh Pengalihan Hak atas Tanah dan atau Bangunan) title, at the rate of two point five percent (2.5%) of the gross value of transfer of the land/or building title.

  The gross value of transfer of right to land and/or building shall be:

  - The value that was actually received, in the event that there is no "special relation" between MCA and YCT; or

  - The value should be received based on the fair value or market value, in the event that MCA has a "special relation" to YCT.

  Taxpayers are considered to have a "special relation" if they fulfill one of these conditions:

  – Taxpayer owns capital participation, directly or indirectly, of at least 25% (twenty five percent) over another Taxpayer; a relationship between Taxpayers through ownership of at least 25% (twenty five percent) with two or more Taxpayers; or a relationship between two or more Taxpayers as latterly mentioned;

  – Taxpayer controls another Taxpayer, or two or more Taxpayers, that are under the same control (through management or the use of technology), either directly or indirectly.

In case there is a "special relation" between MCA and YCT, we advise the company to appoint an independent asset appraiser to determine the market value of the property.

The final tax shall be payable before the sales and purchase agreement is drawn up and signed. In case MCA receives any payment before the sales and purchase agreement is drawn up, the final income tax shall be payable upon receipt of some or all payments from YCT, including down payment, interest, levies, and other additional payments.

Value Added Tax

The sale of Lippo Plaza Yogyakarta is subject to Value Added Tax (VAT) at the rate of ten percent (10%). If MCA has been registered as a Taxable Entrepreneur, then MCA has to charge YCT the 10% VAT. Furthermore, YCT can claim the VAT as its prepaid VAT.

B. Tax Implications on Dividend Distributions From YCT to Icon1 Holdings Pte Ltd and/or Icon2 Investments Pte Ltd

Indonesian tax laws generally require a twenty percent (20%) tax to be withheld upon the payment of dividend from an Indonesian taxpayer to an offshore taxpayer. Under the tax treaty between Singapore and Indonesia, the rate of withholding tax is reduced to ten percent (10%) or fifteen percent (15%) with the following conditions:

– Ten percent (10%) of the gross amount of the dividends if the recipient is a company which directly owns at least twenty five percent (25%) of the capital of the company paying the dividends;

– Fifteen percent (15%) of the gross amount of the dividends in all other cases.

Article 2 paragraph (2) of the Director General of Taxes Regulation No. PER-10/PJ/2017, regarding The Procedures for the Application of Double Taxation Avoidance Agreement, stipulates that the reduced withholding tax rate as set out on the Singapore-Indonesia tax treaty can be used if the conditions below ("Tax Treaty Relief Conditions") are fulfilled:

a. the income recipient is not an Indonesian tax subject;

b. the income recipient is an individual or an entity constituting as a resident tax subject of the tax treaty partner country or of the tax treaty partner jurisdiction;

c. the non-resident taxpayer submits the DGT form which has fulfilled the administrative requirements and other certain requirements;

d. there is no tax treaty abuse by the non-resident taxpayer; and

e. the income recipient is the beneficial owner, as stipulated within the Tax Treaty.

In connection with point (c) of the above conditions, non – tax residents (Icon1 Holdings Pte. Ltd and/or Icon2 Investments Pte. Ltd) are considered to have fulfilled the administrative requirements, if they are able to provide the YCT the original copy of its Certificate of Domicile (Form DGT-1), which must be:

1. in the form prescribed by the DGT (i.e. Form DGT-1 or Form DGT-2, whichever is applicable);

2. filled in correctly, completely and comprehensively by the non-resident taxpayers;

3. signed or given a mark equivalent to a signature by the non-resident taxpayers in accordance to the common practice in the tax treaty partner country or the tax treaty partner jurisdiction;

4. legalized by the signature or a mark equivalent to a signature of the competent tax authority in accordance to the common practice in the tax treaty partner country or the tax treaty partner jurisdiction;

5. used for the period as set within the DGT form; and

6. submitted by the resident tax withholder and/or collector at the same time as the relevant Monthly Income Tax Return, by no later than the due date for lodgment of the relevant monthly tax return when such income is subject to tax.

In connection with point (d) of the Tax Treaty Relief Conditions, non-tax residents (Icon1 Holdings Pte. Ltd and/or Icon2 Investments Pte. Ltd) are considered to have not abused the tax treaty, if:

1. there is an economic substance in the establishment of the entity or the implementation of the transaction;

2. its legal form reflects the economic substance in the establishment of the entity or the implementation of the transaction;

3. it has business activity which is managed by its own management and the management has an independent discretion;

4. it has sufficient assets to conduct business other than the assets generating income from Indonesia;

5. it has sufficient and qualified employees in accordance with the business activities of the company; and

6. it has activities or active businesses other than only receiving income in the form of dividend, interest and/or royalty originating from Indonesia.

A company covered by the tax treaty is considered to be the beneficial owner as mentioned on point (e) of the Tax Treaty Relief Conditions above, if the corporate non-tax resident is not acting as an Agent, Nominee or Conduit which must fulfill the following provisions:

1. has control in the using of or benefiting from the funds, assets, or rights which will generate income from Indonesia;

2. not more than 50% of the income shall be used to fulfill obligations of other parties (other than employee remuneration, other common operating cost in carrying its business and dividend distribution);

3. bears the risks of its owned assets, capital or liabilities; and

4. has no written or unwritten obligations to partly or fully distribute its income received from Indonesia to other parties.

Should all of the above conditions are fulfilled by Icon1 Holdings Pte. Ltd and/or Icon2 Investments Pte. Ltd, then YCT as the Tax Withholder can implement the reduced tax rate based on the Singapore-Indonesia Tax Treaty.

Indonesian tax laws do not regulate when a dividend should be declared. Meanwhile, the time when dividends can be declared and remitted by YCT to Icon1 Holdings Pte. Ltd and/or Icon2 Investments Pte. Ltd should be in accordance with the regulations of Indonesian General Accepted Accounting Principle ("GAAP").

Article 26 of the Income Tax Law stipulates that dividends become payable when the dividend distributions is declared or determined in the General Meeting of Shareholders of YCT. There is no need for YCT to obtain tax clearance in order to declare or remit dividends.

Tax Implications on the Proposed Kediri Town Square Acquisition

A. Tax Implication on the Sale of Kediri Town Square by PT Prima Gerbang Persada ("PGP") to PT Panca Permata Pejaten ("PPP")

- **PPP – as Buyer**

  Land and Building Acquisition Duty

  PPP should pay duty on the acquisition of land and building rights (BPHTB) at the rate of five percent (5%) of the transaction price or the tax object sale value (NJOP) as determined by the head of the local government, whichever is higher, at the time Sales and Purchase Agreement is made.

- **PGP – as Seller**

  Income Tax on Transfer of Title to Land and/or Building

  PGP should pay Income Tax on the transfer of the land and/or building (PPh Pengalihan Hak atas Tanah dan atau Bangunan) title, at the rate of two point five percent (2.5%) of the gross value of transfer of the land/or building title.

  The gross value of transfer of right to land and/or building shall be:

  - The value that was actually received, in the event that there is no "special relation" between PPP and PGP; or

  - The value should be received based on the fair value or market value, in the event that PT PPP has a "special relation" to PGP.

  Risk Factor on Related Party Transaction

  - Article 18 Paragraph (1) of Law No. 36 of 2008 on Income Tax stipulates that the Director General of Taxes is authorized to re-determine the amount of income and deduction as well as determine the debt as capital in calculating the amount of taxable income for a taxpayer possessing **a special relationship with another taxpayer, in accordance with equity** and common business practice that is not influenced by a special relationship by means of the price-ratio method among independent parties, re-sale price method, cost-plus method, or any other methods.

- Article 18 Paragraph (4) of the same law stipulates that a special relationship is deemed to exist if:

    a. A taxpayer has capital participation, directly or indirectly, of a minimum of twenty five percent (25%) with another taxpayer; there is a relationship between a taxpayer with a minimum participation of twenty five percent (25%) with two taxpayers or more; or there is a relationship between two taxpayers or more as mentioned in the latter;

    b. A taxpayer controls another taxpayer or two or more taxpayers that are under the same possession, both directly and indirectly; or

    c. There is a family relation, either biologically or by marriage, in vertical and/or horizontal lineage of the first degree.

- In addition, on December 30, 2016, the Minister of Finance (MoF) issued regulation No. 213/PMK.03/2016, which requires Taxpayers who have transactions with related parties, to maintain other documents, including additional documents and information to support the compliance of the transactions to the arm's length principle. The said additional Transfer Pricing documents include master file, local file, and country-by-country report.

    The regulation also specifies the threshold of gross revenue and related party transactions which will require Taxpayers to provide such additional documents. A taxpayer whose gross revenue is more than IDR50,000,000,000 (Fifty Billion Rupiah) per year or who has conducted a delivery of tangible products to a related party in the amount of more than IDR20,000,000,000 (Twenty Billion Rupiah) per year or other related party transactions in the amount of more than IDR5,000,000,000 (Five Billion Rupiah) per year, such as services, interest payments, usage of intangible products and etc., must provide such additional Transfer Pricing documentation.

In case there is a "special relation" between PPP and PGP, we advise the company to appoint an independent asset appraiser to determine the market value of the property.

The final tax shall be payable before the sales and purchase agreement is drawn up and signed. In case the PGP receives any payment before the sales and purchase agreement is drawn up, the final income tax shall be payable upon receipt of some or all payments from PPP, including down payment, interest, levies, and other additional payments.

Value Added Tax

The sale of Kediri Town Square is subject to Value Added Tax (VAT) at the rate of ten percent (10%). If PGP has been registered as a Taxable Entrepreneur, then PGP has to charge PT PPP the ten percent (10%) VAT. Furthermore, PPP can claim the VAT as its prepaid VAT.

B. Tax Implications on Dividend Distributions From PPP to Pejaten Holdings Pte Ltd and Pejatenmall Investment Pte Ltd

Indonesian tax laws generally require a twenty percent (20%) tax to be withheld upon the payment of dividend from an Indonesian taxpayer to an offshore taxpayer. Under the tax treaty between Singapore and Indonesia, the rate of withholding tax is reduced to ten percent (10%) or fifteen percent (15%) with the following conditions:

– Ten percent (10%) of the gross amount of the dividends if the recipient is a company which directly owns at least twenty five percent (25%) of the capital of the company paying the dividends;

– Fifteen percent (15%) of the gross amount of the dividends in all other cases.

Article 2 paragraph (2) of the Director General of Taxes Regulation No. PER-10/PJ/2017, regarding The Procedures for the Application of Double Taxation Avoidance Agreement, stipulates that the reduced withholding tax rate as set out on the Singapore-Indonesia tax treaty can be used if the conditions below ("Tax Treaty Relief Conditions") are fulfilled:

a. the income recipient is not an Indonesian tax subject;

b. the income recipient is an individual or an entity constituting as a resident tax subject of the tax treaty partner country or of the tax treaty partner jurisdiction;

c. the non-resident taxpayer submits the DGT form which has fulfilled the administrative requirements and other certain requirements;

d. there is no tax treaty abuse by the non-resident taxpayer; and

e. the income recipient is the beneficial owner, as stipulated within the Tax Treaty.

In connection with point (c) of the above conditions, non – tax residents (Pejaten Holdings Pte Ltd and Pejatenmall Investment Pte Ltd) are considered to have fulfilled the administrative requirements, if they are able to provide the PT PPP the original copy of its Certificate of Domicile (Form DGT-1), which must be:

1. in the form prescribed by the DGT (i.e. Form DGT-1 or Form DGT-2, whichever is applicable);

2. filled in correctly, completely and comprehensively by the non-resident taxpayers;

3. signed or given a mark equivalent to a signature by the non-resident taxpayers in accordance to the common practice in the tax treaty partner country or the tax treaty partner jurisdiction;

4. legalized by the signature or a mark equivalent to a signature of the competent tax authority in accordance to the common practice in the tax treaty partner country or the tax treaty partner jurisdiction;

5. used for the period as set within the DGT form; and

6. submitted by the resident tax withholder and/or collector at the same time as the relevant Monthly Income Tax Return, by no later than the due date for lodgment of the relevant monthly tax return when such income is subject to tax.

In connection with point (d) of the Tax Treaty Relief Conditions, non – tax residents (Pejaten Holdings Pte Ltd and Pejatenmall Investment Pte Ltd) are considered to have not abused the tax treaty, if:

1. there is an economic substance in the establishment of the entity or the implementation of the transaction;

2. its legal form reflects the economic substance in the establishment of the entity or the implementation of the transaction;

3. it has business activity which is managed by its own management and the management has an independent discretion;

4. it has sufficient assets to conduct business other than the assets generating income from Indonesia;

5. it has sufficient and qualified employees in accordance with the business activities of the company; and

6. it has activities or active businesses other than only receiving income in the form of dividend, interest and/or royalty originating from Indonesia.

A company covered by the tax treaty is considered to be the beneficial owner as mentioned on point (e) of the Tax Treaty Relief Conditions above, if the corporate non-tax resident is not acting as an Agent, Nominee or Conduit which must fulfill the following provisions:

1. has control in the using of or benefiting from the funds, assets, or rights which will generate income from Indonesia;

2. not more than 50% of the income shall be used to fulfill obligations of other parties (other than employee remuneration, other common operating cost in carrying its business and dividend distribution);

3. bears the risks of its owned assets, capital or liabilities; and

4. has no written or unwritten obligations to partly or fully distribute its income received from Indonesia to other parties.

Should all of the above conditions are fulfilled by Pejaten Holdings Pte Ltd and Pejatenmall Investment Pte Ltd, then PT PPP as the Tax Withholder can implement the reduced tax rate based on the Singapore-Indonesia Tax Treaty.

Indonesian tax laws do not regulate when a dividend should be declared. Meanwhile, the time when dividends can be declared and remitted by PT PPP to Pejaten Holdings Pte Ltd and/or Pejatenmall Investment Pte Ltd should be in accordance with the regulations of Indonesian General Accepted Accounting Principle ("GAAP").

Article 26 of the Income Tax Law stipulates that dividends become payable when the dividend distributions is declared or determined in the General Meeting of Shareholders of PT PPP. There is no need for PT PPP to obtain tax clearance in order to declare or remit dividends.

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LPJ RELATED TENANCY AGREEMENTS

Assuming that all of the leases of LPJ (except for those areas under master lease) are novated to Yogyakarta IndoCo upon Completion, LMIR Trust will, through Yogyakarta IndoCo, take over all the LPJ Related Tenancy Agreements with respect to LPJ. The aggregate rental fees derived or to be derived from the LPJ Related Tenancy Agreements is estimated at Rp. 37.0 billion (S$4.0 million) and are set out in the following table.

No.	Interested person	Nature of Transaction	Area (sq m)	Start date	Term (years)	Value of transaction (after 31 Oct 2017) (Rp.)	Value of transaction (S$)(1)	Percentage of NTA(2)	Percentage of NAV(3)
1.	PT. Matahari Putra Prima Tbk	Hypermart	4,223.8	4 June 2015	11	31,349,229,447	3,358,761	0.29%	0.28%
2.	PT. Cinemaxx Global Pasifik	Cinemaxx	2,046.1	4 June 2015	10	2,552,933,693	273,522	0.02%	0.02%
3.	PT. Matahari Graha Fantasi	Timezone	639.4	4 June 2015	5	2,212,254,800	237,021	0.02%	0.02%
4.	PT Lippo Insurance Tbk	Property All Risk	–	1 August 2017	5	225,671,208	24,178	0.00%(4)	0.00%(4)
5.	PT Lippo Insurance Tbk	Earthquake	–	1 August 2017	10	505,497,850	54,159	0.00%(4)	0.00%(4)
6.	PT Lippo Insurance Tbk	Terrorism and Sabotage	–	1 August 2017	5	82,989,928	8,892	0.00%(4)	0.00%(4)
7.	PT Lippo Insurance Tbk	Machinery Breakdown	–	1 August 2017	5	21,250,000	2,277	0.00%(4)	0.00%(4)
8.	PT Lippo Insurance Tbk	Public Liability	–	1 August 2017	3	10,000,000	1,071	0.00%(4)	0.00%(4)
					Total:	**36,959,826,926**	**3,959,881**	**0.33%**	**0.32%**

Notes:

(1) Based on the illustrative rupiah exchange rate of S$1.00 is to Rp. 9,333.57.

(2) Based on the NTA of LMIR Trust of S$1,213.3 million as at 31 December 2016.

(3) Based on the NAV of LMIR Trust of S$1,232.6 million as at 31 December 2016.

(4) Less than 0.01%.

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KTS RELATED TENANCY AGREEMENTS

Assuming that all of the leases of KTS are novated to KTS IndoCo upon Completion, LMIR Trust will, through KTS IndoCo, take over all the KTS Related Tenancy Agreements with respect to KTS. The aggregate rental fees derived or to be derived from the KTS Related Tenancy Agreements is estimated at Rp. 41.9 billion (S$4.5 million) and are set out in the following table.

No.	Interested person	Nature of Transaction	Area (sq m)	Start date	Term (years)	Value of transaction (after 31 Oct 2017) (Rp.)	Value of transaction (S$)(1)	Percentage of NTA(2)	Percentage of NAV(3)
1.	PT. Matahari Department Store Tbk	Matahari Department Store	5,839.00	11 August 2011	11	23,297,610,000	2,496,109	0.21%	0.20%
2.	PT. Matahari Putra Prima Tbk	Hypermart	5,115.00	1 June 2011	10	17,996,616,000	1,928,160	0.16%	0.16%
3.	PT Bank National Nobu Tbk	Nobu Bank	96.76	24 February 2014	5	109,338,800	11,715	0.00%(4)	0.00%(4)
4.	PT Maxx Coffee Prima	Maxx Coffee	169.70	2 March 2017	3	–(5)	–	–	–
5.	PT Lippo General Insurance Tbk	Property All Risk & Earthquake	–	31 March 2017	1	362,813,609(6)	38,872	0.00%(4)	0.00%(4)
6.	PT Lippo General Insurance Tbk	Machinery Breakdown	–	14 September 2017	1	1,421,132(6)	152	0.00%(4)	0.00%(4)
7.	PT Lippo General Insurance Tbk	Terrorism and Sabotage	–	30 September 2017	1	36,379,121(6)	3,898	0.00%(4)	0.00%(4)

No.	Interested person	Nature of Transaction	Area (sq m)	Start date	Term (years)	Value of transaction (after 31 Oct 2017) (Rp.)	Value of transaction (S$)(1)	Percentage of NTA(2)	Percentage of NAV(3)
8.	PT Lippo General Insurance Tbk	Business Interruption	–	31 March 2017	1	54,908,538(6)	5,883	0.00%(4)	0.00%(4)
9.	PT Lippo General Insurance Tbk	Public Liability		7 August 2017	1	1,658,105	178	0.00%(4)	0.00%(4)
					Total:	**41,898,116,414**	**4,488,970**	**0.37%**	**0.36%**

Notes:

(1) Based on the illustrative rupiah exchange rate of S$1.00 is to Rp. 9,333.57.

(2) Based on the NTA of LMIR Trust of S$1,213.3 million as at 31 December 2016.

(3) Based on the NAV of LMIR Trust of S$1,232.6 million as at 31 December 2016.

(4) Less than 0.01%.

(5) The rental payable by PT Maxx Coffee Prima is equal to 4% of its revenue generated at KTS.

(6) Actual premiums payable are in US dollars, converted to rupiah based on an illustrative exchange rate of USD1.00 is to Rp. 13,473.

EXISTING INTERESTED PERSON TRANSACTIONS

No.	Interested person	Nature of Transaction	Value of transaction (Rp.)	Value of transaction (S$)[(1)]	Percentage of NTA (31 Dec 2016)[(2)]	Percentage of NAV (31 Dec 2016)[(3)]
1	OUE Commercial REIT	Lease of office space for REIT Manager at 06-07 OUE Bayfront	11,683,016,240	1,251,720	0.10%	0.10%
2	PT Matahari Putra Prima	Hypermart lease renewal	73,555,437,453	7,880,740	0.66%	0.64%
3	PT Matahari Department Store Tbk	Casual Leasing Leases	5,984,756,000	641,208	0.05%	0.05%
4	PT Maxx Food Pasifix	Maxx Kitchen Foodcourt	136,803,054,600	14,657,098	1.21%	1.19%
5	PT Sky Parking Utama	Carpark Management	99,987,501,695	10,712,675	0.88%	0.87%
6	Sekolah Pelita Harapan (SPH)	SPH new lease at PSX	4,973,068,125	532,815	0.04%	0.04%
7	Interested Party Transactions from Mall Acquisition	Existing RPT leases in Lippo Plaza Kendari	51,768,721,580	5,546,508	0.46%	0.45%
8	Property Management Agreement	Property Management Fees	20,533,854,000	2,200,000	0.18%	0.18%
9	Lippo General Insurance	Property Insurance	37,494,262,742	4,017,141	0.33%	0.33%
10	Interested Party Transactions from Mall Acquisition	Existing RPT leases in Medan Fair Extension	1,526,515,121	163,551	0.01%	0.01%
11	PT Matahari Department Store PT Matahari Putra Prima PT Matahari Graha Fantasi	New leases at Retail Spaces	199,489,926,891	21,373,379	1.76%	1.73%
Total:			**643,800,114,447**	**68,976,835**	**5.68%**	**5.59%**

Notes:

(1) Based on the illustrative rupiah exchange rate of S$1.00 is to Rp. 9,333.57.

(2) Based on the NTA of LMIR Trust of S$1,213.3 million as at 31 December 2016.

(3) Based on the NAV of LMIR Trust of S$1,232.6 million as at 31 December 2016.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**") will be held at Marina Mandarin Ballroom (Level 1), Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 20 December 2017, Wednesday at 9:30 a.m. (the "**EGM**"), for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. THE YOGYAKARTA TRANSACTION

That:

(i) approval be and is hereby given for the proposed joint acquisition with First REIT Real Investment Trust ("**First REIT**") 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 "**Yogyakarta Property**", and the acquisition of the Yogyakarta Property, the "**Joint Acquisition**"), from PT Mulia Citra Abadi (the "**Yogyakarta Vendor**") and the proposed joint venture with First REIT in connection with the Joint Acquisition (the "**Joint Venture**") pursuant to which First REIT will have exposure to all the economic rights and obligations in respect of SHYG (including the SHYG Master Lease (as defined in the circular dated 5 December 2017 (the "**Circular**")) and LMIR Trust will have exposure to all the economic rights and obligations in respect of LPJ (including the LPJ Master Leases (as defined in the Circular)) (collectively, the "**Yogyakarta Transaction**"), based on the terms and conditions as described in the Circular issued by LMIRT Management Ltd., in its capacity as manager of LMIR Trust (the "**Manager**") to unitholders of LMIR Trust ("**Unitholders**"), as well as for the payment of all fees and expenses relating to the Yogyakarta Transaction;

(ii) approval be and is hereby given for the grant of the LPJ Master Leases (as defined in the Circular) to the LPJ Master Lessees and for the novation of the remainder of the leases in relation to LPJ to Yogyakarta IndoCo;

(iii) approval be and is hereby given for Yogyakarta IndoCo to take over the LPJ Related Tenancy Agreements (as defined in the Circular) in relation to LPJ upon completion of the Yogyakarta Transaction;

(iv) the Manager, any director of the Manager ("**Director**") and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust (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 LMIR Trust to give effect to the Yogyakarta Transaction.

2. THE KTS ACQUISITION

That:

(i) approval be and is hereby given for the proposed acquisition of the property known as "Kediri Town Square" ("**KTS**", and the proposed acquisition of KTS, the "**KTS Acquisition**") from PT Prima Gerbang Persada (the "**KTS Vendor**"), based on the terms and conditions as described in the Circular, as well as for the payment of all fees and expenses relating to the KTS Acquisition;

(ii) approval be and is hereby given for the novation of the remainder of the leases in relation to KTS to KTS IndoCo upon completion of the KTS Acquisition;

(iii) approval be and is hereby given for KTS IndoCo to take over the KTS Related Tenancy Agreements (as defined in the Circular) in relation to KTS upon completion of the KTS Acquisition; and

(iv) the Manager, any Director 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 LMIR Trust to give effect to the KTS Acquisition.

BY ORDER OF THE BOARD
LMIRT Management Ltd.
(as manager of Lippo Malls Indonesia Retail Trust)
(Company Registration No. 200707703M)

Victor Lai Kuan Loong
Company Secretary
Singapore
5 December 2017

Important Notice:

(1) A unitholder of LMIR Trust who is not a relevant intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a unitholder of LMIR Trust. Where a unitholder of LMIR Trust appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

(2) A unitholder of LMIR Trust who is a relevant intermediary entitled to attend and vote that the Extraordinary General Meeting is entitled to appoint more than one proxy to attend and vote instead of the unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such unitholder. Where such unitholder of LMIR Trust appoints more than one proxy, the appointments shall be invalid unless he/she specifies the number of Units in relation to which each proxy has been appointed.

(3) The instrument appointing a proxy must be lodged at the registered office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for the Extraordinary General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed 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 (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**" and a unitholder of LMIR Trust, "**Unitholder**") who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly owned subsidiary of such a banking corporation,

   (b) 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

   (c) 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.

3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Unit Registrar's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time set for the Extraordinary General Meeting.

4. Completion and return of the instrument appointing a proxy or proxies shall not preclude a Unitholder from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, the LMIRT Management Ltd., in its capacity as manager of LMIR Trust (the "**Manager**") reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

5. 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 ("**CDP**"), 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 LMIR Trust, 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 LMIR Trust, the Unitholder should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.

6. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

8. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

9. At any meeting, a resolution put to the vote of the meeting shall be decided by way of a poll.

10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

General

The Manager shall be entitled to reject an instrument appointing a proxy or proxies 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 and/or attached to the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Manager may reject an instrument appointing a proxy or proxies if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder's name in the Depository Register not less than 72 hours before the time appointed for holding the meeting, as certified by CDP to the Manager.

LIPPO MALLS INDONESIA RETAIL TRUST

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

IMPORTANT:

1. A relevant intermediary may appoint more than one proxy to attend the Extraordinary General Meeting and vote (please see Note 2 for the definition of "relevant intermediary".
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representatives(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 5 December 2017.

PROXY FORM
EXTRAORDINARY GENERAL MEETING

I/We ____ (Name)

of ____ (Address)

being a unitholder/unitholders of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of LMIR Trust to be held on 20 December 2017, Wednesday at 9:30 a.m. at Marina Mandarin Ballroom (Level 1), Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Extraordinary General Meeting.

	Ordinary Resolution	**To be used in the event of a poll**	
		No. of Votes For*	**No. of Votes Against***
1	To approve the Yogyakarta Transaction (Ordinary Resolution 1)		
2	To approve the KTS Acquisition (Ordinary Resolution 2)		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________________ 2017

Total number of Units held

____

Signature(s) of Unitholder(s)/Common Seal

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Affix
Postage
Stamp

LMIRT MANAGEMENT LTD.
(The Manager of Lippo Malls Indonesia Retail Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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