



LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

PROPOSED ACQUISITIONS

Unless otherwise indicated in this announcement, all conversions from Rupiah amounts into Singapore Dollar amounts in this announcement are based on an illustrative exchange rate of S\$1.00 to Rp.9,333.57.

1. INTRODUCTION

1.1 The Transactions

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” and as manager of LMIR Trust, the “**Manager**”), is pleased to announce:

- (i) LMIR Trust, through a wholly-owned Singapore-incorporated subsidiary, has on 13 October 2017 entered into a joint venture with First Real Estate Investment Trust (“**First REIT**”), through its wholly-owned Singapore-incorporated subsidiary in connection with the joint acquisition of an integrated development, comprising a hospital component known as “Siloam Hospitals Yogyakarta” (“**SHYG**”) and a retail mall component known as “Lippo Plaza Jogja” (“**LPJ**”, together with SHYG, the “**Yogyakarta Property**”, and the joint acquisition of the Yogyakarta Property, the “**Joint Acquisition**”, and the proposed joint venture with First REIT in connection with the Joint Acquisition, the “**Joint Venture**”), located at Demangan Subdistrict, Gondokusuman District, Yogyakarta¹, with postal address Jalan Laksda Adi Sucipto No. 32 – 34, Yogyakarta.

PT Yogya Central Terpadu, a limited liability company incorporated in Indonesia and a joint venture company jointly owned by wholly-owned subsidiaries of LMIR Trust and First REIT (“**Yogyakarta IndoCo**”), has on 13 October 2017 entered into a conditional sale and purchase agreement with PT Mulia Citra Abadi (the “**Yogyakarta Vendor**”) pursuant to which Yogyakarta IndoCo proposes to acquire the Yogyakarta Property from the Yogyakarta Vendor (the “**Yogyakarta Property CSPA**”).

Pursuant to the Joint Acquisition and Joint Venture, First REIT will only have exposure to all the economic rights and obligations in respect of SHYG (including the SHYG Master Lease Agreement (as defined herein)) and LMIR Trust will only have exposure to all the economic rights and obligations in respect of LPJ (including the leases pursuant to the LPJ Master Lease Agreements (as defined herein) (the “**LPJ Master Leases**”)) (the “**Yogyakarta Transaction**”).

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

- (ii) LMIRT Trust, through its indirect wholly-owned subsidiary, PT Panca Permata Pejaten, an Indonesian limited liability company ("**KTS IndoCo**"), has on 13 October 2017 entered into a conditional sale and purchase agreement (the "**KTS Property CSPA**") with PT Prima Gerbang Persada (the "**KTS Vendor**") for the 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**").

(the Yogyakarta Transaction and KTS Acquisition are collectively known as the "**Transactions**")

2. THE YOGYAKARTA TRANSACTION

2.1 Description of the Yogyakarta Property

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 square metres ("**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 net lettable area ("**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.

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. Physical construction and redevelopment works for SHYG were completed in 2015.

2.2 Structure of the Yogyakarta Transaction

For purposes of the Yogyakarta Transaction:

- (i) On 13 October 2017, Icon1 Holdings Pte. Ltd. ("**First REIT SingCo**"), a wholly-owned subsidiary of First REIT, has entered into a joint venture deed ("**JV Deed**") with Icon2 Investments Pte. Ltd. ("**LMIR Trust SingCo**"), which is a wholly-owned Singapore-incorporated subsidiary of LMIR Trust, for the purposes of governing the relationship between First REIT SingCo and LMIR Trust SingCo as shareholders of the Yogyakarta IndoCo. First REIT SingCo and LMIR Trust SingCo will each hold 100.0% of the Class A ordinary shares ("**Class A Shares**")

and 100.0% of the Class B ordinary shares (“**Class B Shares**”) in Yogyakarta IndoCo, respectively².

- (ii) The Yogyakarta IndoCo has on 13 October 2017 entered into the Yogyakarta Property CSPA.
- (iii) First REIT SingCo will transfer 18.85 billion Class A Shares to LMIR Trust SingCo at the book value of Rp 18.85 billion. The 18.85 billion Class A Shares acquired by LMIR Trust SingCo will be converted into Class B Shares. LMIR Trust SingCo will further acquire 38.65 billion Class B Shares in Yogyakarta IndoCo at book value of Rp. 38.65 billion. At completion of the Yogyakarta Transaction, First REIT SingCo will hold 100% of the Class A Shares which will comprise 31.70% of the total issued share capital and LMIR Trust SingCo will hold 100% of the Class B Shares which will comprise 68.30% of the total issued share capital of Yogyakarta IndoCo.

The Yogyakarta Transaction is structured as set out above because the Manager understands that currently in Yogyakarta there are no regulations permitting the regional government of Yogyakarta to subdivide the Yogyakarta Property and issue separate strata titles (*Hak Milik Atas Satuan Rumah Susun* certificate) as evidence of title for each of LPJ and SHYG³. Yogyakarta IndoCo will therefore hold the Yogyakarta Property under one “Right to Build” (*Hak Guna Bangunan* or “**HGB**”) title certificate⁴ which will expire on 27 December 2043.

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.

The Yogyakarta Vendor is a limited liability company incorporated in Indonesia and a wholly-owned subsidiary of PT Lippo Karawaci Tbk, the sponsor of First REIT and LMIR Trust (the “**Sponsor**”). First REIT and LMIR Trust are seeking to jointly acquire the Yogyakarta Property for a total purchase consideration of Rp.834.6 billion (\$88.1 million) from the Yogyakarta Vendor.

2 The JV Deed is conditional upon obtaining the approval from the unitholders of First REIT (“**First REIT Unitholders**”) and unitholders of LMIR Trust (“**LMIR Trust Unitholders**”).

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

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

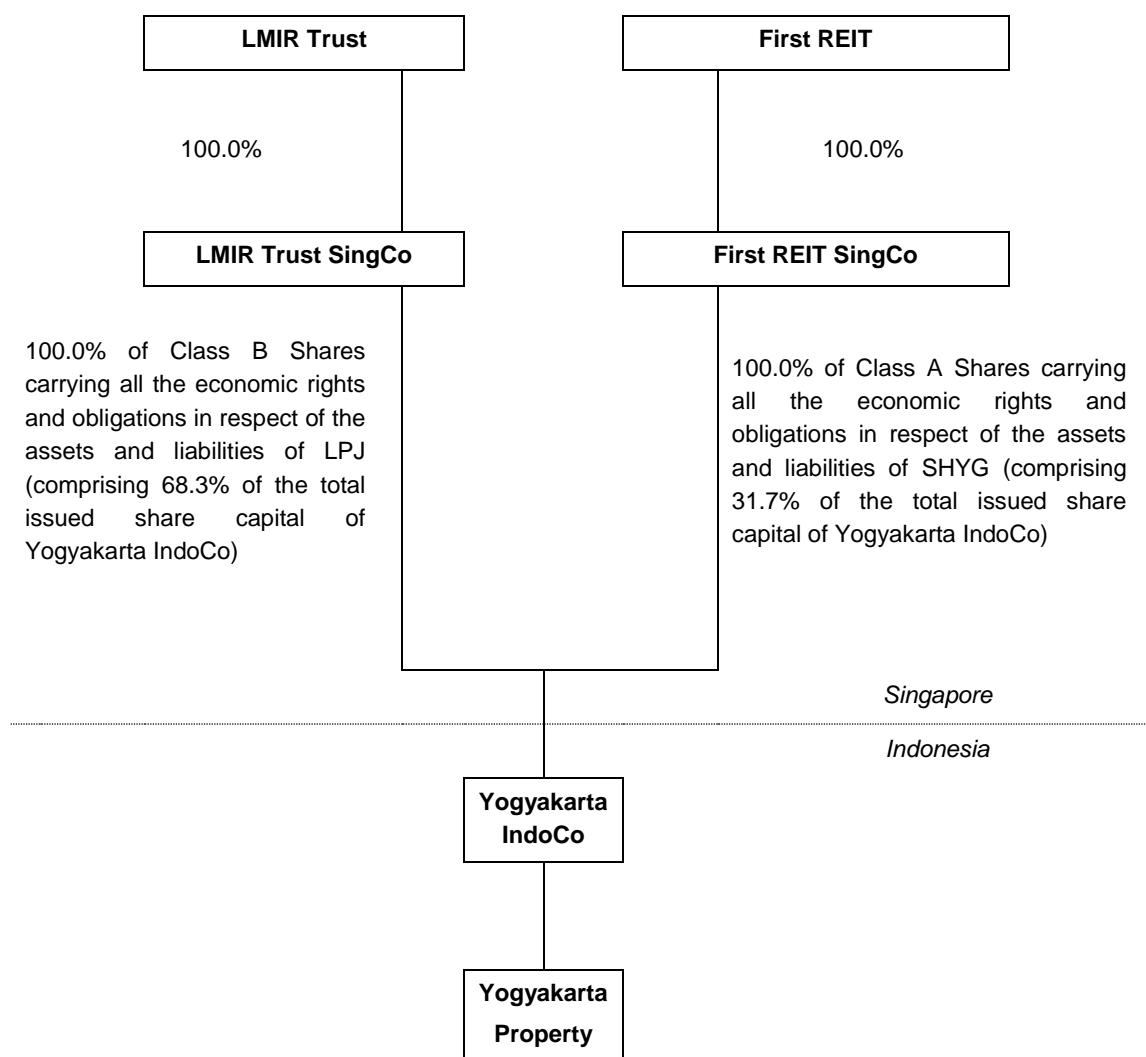
Pursuant to the JV Deed:

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

In addition, under the JV Deed, First REIT SingCo has agreed to indemnify LMIR Trust SingCo against any and all losses which LMIR Trust SingCo may suffer or incur which arises out of or in connection with SHYG while LMIR Trust SingCo has agreed to indemnify First REIT SingCo against any and all losses which First REIT SingCo may suffer or incur which arises out of or in connection with LPJ. The maximum aggregate liability of LMIR Trust SingCo to First REIT SingCo 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 SingCo 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. Further, under the JV Deed, First REIT SingCo agrees and shall procure HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of First REIT (the “**First REIT Trustee**”) to agree that any and all losses which LMIR Trust SingCo may suffer or incur which arises out of or in connection with SHYG shall be satisfied out of the assets of or held on trust for First REIT over which the First REIT Trustee has recourse while LMIR Trust SingCo agrees and shall procure HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust (the “**LMIR Trust Trustee**”) to agree that any and all losses which First REIT SingCo may suffer or incur which arises out of or in connection with LPJ shall be satisfied out of the assets of or held on trust for LMIR Trust over which the LMIR Trust Trustee has recourse.

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

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



2.3 Valuation and Yogyakarta Property Purchase Consideration

Two independent property valuers, KJPP Willson & Rekan (in association with Knight Frank) (“**W&R**”) and KJPP Rengganis, Hamid & Rekan (in strategic alliance with CBRE) (“**Rengganis**”), were appointed by the First REIT Trustee and Bowsprit Capital Corporation Limited, as manager of First REIT (the “**First REIT Manager**”) respectively to value the Yogyakarta Property (the “**First REIT Property Valuations**”), while W&R and Rengganis, were separately appointed as independent property valuers by the LMIR Trust Trustee and the Manager respectively to value the Yogyakarta Property (the “**LMIRT 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 Property Valuations (in respect of SHYG only) and the LMIRT Property Valuations (in respect of LPJ only). The First REIT Property Valuations and LMIRT Property Valuations were derived using the income approach utilising the discounted cash flow method. This approach considers the subject property as an income producing property. 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 following table sets out the appraised values of LPJ based on the LMIRT Property Valuations, the respective dates of such appraisal and the LPJ Purchase Consideration:

| Property | Appraised Value ⁽¹⁾ | | | | Average of two Valuations | | LPJ Purchase Consideration (\$ million) |
|--|--------------------------------|---------------|---------------------------------|---------------|---------------------------|---------------|---|
| | By W&R as at 30 June 2017 | | By Rengganis as at 30 June 2017 | | | | |
| | (\$ million) | (Rp. billion) | (\$ million) | (Rp. billion) | (\$ million) | (Rp. billion) | |
| LPJ | 60.8 ⁽³⁾ | 567.2 | 64.0 ⁽³⁾ | 597.5 | 62.4 | 582.4 | 61.1 ⁽²⁾ |
| LPJ (Without Master Lease and Service Charges) | 52.6 | 490.7 | 57.6 | 538.1 | 55.1 | 514.4 | |

Notes:

- (1) As the Yogyakarta Property is held under one HGB title, each of the First REIT Property Valuations and the LMIRT Property Valuations valued the Yogyakarta Property as a whole while providing a breakdown between the values of SHYG and LPJ. Pursuant to the LMIRT Property Valuations, the appraised value of the Yogyakarta Property as a whole by W&R and Rengganis as at 30 June 2017 is Rp.826.6 billion and Rp.861.3 billion respectively. The appraised value of the Yogyakarta Property and the breakdown between SHYG and LPJ in the First REIT Property Valuations is the same as the LMIRT Property Valuations. Please refer to the announcement of First REIT in relation to the Yogyakarta Transaction released on the same date as this announcement (the “**First REIT Announcement**”) for further details of the First REIT Property Valuations.
- (2) Only the value of LPJ in the LMIRT Property Valuations was taken into account in determining the LPJ Purchase Consideration.
- (3) Based on the illustrative exchange rate of S\$1.00 to Rp.9,333.57.

The LPJ Purchase Consideration represents a discount of 2.1% to S\$62.4 million, which is the average of the two independent valuations of LPJ pursuant to the LMIRT Property Valuations.

2.4 Yogyakarta Property Acquisition Cost

The purchase consideration of the Yogyakarta Property is Rp.834.6 billion (S\$88.1million)^{5, 6} (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**”).

5 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.

6 Based on an illustrative rupiah exchange rate of S\$1.00 to Rp. 9,333.57 (the “**Illustrative Rupiah Exchange Rate**”). Unless otherwise stated, all conversions of Rp. amounts into S\$ in this announcement shall be based on the Illustrative Rupiah Exchange Rate and all amounts in Rp. and S\$ in this announcement shall, where such amount exceeds one million, be rounded to one decimal number.

The total cost to LMIR Trust of the Joint Acquisition, comprising (i) the LPJ Purchase Consideration of Rp.570.0 billion (S\$61.1 million)⁷, (ii) the value-added tax (*Pajak Pertambahan Nilai*) (“**VAT**”) for the LPJ Acquisition of Rp.54.3 billion (S\$5.8 million)⁸, (iii) the acquisition fee⁹ 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 Joint Acquisition, is estimated to be approximately S\$68.4 million (the “**LPJ Acquisition Cost**”).

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.

Please refer to the First REIT Announcement for details of the total cost to First REIT of the Joint Acquisition.

2.5 Method of Financing

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.

2.6 Conditions Precedent to the Completion of the Joint Acquisition

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

- 2.6.1** the obtainment of approval from the respective audit and risk committees and the Boards of Directors of the Manager and First REIT Manager;
- 2.6.2** the obtainment of approval from the unitholders of First REIT (“**First REIT Unitholders**”) and unitholders of LMIR Trust (“**LMIR Trust Unitholders**”) to be given at extraordinary general meetings (“**EGM**”) of First REIT Unitholders and LMIR Trust Unitholders for the Joint Acquisition of the 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);
- 2.6.3** the obtainment of approval from the shareholders of the Yogyakarta IndoCo;

⁷ 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.

⁸ Reimbursement of the VAT will be sought from the relevant tax office post-completion of the LPJ Acquisition.

⁹ Being 1.0% of the LPJ Purchase Consideration.

- 2.6.4 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";
- 2.6.5 the obtainment of other approvals (if required) including those of the Monetary Authority of Singapore ("MAS") and Singapore Exchange Securities Trading Limited (the "SGX-ST");
- 2.6.6 the Yogyakarta IndoCo, First REIT Trustee and LMIR Trust Trustee being satisfied with the results of due diligence (in relation to legal, financial, tax and building due diligence) to be conducted by the Yogyakarta IndoCo, First REIT Trustee and LMIR Trust Trustee and/or its counsels or advisers, which the Yogyakarta IndoCo, First REIT Trustee and/or LMIR Trust Trustee may consider to be relevant, including due diligence and court searches conducted on or in connection with the Yogyakarta Vendor and the Yogyakarta Property;
- 2.6.7 LMIR Trust securing sufficient financing to undertake the payment of the LPJ Purchase Consideration and the agreement for such financing not having been terminated and being unconditional in all respects;
- 2.6.8 the receipt by the Yogyakarta IndoCo of relevant legal opinions as specified in the Yogyakarta Property CSPA;
- 2.6.9 there being no adverse change to the financial condition of the Yogyakarta 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 below), or their ability to perform any of their obligations under the transaction documents;
- 2.6.10 the licenses, authorisations, orders, grants, confirmations, consents, permissions, registrations and other approvals necessary for or in respect of the proposed sale and purchase of the 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;
- 2.6.11 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;
- 2.6.12 the obtainment of 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;
- 2.6.13 the entry into a Deed of Indemnity between the First REIT Trustee, the LMIR Trust Trustee and PT WJP;
- 2.6.14 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;

- 2.6.15** 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 LMIR Trust Trustee in their discretion, the change of identity of the indemnifier to a party acceptable to the Yogyakarta IndoCo, the First REIT Trustee and the LMIR Trust Trustee and any amendments, supplements, novation, assignments, and/or extensions of to the Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the Yogyakarta IndoCo, the First REIT Trustee and the LMIR Trust Trustee (as the case may be);
- 2.6.16** the due execution of novation agreements to novate contracts involving the Yogyakarta Property to the Yogyakarta IndoCo;
- 2.6.17** 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;
- 2.6.18** subject to the provisions of the Yogyakarta Property CSPA, the Yogyakarta Property or any part thereof is not materially damaged;
- 2.6.19** 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;
- 2.6.20** 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;
- 2.6.21** 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;
- 2.6.22** 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;
- 2.6.23** 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**”)¹⁰, the Property Management Agreement and the Mall Operator Agreement with any third party) being irrevocably and unconditionally novated to the Yogyakarta IndoCo;

- 2.6.24 the execution of the LPJ Master Lease Agreements;
- 2.6.25 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;
- 2.6.26 the due execution of all other transaction documents;
- 2.6.27 the assignment to the Yogyakarta IndoCo of all warranties, including those as set out in the Yogyakarta Property CSPA; and
- 2.6.28 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 are not 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 Yogyakarta Transaction (the “**SHYG Acquisition**”) is conditional upon the fulfilment or waiver (as the case may be) of, among others, the following:

- (i) the completion of the LPJ Acquisition has occurred and the Deed of 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;

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

- (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.

2.7 Indemnity in relation to the Yogyakarta Property CSPA

The First REIT Trustee and the LMIR Trust Trustee have, on 13 October 2017, also entered into a deed of indemnity with PT WJP, which is a wholly-owned subsidiary of the Sponsor, pursuant to which PT WJP will, subject to certain conditions, indemnify First REIT Trustee and LMIR Trust Trustee against liabilities or damages suffered by First REIT Trustee and LMIR Trust Trustee arising from the Joint Acquisition (the “**Deed of Indemnity**”). Under the Deed of Indemnity, the maximum aggregate liability of PT WJP to the First REIT Trustee and the LMIR Trust Trustee is limited to the SHYG Purchase Consideration and the LPJ Purchase Consideration, respectively. Further, no claim shall be brought against PT WJP unless (i) 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 (ii) 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 above.

2.8 The LPJ Master Lease Agreements

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

- (i) 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**”);

- (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 (“**PT MCSS**”) (the “**LPJ Specialty Tenants Lease Agreements**”);

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

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

- (i) the LPJ Car Park Lease Agreement pursuant to which the lease over the car park space will be granted for an annual rental of Rp.7.0 billion, an amount which was arrived at after negotiations with the Sponsor on an arms’ length basis;
- (ii) the LPJ Casual Leasing Space Lease Agreement pursuant to which the lease over the casual leasing space will be granted for an annual rental of Rp.5.4 billion, an amount which was arrived at after negotiations with the Sponsor on an arms’ length basis; and
- (iii) the LPJ Specialty Tenants Lease Agreements pursuant to which the lease over the specialty space will be granted for an annual rental of Rp.30.2 billion, an amount which was arrived at after negotiations with the Sponsor on an arms’ length basis.

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 for a lease term of five years each, commencing from the date of completion of the LPJ Acquisition.

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 areas¹¹. 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.

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:

¹¹ 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).

| 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: 4,691 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 Specialty: 109,104 psm per month | 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).

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, 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. For the avoidance of doubt, the cost of the enhancement works shall be borne by the Yogyakarta Vendor.

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% of the gross rental income for LPJ for FY2016 of Rp. 50.1 billion¹². 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 | 19.1 | 21.0 |
| 2 | 42.6 | 20.3 | 22.5 |
| 3 | 42.6 | 27.1 | 32.2 |
| 4 | 42.6 | 30.5 | 36.5 |

¹² 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.

| Year | Revenue from LPJ Master Leases (Rp. billion) | Underlying Revenue from areas under LPJ Master Leases (Rp. billion) | |
|------|--|---|-----------|
| | | W&R | Rengganis |
| 5 | 42.6 | 34.8 | 42.4 |
| 6 | - | 42.0 | 49.0 |
| 7 | - | 44.7 | 50.3 |

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. In W&R forecast, the underlying rentals will be Rp.42.0 billion in Year 6, which is only marginally 1.4% (or Rp.0.6 billion) lower than the rentals of the LPJ Master Leases, and the underlying rental is expected to pick up to exceed the LPJ Master Leases' rentals in Year 7. 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 mall can achieve their view of the market occupancy rate at a faster rate.

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 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.

2.9 Related Tenancy Agreements relating to the LPJ

Upon the completion of the LPJ Acquisition, and assuming that all of the leases of LPJ are novated to Yogyakarta IndoCo immediately prior to the 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 with 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 A** of this announcement. 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 A**.

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, 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:

| No. | Tenant | Area (sq m) | Actual Rental Rate (Rp. Per sq m / month) | W&R | Rengganis |
|-----|-----------|-------------|---|---|---|
| | | | | Market Rental Rate (Rp. per sq m / month) | Market Rental Rate (Rp. per sq m / month) |
| 1 | Hypermart | 4,224 | 70,304 | 75,649 | 71,840 |
| 2 | Cinemaxx | 2,046 | 38,221 | 38,423 | 41,446 |
| 3 | Timezone | 639 | 100,000 | 103,679 | 68,967 |

2.10 The SHYG Master Lease Agreement

Upon the completion of the SHYG Acquisition, 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 of SHYG) pursuant to which Yogyakarta IndoCo will lease SHYG to the master lessees (the “**SHYG Master Lease**”).

Please refer to the First REIT Announcement for further details of the terms of the SHYG Master Lease Agreement. For the avoidance of doubt, pursuant to the 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 First REIT SingCo pursuant to First REIT SingCo’s holding of Class A Shares and based on the terms of the JV Deed.

3. THE 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.

3.2 Structure of the KTS Acquisition

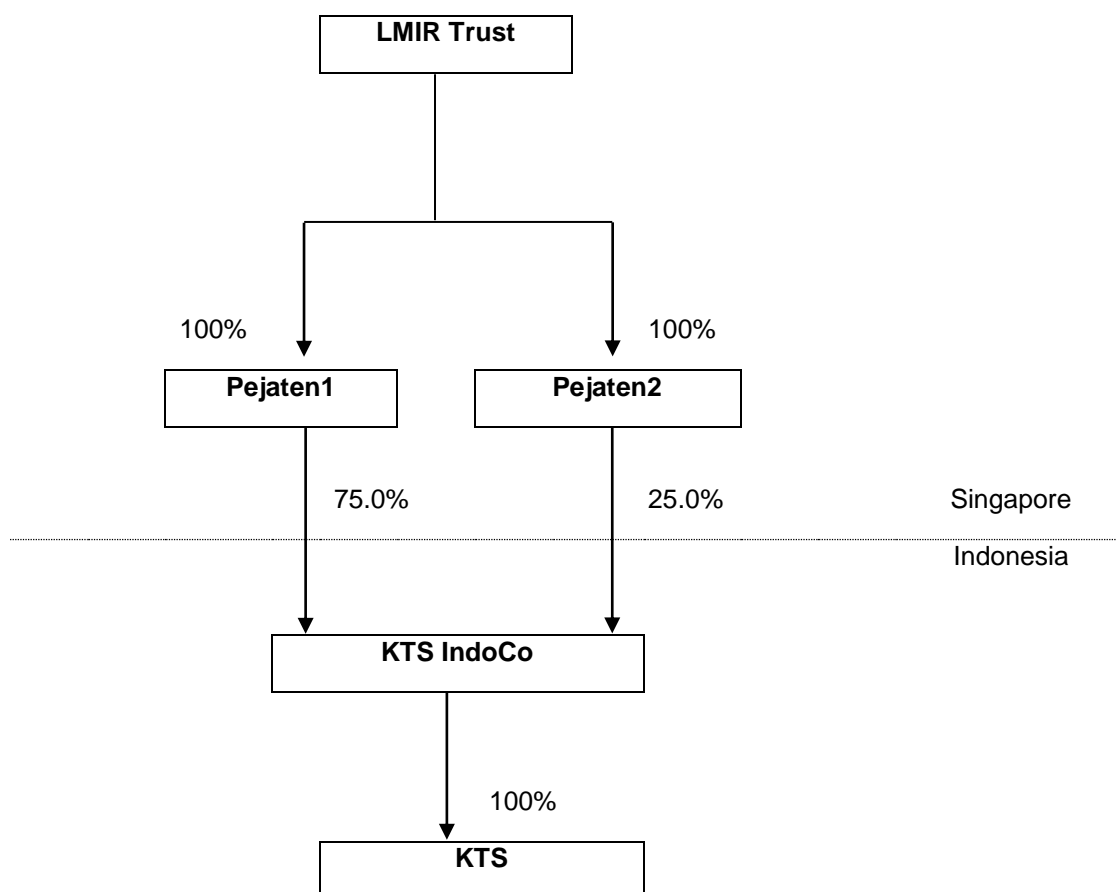
The Manager is seeking to acquire KTS from the KTS Vendor for the KTS Purchase Consideration of Rp.345.0 billion (S\$37.0 million).

For the purposes of and prior to the KTS Acquisition, the LMIR Trust 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 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 LMIR Trust 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 LMIR Trust 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 Independent Valuations | | KTS Purchase Consideration (S\$ million) |
|----------|--------------------------|---------------|--------------------------------|---------------|---------------------------------------|---------------|---|
| | By W&R as at 31 May 2017 | | By Rengganis as at 31 May 2017 | | (S\$ million) | (Rp. billion) | |
| | (S\$ million) | (Rp. billion) | (S\$ million) | (Rp. billion) | | | |
| KTS | 38.4 | 358.5 | 38.4 | 358.0 | 38.4 | 358.3 | 37.0 |

The KTS Purchase Consideration represents a discount of 3.6% to S\$38.4 million, which is the average of the two independent valuations of KTS.

3.4 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);
- (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.

3.5 Method of Financing

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 final decision regarding the method of financing to be employed will be made at the appropriate time taking into account the relevant market conditions.

3.6 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:

- 3.6.1** the obtainment of approval from the Audit and Risk Committee (as defined below) and board of directors of the Manager;
- 3.6.2** 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;
- 3.6.3** in relation to the Panin Loan (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 Security, specifically for Fiduciary Security Rights over Insurance Claim Receivables and Fiduciary Security Rights over Receivables (each as defined in the KTS Property CSPA).
- 3.6.4** 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
 - (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.
- 3.6.5** 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;
 - 3.6.6** the obtainment of approvals (if required) by the MAS and the SGX-ST and other regulatory approvals;
 - 3.6.7** 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;
 - 3.6.8** 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;
 - 3.6.9** 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 LMIR Trust Trustee to replace PT NPI as indemnifier under the 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;
 - 3.6.10** 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;
 - 3.6.11** 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 Teknik 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;

- 3.6.12** 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;
- 3.6.13** the obtainment by each of the 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;
- 3.6.14** the submission of the December 2016 audited financial statement of PT NPI as indemnifier and if required by KTS IndoCo and/or the LMIR Trust Trustee in their discretion, the change of the identity of the indemnifier to a party acceptable by KTS IndoCo and the LMIR Trust Trustee and any amendments, supplements, novation, assignments and/or extensions to the Deed of Indemnity as may be required to give effect to the foregoing in form and substance satisfactory to the LMIR Trust Trustee and KTS IndoCo;
- 3.6.15** due execution of the Novation of Tenancy Agreements (as defined in the KTS Property CSPA);
- 3.6.16** due execution of the KTS Property CSPA;
- 3.6.17** due execution of the Deed of Indemnity by PT NPI and the LMIR Trust Trustee in a form and substance satisfactory to the LMIR Trust Trustee;
- 3.6.18** due execution of the termination agreements;
- 3.6.19** 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;
- 3.6.20** 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 Long Stop Date (as defined in the KTS Property CSPA);
- 3.6.21** the submission of all required reporting obligations related to the operation of the KTS by the KTS Vendor prior to the Property Completion Date, 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 and/or periodic checking/examination results 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 Long Stop Date (as defined in the KTS Property CSPA);

- 3.6.22** subject to the KTS Property CSPA, the Property or any part thereof is not materially damaged;
- 3.6.23** 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;
- 3.6.24** 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 Property 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 KTS completion date;
- 3.6.25** 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;
- 3.6.26** evidence of rectification of all Category A (as defined in the KTS Property CSPA) defects as stipulated under building audit report;
- 3.6.27** 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, seizure, or dispute in the land book;
- 3.6.28** 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
- 3.6.29** 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.

3.7 Indemnity in relation to the KTS Property CSPA

The LMIR Trust 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 LMIR Trust Trustee against certain liabilities or damages suffered by the LMIR Trust Trustee arising out of or in connection with the KTS Acquisition, subject to certain terms and conditions.

“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 LMIR Trust Trustee in taking any action on or enforcing the terms of this Deed) 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 the indemnifying party 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 LMIR Trust 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.

3.8 Related Tenancy Agreements relating to the KTS Acquisition

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 B** of this

announcement. The percentage of NTA and NAV accounted for by the KTS Related Tenancy Agreements is also set out in **APPENDIX B** of this announcement.

The rental rates under the KTS Related Tenancy Agreements are comparable to the rental rates paid by the other 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:

| No. | Tenant | Area (sq m) | Actual Rental Rate (Rp. per sq m /month) | W&R | Rengganis |
|-----|---------------------------|-------------|--|---|---|
| | | | | Market Rental Rate (Rp. per sq m / month) | Market Rental Rate (Rp. per sq m / month) |
| 1 | Matahari Department Store | 5,839 | 70,000 | 65,337 | 72,743 |
| 2 | Hypermart | 5,115 | 58,000 | 65,337 | 58,507 |
| 3 | Nobu Bank | 97 | 70,000 | 200,000 | 103,722 |
| 4 | Maxx Coffee | 170 | 4% Revenue Sharing | 160,930 | 161,521 |

4. 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 date of this announcement, the Manager has a direct interest in 142,611,671 Units (comprising 5.05 % of the total number of issued Units). The Manager is wholly-owned by Peninsula Investment Limited (“**Peninsula**”), a wholly-owned subsidiary of Jesselton Investment Ltd which is in turn a wholly-owned subsidiary of 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”¹³ of LMIR Trust and a “Controlling Shareholder”¹⁴ of the Manager respectively under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and the Property Funds Appendix. The Sponsor also directly and/or through its subsidiaries and through its interest in the First REIT Manager, has deemed interests of (i) 30.79% in First REIT and (ii) 100.0% in the First REIT Manager and is therefore regarded as a Controlling Unitholder of First REIT and a Controlling Shareholder of the First REIT Manager respectively under both the Listing Manual and the Property Funds Appendix.

For the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix, the 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 Person¹⁵ and Interested Party¹⁶ 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.

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 Interested Person Transactions under Chapter 9 of the Listing Manual and also Interested Party Transactions 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

13 “**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.

14 “**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.

15 As defined in the Listing Manual, means:

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

16 As defined in the Property Funds Appendix, means:

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

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).

Further, as the Yogyakarta Transaction 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 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.

5. RATIONALE FOR THE TRANSACTIONS

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

5.1 Strategically Located Property 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.

After the major refurbishment, LPJ is one of the newest malls in Yogyakarta and adjoins SHYG. LPJ is expected to serve the people of Yogyakarta and those from the surrounding areas. The mall offers a diverse mix of international and local brands such as Matahari department store, Hypermart, 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 Matahari Department Store, Hypermart, Game Fantasia, Sport Stations and OPPO.

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

Based on the pro forma financial statements for FY2016, the Net Property Income¹⁷ 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 5.1%, from S\$1,941.8 million¹⁸ (as at 31 December 2016) to S\$2,039.9 million.

5.3 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 Portfolio¹⁹ can potentially spread certain operating costs (for example, 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, especially with tenants of LPJ and KTS which 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.

5.4 Diversification of Asset 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.

6. MAJOR TRANSACTIONS

6.1 Major Transactions – Chapter 10 of the Listing Manual

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

- (i) the net asset value of the assets to be disposed of, compared with net asset value (not applicable to the Transactions);
- (ii) the net profits attributable to the assets acquired, compared with LMIR Trust’s net profits;
- (iii) the aggregate value of the consideration given, compared with LMIR Trust’s market capitalisation; and

17 “**Net Property Income**” consists of property revenue less property operating expenses.

18 Including intangible assets of S\$19.2 million.

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

- (iv) the number of equity securities issued as consideration for an acquisition, compared with the number of equity securities previously in issue (not applicable to the Transactions).

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

None of the relative figures in relation to the Transactions computed on the bases set out above exceed 20.0%. Furthermore, the Transactions are not major transactions under Chapter 10 of the Listing Manual as they are within LMIR Trust’s ordinary course of business.

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

| Comparison of: | LPJ | LMIR Trust | Relative Figure |
|---|---|---|-----------------|
| Net Property Income ⁽¹⁾ | LPJ: S\$4.9 million | S\$171.9 million ⁽²⁾ | 2.8% |
| | KTS: S\$2.7million | | 1.6% |
| | Total Net Property Income of LPJ and KTS: S\$7.6 million | | 4.4% |
| Purchase Consideration against LMIR Trust’s market capitalisation | LPJ: S\$61.1 million | LMIR Trust’s market capitalisation: S\$1,228.4 million ^{(4),(5)} | 5.0% |
| | KTS: S\$37.0 million | | 3.0% |
| | Total Purchase Consideration of LPJ and KTS: S\$98.1 million ⁽³⁾ | | 8.0% |

Notes:

- (1) In the case of a real estate investment trust, 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 the FY2016 Audited Consolidated Financial Statements and the audited financial statement for the Yogyakarta Vendor and the KTS Vendor for FY2016.
- (3) Does not include transaction costs.
- (4) Based on the closing price of S\$0.435 per Unit on the SGX-ST on the date preceding this announcement.
- (5) Based on Units in issue as at the date preceding this announcement.

7. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

7.1 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 audited consolidated financial statements of LMIR Trust and its subsidiaries for FY2016 (the “**FY2016 Audited Consolidated Financial Statements**”) and the unaudited financial statements of LMIR Trust and its subsidiaries for the six months ended 30 June 2017 “**6M2017 Unaudited Financial Statements**” and assuming:

- (a) the LPJ Acquisition Cost of S\$68.4 million, of which S\$67.8 million will be paid in cash; and
- (b) S\$67.8 million being the cash component of the LPJ Acquisition Cost is funded by proceeds from the issuance of bond and/or debt financing facilities²⁰,

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 Consolidated Financial Statements and the 6M2017 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 facilities²¹; 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.

20 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.

21 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.

7.2 FY 2016

Pro Forma DPU

The pro forma financial effects the (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 | 2,804,284,518 ⁽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% | 9.24% ⁽³⁾ | 9.27% ⁽³⁾ |

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 (i) the LPJ Acquisition Fee Units and/or the KTS Acquisition Fee Units and (ii) new Units in payment of the performance fees 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.

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 |

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) |
| 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.

7.3 6M2017

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 6M2017, as if LMIR Trust had purchased the relevant Properties on 1 January 2017, and held and operated the relevant Properties through to 30 June 2017, are as follows:

| | As at 30 June 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) | 50,566 | 50,786 | 49,000 | 50,710 | 50,930 |
| Units in issue and to be issued | 2,823,987,723 | 2,825,581,358 ⁽²⁾ | 2,825,444,443 | 2,824,939,447 ⁽²⁾ | 2,826,533,081 ⁽²⁾ |
| DPU (cents) | 1.79 | 1.80 | 1.73 | 1.80 | 1.80 |
| Annualised Distribution yield | 8.04 % ⁽³⁾ | 8.09% ⁽³⁾ | 7.78 % | 8.09% ⁽³⁾ | 8.09% ⁽³⁾ |

Notes:

- (1) Based on the 6M 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 June 2017 of S\$0.445.

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 June 2017, as if LMIR Trust had purchased the relevant Properties on 30 June 2017 are as follows:

| | As at 30 June 2017 | | | |
|---------------------------------|--|------------------------------|------------------------------|------------------------------|
| | Before the Transactions ⁽¹⁾ | After the LPJ Acquisition | After the KTS Acquisition | After the Transactions |
| NAV (S\$'000) | 1,037,784 | 1,038,376 | 1,038,142 | 1,038,734 |
| Units in issue and to be issued | 2,823,987,723 | 2,825,318,650 ⁽²⁾ | 2,824,793,284 ⁽²⁾ | 2,826,124,211 ⁽²⁾ |
| NAV per Unit (cents) | 36.75 | 36.75 | 36.75 | 36.75 |

Notes:

- (1) Based on the 6M 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 June 2017, as if LMIR Trust had completed (i) the LPJ Acquisition, (ii) the KTS Acquisition, and (iii) the Transactions on 30 June 2017.

| | As at 30 June 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 | 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 |

As at 30 June 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) |
| Unitholders funds | 1,037,784 | 1,038,376 | 1,038,142 | 1,038,734 |
| Perpetual securities holders' funds | 259,625 | 259,625 | 259,625 | 259,625 |
| Total Capitalisation | 1,948,119 | 2,016,511 | 1,985,477 | 2,053,869 |

Note:

(1) Based on the 6M 2017 Unaudited Financial Statements.

8. OTHER INFORMATION

8.1 Interests of Directors and Substantial Unitholders²²

8.1.1 Interests of Directors of the Manager

As at the date of this announcement, 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.

8.1.2 Interests of Substantial Unitholders

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

| Name of Substantial Unitholders | Direct Interest | | Deemed Interest | | Total no. of Units held | %(¹) |
|---------------------------------------|-----------------|-------------------|-----------------|-------------------|-------------------------|-------------------|
| | No. of Units | %(¹) | No. of Units | %(¹) | | |
| Bridgewater International Ltd ("BIL") | 700,444,940 | 24.80 | - | - | 700,444,940 | 24.80 |
| PT Sentra Dwimandiri ("PTSD") | - | - | 700,444,940 | 24.80 | 700,444,940 | 24.80 |
| The Sponsor | - | - | 843,056,611 | 29.85 | 843,056,611 | 29.85 |
| Wealthy Fountain Holdings Inc | 175,438,500 | 6.21 | - | - | 175,438,500 | 6.21 |
| Shanghai Summit Pte Ltd | - | - | 197,438,500 | 6.99 | 197,438,500 | 6.99 |

²² "Substantial Unitholders" refers to LMIR Trust Unitholders with an interest in more than 5.0% of all Units in issue.

| Name of Substantial Unitholders | Direct Interest | | Deemed Interest | | Total no. of Units held | %(¹) |
|---------------------------------|-----------------|-------------------|-----------------|-------------------|-------------------------|-------------------|
| | No. of Units | %(¹) | No. of Units | %(¹) | | |
| Tong Jinquan | - | - | 197,438,500 | 6.99 | 197,438,500 | 6.99 |
| 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 date of this announcement.
- (2) BIL is controlled by PTSD. PTSD is therefore deemed to be interested in 700,444,940 Units in which BIL has an interest.
- (3) BIL is controlled by PTSD, which is in turn controlled by the Sponsor. The Sponsor is therefore deemed to have an interest in 700,444,940 Units in which BIL has an interest. The Manager is controlled by Peninsula, which in turn is controlled by the Sponsor. The Sponsor is therefore also deemed to be interested in 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 175,438,500 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 is deemed to be interested in 175,438,500 Units held by Wealthy Fountain Holdings Inc and 22,000,000 Units held by Skyline Horizon Consortium Ltd.

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

8.2 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.

8.3 Existing Interested Person Transactions

Prior to the date of this announcement, 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\$47.6 million, which is approximately 3.92% of the latest audited NTA of LMIR Trust and 3.86% of the latest audited NAV of LMIR Trust as at 31 December 2016.

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

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

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

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 50 Collyer Quay, #06-07, OUE Bayfront, Singapore 049321 from the date of this announcement up to and including the date falling three months after the date of the LMIR Trust Unitholders' Circular to be issued for purposes of seeking approval of LMIR Trust Unitholders for the Transactions²³:

- (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 W&R;
- (vii) the full valuation report on Yogyakarta Property issued by Rengganis;
- (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; and
- (xi) the 6M2017 Unaudited Consolidated Financial Statements.

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

10. DOCUMENTS FOR INSPECTION

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

By Order of the Board

LMIRT MANAGEMENT LTD.
(as manager of Lippo Malls Indonesia Retail Trust)
(Company registration number: 200707703M)

Ms Chan Lie Leng
Executive Director and Chief Executive Officer

13 October 2017

²³ Prior appointment with the Manager will be appreciated.

APPENDIX A

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 of the LPJ Acquisition, 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 Sobotage | - | 1 August 2017 | 5 | 82,989,928 | 8,892 | 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⁾ |
|-----|------------------------|-----------------------|-------------|---------------|---------------|--|---|----------------------------------|----------------------------------|
| 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%.

KTS RELATED TENANCY AGREEMENTS

Assuming that all of the leases of KTS are novated to KTS IndoCo upon completion of the KTS Acquisition, 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 (\$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 (\$ ⁽¹⁾) | Percentage of NTA ⁽²⁾ | Percentage of NAV ⁽³⁾ |
|-----|-----------------------------------|--------------------------------|-------------|-------------------|--------------|--|---|----------------------------------|----------------------------------|
| 1. | PT. Matahari Department Store Tbk | Matahari Department Store | 5,839.00 | 10 August 2011 | 11 | 23,297,610,000 | 2,496,109 | 0.21% | 0.20% |
| 2. | PT. Matahari Putra Prima Tbk | Hypermart | 5,115.00 | 10 August 2011 | 11 | 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 | - | 15 September 2017 | 1 | 1,421,132 ⁽⁶⁾ | 152 | 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⁾ |
|-----|--------------------------------|------------------------|-------------|----------------|---------------|--|---|----------------------------------|----------------------------------|
| 7. | PT Lippo General Insurance Tbk | Terrorism and Sabotage | - | 1 October 2017 | 1 | 36,379,121 ⁽⁶⁾ | 3,898 | 0.00% ⁽⁴⁾ | 0.00% ⁽⁴⁾ |
| 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.

Important Notice

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.