



LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT IN RELATION TO THE BUSINESS TIMES ARTICLE

LMIRT Management Ltd., as manager of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**", and as manager of LMIR Trust, the "**Manager**"), refers to the article titled "Moody's reviewing Lippo Malls Retail Trust rating for possible downgrade to junk" published in The Business Times on 21 December 2017.

The Manager wishes to state that as at 22 December 2017, the aggregate leverage of LMIR Trust is 32.2% (after the completion of the Yogyakarta Transaction and the KTS Acquisition as announced today), which is well within the permitted limit of 45% under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. The Manager is confident that it is able to manage its refinancing risk based on its past experience and its prudent capital management strategy.

The Manager also wishes to state that as at the date of this announcement, it has no reason to believe that LMIR Trust's tenants from the Lippo group of companies will not be able to fulfil their payment obligations to LMIR Trust in the future and is confident that it is able to manage any credit risk that may arise. Since the listing of LMIR Trust, there is no incidence of non-payment or default from any rental payments from the Lippo group of companies.

Any downgrade by Moody's Investors Service of LMIR Trust's credit rating will not affect or cause a default of any of LMIR Trust's existing debt facilities or issued bonds and perpetual securities.

By Order of the Board

LMIRT Management Ltd.

(as manager of Lippo Malls Indonesia Retail Trust)

(UEN/Company registration number: 200707703M)

Ms Chan Lie Leng

Executive Director and Chief Executive Officer

22 December 2017

Important Notice

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

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

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