



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

RESPONSE TO SGX-ST'S QUERIES ON 2017 SECOND QUARTER UNAUDITED FINANCIAL RESULTS AND DISTRIBUTION ANNOUNCEMENT

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust"), wishes to announce the following in response to the SGX-ST's queries regarding the 2017 Second Quarter Unaudited Financial Statements and Distribution Announcement dated 3 August 2017:

SGX-ST's Query 1

As stated in the compliance checklist and pursuant to Listing Rule 404(8)(b)(i), please disclose the net tangible assets per unit.

Company's Response

The Net Tangible Assets per unit for the respective financial periods are as follow:

	Group		Trust	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Net Tangible Assets per unit (cents)	36.27	37.18	37.05	39.01

SGX-ST's Query 2

The "Exchange Differences on Translating Foreign Operations" for 2Q 2017 amounted to approximately S\$(12,298,000) and the "Total Return for the Period After Tax" amounted to approximately S\$23,101,000. The "Total Comprehensive Income/(Loss) for the Period" amounted to approximately S\$10,803,000.

- (i) What is the underlying item that resulted in the significant charge, such that the "Total Comprehensive Income/(Loss) for the Period" amounted to approximately S\$10,803,000 which is about 46.8% of the "Total Return for the Period After Tax"? Please elaborate of the factors which resulted in the significant exchange loss.

Company's Response

In the consolidation process, the balances denominated in Indonesian Rupiah in the balance sheet of the respective Indonesia subsidiaries will be translated into Singapore Dollar using quarter end exchange rate.

The "Effect Differences on Translating Foreign Operations" relates to exchange differences arising from translating such balances (principally the investment properties) in the balance sheet of the respective Indonesia subsidiaries into Singapore Dollar. A translation loss of S\$(12,298,000) was recorded in 2Q 2017 mainly due to weakening of Indonesian Rupiah against Singapore Dollar since the last financial quarter of 1Q 2017. However, the "Effect Differences on Translation Foreign Operations" is reflected in the Statement of Changes in Unitholders' Funds (item 1(d) (i) of 2Q 2017 results announcement) and does not affect the calculation of the quarterly Distributable Income and Distribution Per Unit (DPU).

SGX-ST's Query 3

It is noted that the net carpark income decreased by about 9% from approximately S\$4,505,000 in 2Q 2016 to approximately S\$4,100,000 in 2Q 2017. Please disclose the previous contractual arrangements and tenure for carpark and whether the amendments are considered as interested person transactions. If so, please explain whether and how Chapter 9 of the SGX-ST Mainboard Listing Manual has been complied with.

Company's Response

Previously, there were various contractual arrangements with different carpark operators. In order to achieve cost efficiency and to benefit from the latest parking management technology, a new carpark operator was engaged to operate most of LMIR Trust's malls for one year with effect from 1 January 2017.

Under the new contractual arrangements, the carpark operator absorbs all the carpark operating costs and is entitled to a portion of the parking revenue. This has resulted in the decrease in carpark income from S\$6,596,000 in 2Q 2016 to S\$4,946,000 in 2Q 2017. Correspondingly, the carpark expenses, which form part of the property operating and maintenance expenses, have reduced from S\$1,187,000 in 2Q 2016 to S\$84,000 in 2Q 2017, resulting in a reduction in **net carpark income** by about 10% from approximately S\$5,409,000 in 2Q 2016 to approximately S\$4,862,000 in 2Q 2017.

The new contractual arrangements are considered as interested person transactions. In compliance with Chapter 9 of the SGX-ST Mainboard Listing Manual, the total value of the contracts with the new carpark operator has been aggregated in the calculation of interested person transactions of LMIR Trust. As at the date of this announcement, the total value of interested person transactions (including the total value of the contracts with the new carpark operator) between LMIR Trust and the Sponsor and/ or its associates, for the current year, is approximately S\$47.4 million, which is approximately 3.91% of the latest audited Net Tangible Assets of LMIR Trust as at 31 December 2016.

For the avoidance of doubt, the new carpark arrangements do not apply to Lippo Mall Kemang, Palembang Icon, Lippo Plaza Batu and Lippo Mall Kuta as the carpark areas of these malls are leased to the respective master lessees at the time of acquisition. These carpark master leases will continue to be valid until their expiry as detailed in the respective carpark master lease agreements.

BY ORDER OF THE BOARD

LMIRT Management Ltd.
(Company registration no. 200707703M)
As manager of Lippo Malls Indonesia Retail Trust
Chan Lie Leng
Executive Director and Chief Executive Officer
Singapore
17 August 2017