



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

1. INTRODUCTION

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” and as manager of LMIR Trust, the “**Manager**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of LMIR Trust (the “**Trustee**”), has, on 9 October 2012, entered into conditional sale and purchase agreements, respectively:

(i) **Acquisition of Palembang Square**

with Polaris Investment Limited (the “**Palembang Square Vendor**”) in relation to the acquisition of 389 strata title units (*Hak Milik Atas Satuan Rumah Susun*) in Palembang Square, a four-level retail mall located in Palembang, South Sumatra, Indonesia, bearing the postal address Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province (“**Palembang Square**”, and the acquisition of Palembang Square, the “**Palembang Square Acquisition**”) (the “**Palembang Square SPA**”). Palembang Square is part of a mixed-use development consisting of a hotel, a proposed hospital and Palembang Square Extension (as defined below) and has a net lettable area (“**NLA**”) (after the completion of a refurbishment and repositioning exercise (“**AEI**”)) of 31,448 square metres (“**sq m**”). The strata title units are built on a plot of land with a Right to Build (*Hak Guna Bangunan* or “**HGB**”) title with an expiry date of 1 September 2039. Further details in respect of the structure of the Palembang Square Acquisition are set out at paragraph 3 below;

(ii) **Acquisition of Palembang Square Extension**

with the Palembang Square Vendor in relation to the acquisition of Palembang Square Extension, a one-level underground retail mall located in Palembang, South Sumatra, Indonesia, bearing the postal address Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province (“**Palembang Square Extension**”, and the acquisition of Palembang Square Extension, the “**Palembang Square Extension Acquisition**”) (the “**Palembang Square Extension SPA**”). Palembang Square Extension is part of a mixed-use development consisting of a hotel, a proposed hospital and an existing mall and has

an NLA of 17,326 sq m. Palembang Square Extension is directly connected to Palembang Square, as mentioned in sub-paragraph (i) above. The Palembang Square Extension is built on a parcel of land of the Right to Use (*Hak Pakai*) No. 419/Lorok Pakjo covered pursuant to a “Build Operate and Transfer” (“**BOT**”) agreement dated 25 January 2011 between the South Sumatera Government (as grantor under the BOT agreement) and PT Palembangparagon Mall (as grantee under the BOT agreement), with an expiry date of 24 January 2041. Further details in respect of the structure of the Palembang Square Extension Acquisition are set out at paragraph 4 below;

(iii) Acquisition of Tamini Square

with Estilo Investment Pte. Ltd. (the “**Tamini Square Vendor**”) in relation to the acquisition of 37 strata title units (*Hak Milik Atas Satuan Rumah Susun*) in Tamini Square, a seven-level (including two basement levels) strata-titled retail mall and located in the city of Jakarta, Indonesia, bearing the postal address Jalan Raya Taman Mini Pintu 1 No. 15, Pinang Ranti Sub District, Makasar District, East Jakarta Region, DKI Jakarta Province. The 37 strata title certificates shall for the purpose of this announcement be known as “**Tamini Square**”, and the acquisition of Tamini Square shall be known as the “**Tamini Square Acquisition**”) (the “**Tamini Square SPA**”). Tamini Square has an NLA of 17,475 sq m. The strata title units are built on a plot of land with a HGB title with an expiry date of 28 April 2025. Further details in respect of the structure of the Tamini Square Acquisition are set out at paragraph 5 below; and

(iv) Acquisition of Kramat Jati Indah Plaza

with Pinnacle Investments Limited (the “**KJI Vendor**”) in relation to the acquisition of Kramat Jati Indah Plaza, a five-level (including one basement level) retail mall with an NLA of 32,540 sq m, located in the city of Jakarta, Indonesia, bearing the postal address Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province and which is covered by three HGB certificates (*Sertipikat Hak Guna Bangunan* or “**SHGB**”) (“**KJI**”, and the acquisition of KJI, the “**KJI Acquisition**”) (the “**KJI SPA**”):

	SHGB No.	Date of Issue and Expiry Date
1.	SHGB No. 15	29 October 1984 to 24 October 2024
2.	SHGB No. 24	23 May 1987 to 17 May 2027
3.	SHGB No. 42	07 November 1991 to 2 November 2031

Further details in respect of the structure of the Palembang Square Acquisition are set out at paragraph 6 below.

The Palembang Square Vendor, the Tamini Square Vendor and the KJI Vendor are not related to any of the Manager, the Trustee or PT Lippo Karawaci Tbk, the sponsor of LMIR Trust. For the avoidance of doubt, the Palembang Square Acquisition, the Palembang Square

Extension Acquisition, the Tamini Square Acquisition and the KJI Acquisition (collectively, the “**Acquisitions**”) are not Interested Person¹ transactions or Interested Party² transactions under the listing manual of the SGX-ST (“**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore in (the “**Property Funds Appendix**”), respectively.

The Manager proposes to finance the Acquisitions from the proceeds raised from the issuance of the S\$200,000,000 4.88% Notes due 2015 and S\$50,000,000 5.875% Notes due 2017 (collectively, the “**Notes**”) pursuant to the S\$750,000,000 Guaranteed Euro Medium Term Note Programme established by LMIRT Capital Pte. Ltd. (a wholly-owned subsidiary of LMIR Trust) (the “**EMTN Programme**”), as announced by the Manager on 26 June 2012.

2. RATIONALE FOR THE ACQUISITIONS

The Manager believes that the Acquisitions will bring the following key benefits to unitholders of LMIR Trust (“**Unitholders**”):

- (i) acquisition of retail mall assets at discounts to independent valuations while offering stable occupancies and leasing up opportunities;
- (ii) opportunity to enhance the earnings of LMIR Trust;
- (iii) the properties which are the subject of the Acquisitions (the “**Properties**”) are located at strategic locations with high retail traffic;
- (iv) increased economies of scale in operations and marketing; and
- (v) diversification of LMIR Trust's asset portfolio to minimise concentration risk.

The above rationales are further elaborated below.

2.1 Acquisition of Retail Mall Assets at Discounts to Independent Valuations while offering Stable Occupancies and Leasing Up Opportunities

The Acquisitions represent an opportunity for LMIR Trust to acquire income producing quality properties below their independent valuations, and are in line with the Manager's acquisition growth strategy of owning retail and/or retail related properties to optimise Unitholders' returns, as well as providing potential capital appreciation and long-term growth.

1 “**Interested Person**” has the same meaning as “**Interested Party**” in the Property Funds Appendix.

2 “**Interested Party**” means:

- (i) A director, chief executive officer or controlling shareholder of the Manager, the Trustee or controlling unitholder of LMIR Trust; or
- (ii) An associate of any director, chief executive officer or controlling shareholder of the Manager, or an associate of the Manager, the Trustee or any controlling unitholder of LMIR Trust.

Property	Purchase Consideration ⁽¹⁾	Independent Valuation conducted by KJPP Rengannis, Hamid & Rekan in strategic alliance with CB Richard Ellis (“KJPP RHP”)	Discount to Valuation (%)
Palembang Square	Rp.467.0 billion (S\$59.9 million)	Rp.583.0 billion (S\$74.8 million)	19.9%
Palembang Square Extension	Rp. 221.5 billion (S\$28.4 million)	Rp.232.0 billion (S\$29.8 million)	4.5%
Tamini Square	Rp.180.0 billion (S\$23.1 million)	Rp.235.0 billion (S\$30.1 million)	23.4%
KJI	Rp.540.0 billion (S\$69.3million)	Rp.552.0 billion (S\$70.8 million)	2.2%

Note:

(1) Based on the relevant exchange rate of S\$1.00 to Rp. 7,795.3 as at 9 October 2012 (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.

The Acquisitions comprise mature and stable assets, namely Palembang Square and Tamini, as well as two malls which have undergone substantial refurbishment. As at 30 June 2012, the occupancy rates of Palembang Square and Tamini Square were 96.4% and 100.0% respectively. The high occupancy rates are a reflection of the strong demand for retail space in Jakarta and Palembang, where the Properties are located. As at 30 June 2012, the occupancy rates of Palembang Square Extension and KJI were 85.3% and 50.8% respectively. These two malls have undergone substantial refurbishment over the past year, and have substantially completed their AEI work as at the third quarter of 2012 (“**3Q2012**”). As such, the Manager expects the operations at these two malls to improve as new leases are signed up.

2.2 Opportunity to enhance the earnings of LMIR Trust

Based on the pro forma financial statements for the year ended 31 December 2011, the net property income (“**NPI**”) contribution from Palembang Square, Tamini Square and KJI (thereby excluding the Palembang Square Extension) was S\$11.0 million. Meanwhile, the Palembang Square Extension would further contribute a 0.5% increase to the NPI of LMIR Trust (on a pro forma basis) based on the six-month period ended 30 June 2012.

2.3 Strategic Locations with High Retail Traffic

The Properties are strategically located across Jakarta and in Palembang (the second largest city in Sumatra), giving LMIR Trust access to the dense population located in these cities, thereby ensuring high retail traffic at these Properties.

LMIR Trust’s retail malls are positioned as “Everyday Malls” that provide necessities (such as supermarkets and family shopping) to the community living in the regions neighbouring its

retail malls and targets the middle income population in densely populated cities in Indonesia. The positioning of the Properties is in line with LMIR Trust's targeted market segment comprising of Indonesia's expanding and prospering urban middle class segment.

2.4 Increased Economies of Scale in Operations and Marketing

The Acquisitions will enable LMIR Trust to enlarge its presence in the retail mall sector in Indonesia and benefit from increased economies of scale as the Manager and the property manager(s) of the enlarged portfolio of LMIR Trust (including the Properties) can spread certain operating costs (e.g. staff and personnel costs) over a larger portfolio, and can also obtain cost savings due to its stronger bargaining position with suppliers and service providers.

The Acquisitions are similarly expected to deliver economies of scale and benefit the marketing and leasing activities of LMIR Trust by expanding and deepening LMIR Trust's portfolio of key tenant relationships with tenants of the Properties who are currently not tenants of LMIR Trust's malls.

2.5 Diversification of Assets Portfolio to Minimise Concentration Risks

The Acquisitions 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 including the Properties.

Following the Acquisitions, the maximum contribution to LMIR Trust's Net Property Income by any single property within LMIR Trust's property portfolio is expected to decrease to around 15%. Further income diversification means greater resilience and stability of income streams for LMIR Trust, thus benefiting its Unitholders.

3. THE PALEMBANG SQUARE ACQUISITION

3.1 Structure of the Palembang Square Acquisition

The Manager is seeking to acquire Palembang Square for a purchase consideration of Rp.467.0 billion (S\$59.9 million) (the "**Palembang Square Purchase Consideration**") from the Palembang Square Vendor. It is proposed that the Palembang Square Acquisition be carried out by LMIR Trust indirectly via the acquisition by PT Jaya Integritas ("**PT JI**"), a wholly-owned subsidiary of Elsinor Investments Pte. Ltd. ("**Elsinor**") (which is in turn to be acquired by the Trustee from the Palembang Square Vendor), of Palembang Square from PT Bayu Jaya Lestari Sukses and PT Intika Semesta Persada. **Appendix A** to this Announcement sets out a chart illustrating the structure under which Palembang Square is proposed to be held by LMIR Trust upon completion of the Palembang Square Acquisition.

3.2 Valuation

The independent property valuer, KJPP RHP, has been appointed by the Manager to value Palembang Square. The appraised value of Palembang Square (as at 30 June 2012) is Rp.583.0 billion (S\$74.8 million) and the Palembang Square Purchase Consideration is

Rp.467.0 billion (S\$59.9 million). The Palembang Square Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the independent valuation of Palembang Square by KJPP RHP.

3.3 Conditions Precedent for the Completion of the Palembang Square Acquisition

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

3.3.1 there being no compulsory acquisition of Palembang Square or any part of it, and no notice of an intended compulsory acquisition has been given, or is anticipated by the government or other competent authority;

3.3.2 Palembang Square is not materially damaged; and

3.3.3 the entry into of the Palembang Square Deed of Indemnity (as defined below).

3.4 Deed of Indemnity relating to Palembang Square

The Trustee has also entered into a deed of indemnity with Pikko Land Corporation ("**Pikko**") pursuant to which Pikko will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the Palembang Square Acquisition, subject to certain terms and conditions (the "**Palembang Square Deed of Indemnity**").

4. THE PALEMBANG SQUARE EXTENSION ACQUISITION

4.1 Structure of the Palembang Square Extension Acquisition

The Manager is seeking to acquire Palembang Square Extension for a purchase consideration of Rp.221.5 billion (S\$28.4 million) (the "**Palembang Square Extension Purchase Consideration**") from the Palembang Square Extension Vendor. Palembang Square Extension is held under a BOT scheme pursuant to a BOT agreement dated 25 January 2011 ("**BOT Agreement**"). It is proposed that the Palembang Square Extension Acquisition will be carried out by LMIR Trust indirectly via the acquisition of Novicio Investment Pte. Ltd. ("**Novicio**"), which owns 100% of PT Palembangparagon Mall ("**PT PPM**"), which is in turn the grantee under the BOT scheme in respect of Palembang Square Extension. Novicio also owns 100% of PT Cahaya Bimasakti Nusantara ("**PT CBN**"), which in turn holds the ownership of the machinery and equipment for Palembang Square Extension. **Appendix B** to this Announcement sets out a chart illustrating the structure under which Palembang Square Extension is proposed to be held by LMIR Trust upon completion of the Palembang Square Extension Acquisition.

4.2 Valuation

KJPP RHP has been appointed by the Manager to value Palembang Square Extension. The appraised value of Palembang Square Extension (as at 30 June 2012) is Rp.232.0 billion (S\$29.8 million) and the Palembang Square Extension Purchase Consideration is Rp.221.5

billion (S\$28.4 million). The Palembang Square Extension Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the independent valuation of Palembang Square Extension by KJPP RHP.

4.3 Conditions Precedent for the Completion of the Palembang Square Extension Acquisition

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

- 4.3.1 there being no compulsory acquisition of Palembang Square Extension or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;
- 4.3.2 Palembang Square Extension is not materially damaged; and
- 4.3.3 the entry into of the Palembang Square Extension Deed of Indemnity (as defined below).

4.4 Deed of Indemnity relating to Palembang Square Extension

The Trustee has also entered into a deed of indemnity with Pikko pursuant to which Pikko will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the Palembang Square Extension Acquisition, subject to certain terms and conditions (the "**Palembang Square Extension Deed of Indemnity**").

5. THE TAMINI SQUARE ACQUISITION

5.1 Structure of the Tamini Square Acquisition

The Manager is seeking to acquire Tamini Square, which is located in the city of Jakarta, Indonesia for a purchase consideration of Rp.180.0 billion (S\$23.1 million) (the "**Tamini Square Purchase Consideration**") from the Tamini Square Vendor. It is proposed that the Tamini Square Acquisition be carried out by LMIR Trust indirectly via the acquisition by PT Cahaya Megah Nusantara ("**PT CMN**"), a wholly-owned subsidiary of Estilo Investment Pte. Ltd. ("**Estilo**") (which is in turn to be acquired by the Trustee from the Tamini Square Vendor), of Tamini Square from PT Kencana Graha Lestari. **Appendix C** to this Announcement sets out a chart illustrating the structure under which Tamini Square is proposed to be held by LMIR Trust upon completion of the Tamini Square Acquisition.

5.2 Valuation

KJPP RHP has been appointed by the Manager to value Tamini Square. The appraised value of Tamini Square (as at 30 June 2012) is Rp.235.0 billion (S\$30.1 million) and the Tamini Square Purchase Consideration is Rp.180.0 billion (S\$23.1 million). The Tamini Square Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the independent valuation of Tamini Square by KJPP RHP.

5.3 Conditions Precedent for the Completion of the Tamini Square Acquisition

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

- 5.3.1 there being no compulsory acquisition of Tamini Square or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;
- 5.3.2 Tamini Square is not materially damaged; and
- 5.3.3 the entry into of the Tamini Square Deed of Indemnity (as defined below).

5.4 Deed of Indemnity relating to Tamini Square

The Trustee has also entered into a deed of indemnity with Pikko pursuant to which Pikko will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the Tamini Square Acquisition, subject to certain terms and conditions (the “**Tamini Square Deed of Indemnity**”).

6. THE KJI ACQUISITION

6.1 Structure of the KJI Acquisition

The Manager is seeking to acquire KJI, which is located in the city of Jakarta, Indonesia for a purchase consideration of Rp.540.0 billion (S\$69.3 million) (the “**KJI Purchase Consideration**”) from the KJI Vendor. It is proposed that the KJI Acquisition be carried out by LMIR Trust indirectly via the acquisition of Ultimo Investment Pte. Ltd. (“**Ultimo**”), which holds 100% of PT Benteng Teguh Perkasa (“**PT BTP**”), which in turn holds KJI. **Appendix D** to this Announcement sets out a chart illustrating the structure under which KJI is proposed to be held by LMIR Trust upon completion of the KJI Acquisition.

6.2 Valuation

KJPP RHP has been appointed by the Manager to value KJI. The appraised value of KJI (as at 30 June 2012) is Rp.552.0 billion (S\$70.8 million) and the KJI Purchase Consideration is Rp.540.0 billion (S\$69.3 million). The KJI Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into account the independent valuation of KJI by KJPP RHP.

6.3 Conditions Precedent for the Completion of the KJI Acquisition

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

- 6.3.1 there being no compulsory acquisition of KJI or any part of it, and no notice of such intended compulsory acquisition or resumption has been given, by the government or other competent authority;
- 6.3.2 KJI is not materially damaged;
- 6.3.3 the entry into of the KJI Deed of Indemnity (as defined below); and
- 6.3.4 the entry into of the KJI Deed of Rental Guarantee (as defined below).

6.4 Deed of Indemnity relating to KJI

The Trustee has also entered into a deed of indemnity with Pikko pursuant to which Pikko will indemnify the Trustee against certain liabilities or damages suffered by the Trustee arising out of or in connection with the KJI Acquisition, subject to certain terms and conditions (the “**KJI Deed of Indemnity**”).

6.5 Deed of Rental Guarantee relating to KJI

KJI had undergone an AEI, with substantial part of the works having been completed in 3Q2012.

As at June 2012, the occupancy rate at KJI was approximately 51%. As a large part of the AEI has now been completed, the mall operations are expected to improve and occupancy is projected to increase upon stabilisation of the mall. In the interim, the KJI Vendor has provided a rental guarantee to LMIR Trust in respect of KJI pursuant to a deed of rental guarantee (the “**KJI Deed of Rental Guarantee**”), which is for the amount of Rp.10.75 billion (S\$1.4 million) per quarter (“**Guaranteed Sum**”) for FY2013 and FY2014 (which will be partially backed by a banker’s guarantee for the amount of Rp.15.00 billion (S\$1.9 million).)

The KJI Deed of Rental Guarantee is a rental revenue guarantee and is intended to insulate LMIR Trust from unforeseen changes or disruptions in the business conditions of KJI or the Indonesia retail market. Under the terms of the KJI Deed of Rental Guarantee, the KJI Vendor, being the guarantor, will make good any shortfall between the actual rent achieved by KJI and the agreed rental guarantee amount for each of the respective quarters during FY2013 and FY2014.

The board of directors of the Manager is of the view that the KJI Deed of Rental Guarantee is in the interest of LMIR Trust as it offers protection to LMIR Trust in the event that the gross rental revenue in respect of KJI for the relevant quarter falls below the guaranteed amount for the term of the KJI Deed of Rental Guarantee.

7. ADDITIONAL COSTS OF THE ACQUISITIONS

7.1 Acquisition Fees

LMIR Trust is expected to incur an aggregate acquisition fee of Rp.14.1 billion (S\$1.8 million) in relation to the Acquisitions (the “**Acquisition Fee**”) (equal to 1.0% of the aggregate

purchase consideration of the Properties), which is payable in cash to the Manager pursuant to Clause 15.2.1 of the trust deed dated 8 August 2007 constituting LMIR Trust (as amended) (the “Trust Deed”).

7.2 Other Fees in connection with the Acquisitions

LMIR Trust is expected to incur estimated professional and other fees and expenses of approximately S\$1.6 million in connection with the Acquisitions. LMIR Trust had also incurred underwriting fees, professional and other fees and expenses of S\$4.0 million in connection with the issuance of the Notes and the establishment of the EMTN Programme.

The total cost of the Acquisitions, inclusive of the aggregate purchase consideration of the Properties and the Acquisition Fee payable to the Manager, as well as other estimated professional and other fees and expenses incurred in connection with the Acquisitions is expected to be Rp.1,466.2 billion (S\$188.1 million) (“**Total Acquisition Cost**”).

8. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITIONS

8.1 Pro Forma Financial Effects

The pro forma financial effects of the Acquisitions presented below are strictly for illustrative purposes only and were prepared based on:

- (i) LMIR Trust’s audited consolidated financial statements for FY2011 (the “**FY2011 Audited Consolidated Financial Statements**”); and
- (ii) the unaudited consolidated financial statements of LMIR Trust for the six months ended 30 June 2012 (the “**6M 2012 Unaudited Financial Statements**”),

and assuming:

- (a) the Total Acquisition Cost of S\$188.1 million will be paid in full in cash;
- (b) the cash component is funded by the proceeds from the Notes at a weighted average interest rate of 5.079% per annum; and
- (c) a rental guarantee in respect of KJI amounting to Rp.10.75 billion (S\$1.4 million) per quarter will be provided by the KJI Vendor.

8.2 Financial Year ended 31 December 2011

Pro forma DPU

The pro forma financial effects of the Acquisitions on the DPU for LMIR Trust for FY2011, as if LMIR Trust had purchased the Properties on 1 January 2011, and held and operated the Properties through to 31 December 2011, are as follows:

	<u>Actual⁽¹⁾</u>	<u>Pro Forma</u>
Distributable income (S\$'000) ⁽²⁾	47,446	46,508
Units in issue and to be issued.....	2,174,682,008	2,175,947,722 ⁽³⁾
DPU (cents) ⁽⁴⁾	2.18	2.14

Notes:

- (1) Based on the FY2011 Audited Consolidated Financial Statements.
- (2) Distributable income includes Unitholders' distribution from operations and return of capital.
- (3) The number of Units is arrived at after taking into account the issuance of new Units in payment of the performance fees as a result of additional Net Property Income after the Acquisitions.
- (4) The DPU is derived at by taking into account the distributable income for FY2011, divided by the total number of Units in issue and to be issued as at 31 December 2011.

Pro forma NAV per Unit

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 December 2011, as if LMIR Trust had purchased the Properties on 31 December 2011, are as follows:

	<u>Actual⁽¹⁾</u>	<u>Pro Forma</u>
NAV (S\$ '000).....	1,299,869	1,299,869
Units in issue and to be issued.....	2,174,682,008	2,174,682,008
NAV per Unit (cents).....	59.77	59.77

Note:

- (1) Based on the FY2011 Audited Consolidated Financial Statements.

Pro forma capitalisation

The following table sets forth the pro forma capitalisation of LMIR Trust as at 31 December 2011, as if LMIR Trust had purchased the Properties on 31 December 2011.

	<u>As at 31 December 2011</u>	
	<u>Actual⁽¹⁾</u>	<u>Pro Forma</u>
	(S\$ '000)	(S\$ '000)
Short-term debt:		
Unsecured	-	-
Secured	-	-
Total short-term debt	-	-
Long-term debt:		
Unsecured	-	177,000
Secured	147,500	147,500
Total long-term debt	147,500	324,500
Total debt	147,500	324,500

	As at 31 December 2011	
	Actual⁽¹⁾	Pro Forma
Unitholders funds.....	1,299,869	1,299,869
Total Capitalisation	1,447,369	1,624,369

Note:

(1) Based on the FY2011 Audited Consolidated Financial Statements.

8.3 Six Months ended 30 June 2012

Pro forma DPU

The pro forma financial effects of the Acquisitions on the DPU for LMIR Trust for the 6 months ended 30 June 2012 ("**6M2012**"), as if LMIR Trust had purchased the Properties on 1 January 2012, and held and operated the Properties through to 31 December 2012, are as follows:

	Actual⁽¹⁾	Pro Forma
Distributable income (S\$'000) ⁽²⁾	32,130	30,857
Units in issue and to be issued.....	2,180,663,153	2,181,276,311 ⁽³⁾
DPU (cents) ⁽⁴⁾	1.48	1.41

Notes:

- (1) Based on the 6M2012 Unaudited Financial Statements.
- (2) Distributable income includes Unitholders' distribution from operations and return of capital.
- (3) The number of Units is arrived at after taking into account the issuance of new Units in payment of the performance fees as a result of additional Net Property Income after the Acquisitions.
- (4) The DPU is derived at by taking into account the distributable income for 6M2012, divided by the total number of Units in issue and to be issued as at 30 June 2012.

Pro forma NAV per Unit

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 30 June 2012, as if LMIR Trust had purchased the Properties on 30 June 2012, are as follows:

	Actual⁽¹⁾	Pro Forma
NAV (S\$ '000).....	1,215,527	1,215,527
Units in issue and to be issued.....	2,180,663,153	2,180,663,153
NAV per Unit (cents).....	55.74	55.74

Note:

(1) Based on the 6M2012 Unaudited Financial Statements.

Pro forma capitalisation

The following table sets forth the pro forma capitalisation of LMIR Trust as at 30 June 2012, as if LMIR Trust had purchased the Properties on 30 June 2012.

	As at 30 June 2012	
	Actual⁽¹⁾	Pro Forma
	(S\$ '000)	(S\$ '000)
Short-term debt:		
Unsecured	-	-
Secured	-	-
Total short-term debt	-	-
Long-term debt:		
Unsecured	-	194,000
Secured	147,500	147,500
Total long-term debt	147,500	341,500
Total debt	147,500	341,500
Unitholders funds.....	1,215,527	1,215,527
Total Capitalisation	1,363,027	1,557,027

Note:

(1) Based on the 6M2012 Unaudited Financial Statements.

9. OTHER INFORMATION

9.1 Relative Figures Computed on the Bases set out in Rule 1006 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

- (i) the net asset value of the assets to be disposed of, compared with net asset value (not applicable to the Acquisitions);
- (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
- (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 Acquisitions).

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

None of the relative figures in relation to the Acquisitions computed on the bases set out above exceed 20.0%. Furthermore, none of the Acquisitions are 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 Unitholders, the relative figures for the Acquisitions using the applicable bases of comparison described in sub-paragraphs 9.1(ii) and 9.1(iii) are set out in the table below.

Comparison of:	The Properties	LMIR Trust	Relative Figure
Net Property Income ⁽¹⁾⁽²⁾⁽³⁾	Palembang Square: Rp.23.1 billion (S\$3.3 million)	Rp.638.5 billion (S\$92.0 million)	3.6%
	Tamini Square: Rp.17.9 billion (S\$2.6 million)		2.8%
	KJI: Rp.35.7 billion (S\$5.1 million) ⁽⁴⁾		5.6%
	Total Net Property Income of Palembang Square, Tamini Square and KJI: Rp.76.7 billion (S\$11.0 million)		
Net Property Income ⁽⁵⁾⁽⁶⁾	Palembang Square Extension: Rp.2.3 billion (S\$0.3 million)	Rp.445.0 billion (S\$61.6 million)	0.5%
Purchase Consideration against LMIR Trust's market capitalisation	Palembang Square: Rp.467.0 billion (S\$59.9 million) ⁽⁷⁾	LMIR Trust's market capitalisation: S\$1,004.6 million ⁽⁸⁾⁽⁹⁾	6.0%
	Palembang Square Extension: Rp.221.5 billion (S\$28.4 million) ⁽⁷⁾		2.8%
	Tamini Square: Rp.180.0 billion (S\$23.1 million) ⁽⁷⁾		2.3%
	KJI: Rp.540.0 billion (S\$69.3 million) ⁽⁷⁾		6.9%
	Total Purchase Consideration of the Properties : Rp.1,408.5 billion (S\$180.7 million) ⁽⁷⁾		

Notes:

- (1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.
- (2) Based on the FY2011 Audited Consolidated Financial Statements.
- (3) Based on FY2011 average rupiah exchange rate of S\$1.00 to Rp.6,939.1.
- (4) Includes the rental guarantee income from the KJI Vendor.
- (5) Based on the 6M2012 Unaudited Consolidated Financial Statements.
- (6) Based on the 6M2012 average rupiah exchange rate of S\$1.00 to Rp.7,224.8.
- (7) Based on the relevant exchange rate of S\$1.00 to Rp.7,795.3 as at 9 October 2012.
- (8) Based on the closing price of S\$0.46 per Unit on the SGX-ST on 3 October 2012.
- (9) Based on Units in issue as at 3 October 2012.

9.2 Interests of Directors and Substantial Unitholders³

9.2.1 Interests of Directors of the Manager

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

Unitholder	Direct Interest	Deemed Interest	Total Interest	% Interest ⁽¹⁾
Mr Albert Saychuan Cheok	400,000	-	400,000	0.018
Ms Viven Gouw Sitiabudi	-	-	-	-
Mr Douglas Chew	-	-	-	-
Mr Bunjamin J. Mailool.....	-	-	-	-
Mr Lee Soo Hoon, Phillip.....	-	-	-	-
Mr Goh Tiam Lock.....	-	-	-	-

Note:

(1) The percentage interest is based on the total number of issued Units of 2,183,818,115 as at the date of this announcement.

Save as disclosed above and based on information available to the Manager, none of the Directors has an interest, direct or indirect, in the Acquisitions.

9.2.2 Interests of Substantial Unitholders

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

Unitholder	Direct Interest	Deemed Interest	Total Interest	% Interest ⁽¹⁾
Bridgewater International Ltd (“BIL”).....	591,023,888	-	591,023,888	27.06
PT. Sentra Dwimandiri (“PTSD”) ⁽²⁾	-	591,023,888	591,023,888	27.06
PT Lippo Karawaci Tbk ⁽³⁾ ..	-	654,014,003	654,014,003	29.95

Notes:

(1) The percentage interest is based on the total number of issued Units of 2,183,818,115 as at the date of this announcement.

(2) PTSD directly and/or through its subsidiaries wholly-owns BIL and is deemed to be interested in the Units held by BIL.

(3) PT Lippo Karawaci Tbk directly and/or through its subsidiaries wholly-owns BIL and is deemed to be interested in the Units held by BIL. PT Lippo Karawaci Tbk also directly and/or through its subsidiaries wholly-owns the Manager and is deemed to be interested in the 62,990,115 Units (representing 2.88% of the total number of issued Units) held by the Manager.

³ “Substantial Unitholders” refers to Unitholders with an interest in more than 5.0% of all Units in issue.

As at the date of this announcement, the Sponsor, directly and/or through its subsidiaries and through its interest in the Manager (i) has deemed interests of 29.95% in LMIR Trust and (ii) wholly-owns the Manager, and is therefore regarded as a “controlling unitholder” of LMIR Trust and “controlling shareholder” of the Manager under both the Listing Manual and (where applicable) the Property Funds Appendix.

Based on information available to the Manager in the Register of Unitholders, the other Substantial Unitholder is APG Algemene Pensioen Groep N.V. (9.89%).

9.3 Directors’ Service Contracts

No person is proposed to be appointed as a Director in relation to the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

10. 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 049321⁴ from the date of this announcement up to and including the date falling three months thereafter:

- (i) the Palembang Square SPA (which contains the form of (a) the Palembang Square Deed of Indemnity and (b) the conditional property sale and purchase agreement in relation to the acquisition of Palembang Square by PT JI);
- (ii) the Palembang Square Extension SPA (which contains the form of the Palembang Square Extension Deed of Indemnity);
- (iii) the Tamini Square SPA (which contains (a) the form of Tamini Square Deed of Indemnity and (b) the conditional property sale and purchase agreement in relation to the acquisition of Tamini Square by PT CMN);
- (iv) the KJI SPA (which contains the form of (a) the KJI Deed of Indemnity and (b) the KJI Deed of Rental Guarantee);
- (v) the full valuation report on Palembang Square by KJPP RHP;
- (vi) the full valuation report on Palembang Square Extension by KJPP RHP;
- (vii) the full valuation report on Tamini Square by KJPP RHP; and
- (viii) the full valuation report on KJI by KJPP RHP.

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.

⁴ Prior appointment with the Manager will be appreciated.

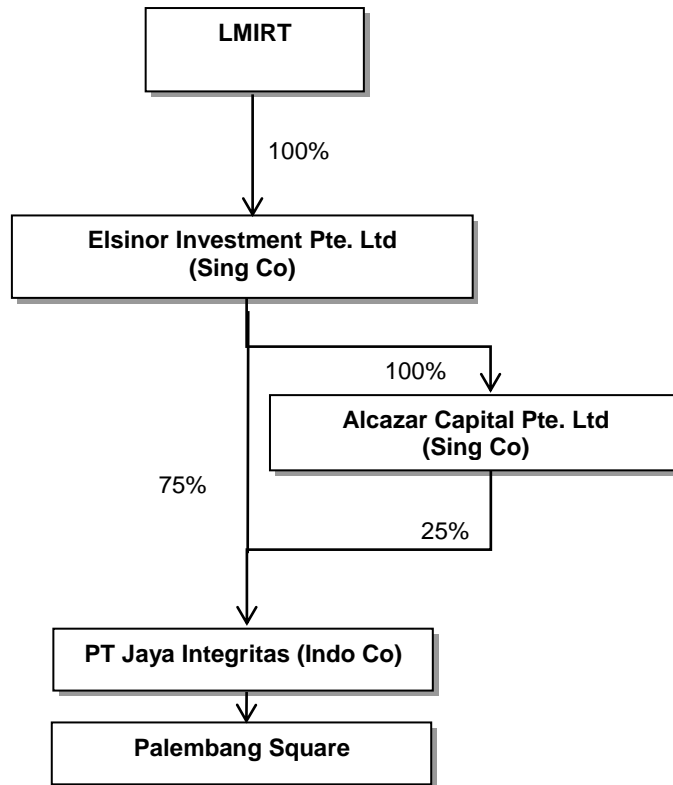
By Order of the Board

Ms Viven Gouw Sitiabudi
Executive Director of the Board and Chief Executive Officer
LMIRT Management Ltd.
(as manager of Lippo Malls Indonesia Retail Trust)
(Company registration no. 200707703M)

10 October 2012

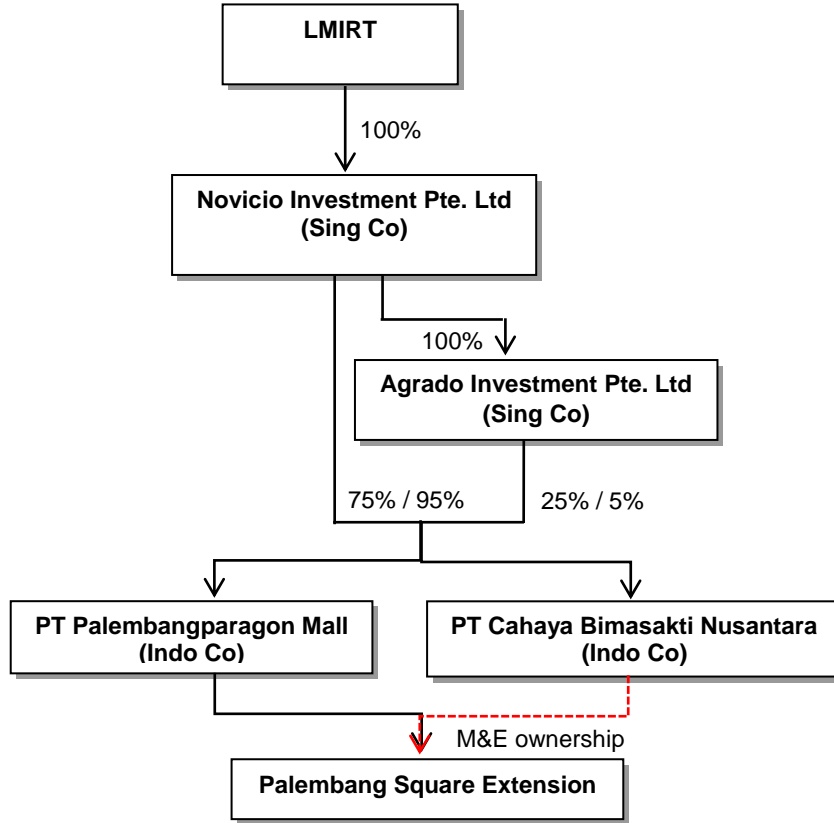
APPENDIX A

Chart illustrating the structure under which Palembang Square is proposed to be held by LMIR Trust upon completion of the Palembang Square Acquisition



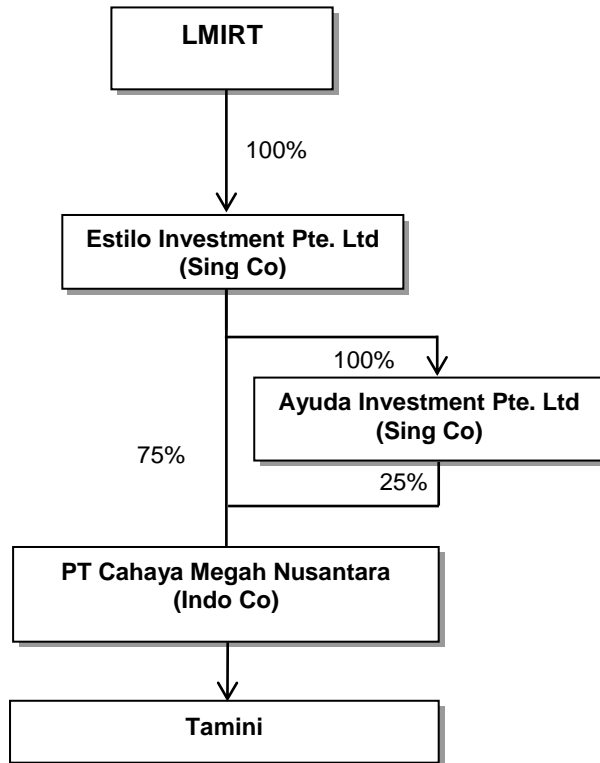
APPENDIX B

Chart illustrating the structure under which Palembang Square Extension is proposed to be held by LMIR Trust upon completion of the Palembang Square Extension Acquisition



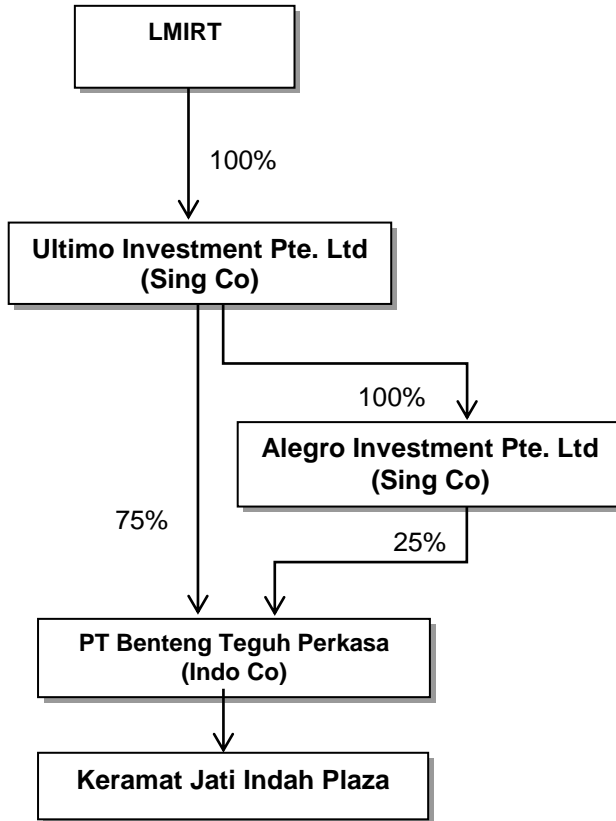
APPENDIX C

Chart illustrating the structure under which Tamini Square is proposed to be held by LMIR Trust upon completion of the Tamini Square Acquisition



APPENDIX D

Chart illustrating the structure under which KJI is proposed to be held by LMIR Trust upon completion of the KJI Acquisition



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.