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LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

PLACEMENT OF 117,647,000 NEW UNITS (THE "NEW UNITS") IN LIPPO MALLS INDONESIA RETAIL TRUST ("LMIR TRUST") AT AN ISSUE PRICE OF S\$0.34 PER NEW UNIT TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$40.0 MILLION

1. INTRODUCTION

LMIR Management Ltd., in its capacity as manager of LMIR Trust (the "**Manager**"), is proposing to carry out a placement of 117,647,000 New Units to institutional and other investors at an issue price of S\$0.34 per New Unit (the "**Issue Price**") to raise gross proceeds of approximately S\$40.0 million (the "**Placement**").

2. DETAILS OF THE PLACEMENT

The Manager, Standard Chartered Securities (Singapore) Pte. Limited (the financial adviser to the proposed equity fund raising as described in the circular to unitholders of LMIR Trust ("**Unitholders**") dated 22 October 2014) ("**SC**") and BNP Paribas, acting through its Singapore branch ("**BNP**", and together with SC, the "**Joint Bookrunners**" and each a "**Joint Bookrunner**") have today entered into a placement agreement (the "**Placement Agreement**") in relation to the Placement. Pursuant to the Placement Agreement, the Joint Bookrunners have agreed to, among others, procure subscriptions for or place out, as applicable, and failing which, to subscribe and pay for, the New Units to be issued pursuant to the Placement at the Issue Price (as defined below).

The Issue Price of S\$0.34 per New Unit represents a discount of:

- (i) 8.4% to the volume weighted average price of S\$0.3710 per unit in LMIR Trust ("**Unit**") for trades in the Units done on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 5 December 2014 (being the full Market Day¹ immediately preceding the date the Placement Agreement was signed) up to 12.00 p.m. today (being the time at which the trading halt was called earlier today); and

¹ "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

- (ii) (for illustrative purposes only) 7.0% to the adjusted volume weighted average price² of S\$0.3655 per Unit.

The Placement shall be subject to certain conditions precedent, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

3. ELIGIBILITY TO PARTICIPATE IN THE PLACEMENT

The offer of New Units under the Placement will be made to institutional and other investors.

The New Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold in offshore transactions in reliance on Regulation S under the Securities Act and may be offered and sold in the United States to “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act or another available exemption from registration under the Securities Act.

The Manager, along with the Joint Bookrunners, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

4. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds from the Placement (the “**Gross Proceeds**”) in the following manner:

- (i) approximately 97% of the Gross Proceeds will be used to fund the acquisition of Lippo Mall Kemang (the “**LMK Acquisition**”); and
- (ii) approximately 3% of the Gross Proceeds will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by LMIR Trust in connection with the Placement.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the Gross Proceeds from the Placement at its absolute discretion for other purposes.

Pending the deployment of the net proceeds from the Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

2 The adjusted volume weighted average price is computed based on the volume weighted average price of all trades in the Units on the SGX-ST on 5 December 2014 (being the full Market Day immediately preceding the date the Placement Agreement was signed) up to 12.00 p.m. today (being the time at which the trading halt was called earlier today) and subtracting the Advance Distribution (as defined in paragraph 7 below) of approximately 0.55 cents per Unit. This amount is an estimate only based on information currently available to the Manager, and the actual Advance Distribution may differ.

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The Manager will make periodic announcements on the utilisation of the net proceeds from the Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

5. RATIONALE FOR THE PLACEMENT

The Manager believes that the Placement will bring the following benefits to Unitholders:

(i) Strengthen LMIR Trust's balance sheet and capital structure

As part of its consistent growth strategy, LMIR Trust has recently secured approval from Unitholders for the acquisition of Lippo Mall Kemang at a purchase consideration of S\$385.7 million, which is expected to increase the size of LMIR Trust's portfolio by approximately 27% to S\$1.8 billion. It is the policy of the Manager to utilize a prudent mix of equity, debt, existing cash and consideration Units to fund LMIR Trust's acquisitions.

After a recent review of LMIR Trust's capital structure, the Manager has decided to only raise approximately S\$40.0 million under the Placement instead of S\$110.0 million which was initially envisaged. The difference in the amount will be covered by additional debt and internal sources of funds.

LMIR Trust's Aggregate Leverage³ is expected to remain below 35.0%. With the revised capital structure, the resultant accretion arising from the acquisition is expected to be more favourable.

(ii) Possible increase in trading liquidity of Units

The New Units to be issued pursuant to the Placement will increase the number of Units in issue by 117,647,000 Units, which is an increase of 4.8% of the total number of Units in issue.

This increase in the total number of Units in issue is expected to improve the level of trading liquidity of the Units.

6. AUTHORITY TO ISSUE NEW UNITS

The New Units will be issued pursuant to the mandate (the "**Mandate**") that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an extraordinary general meeting of Unitholders held on 12 November 2014 pursuant to which the Manager is authorised and empowered to issue up to 301,369,000 New Units pursuant to an equity fund raising to partially fund the LMK Acquisition.

3 "Aggregate Leverage" is defined in the Property Funds Appendix (Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**")) as the ratio of LMIR Trust's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its deposited property.

7. ADVANCE DISTRIBUTION

LMIR Trust's policy is to distribute its distributable income on a quarterly basis to Unitholders.

However, in connection with the Placement, the Manager intends to declare in respect of the Units in issue immediately prior to the issue of the New Units ("**Existing Units**"), a distribution of the distributable income for the period from 1 October 2014 to the day immediately prior to 17 December 2014, being the expected date on which the New Units are issued pursuant to the Placement (the "**Advance Distribution**").

The next distribution thereafter will comprise LMIR Trust's distributable income for the period from the day the New Units are issued pursuant to the Placement to 31 December 2014. Quarterly distributions will resume thereafter.

The Advance Distribution is intended to ensure that the distributable income accrued by LMIR Trust up to the day immediately preceding the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The Manager currently expects the distribution per Unit ("**DPU**") under the Advance Distribution to be approximately 0.55 cents per Unit⁴. The actual amount of the DPU under the Advance Distribution will be announced on a later date after the management accounts of LMIR Trust for the relevant period have been finalised.

(Please see the announcement dated 8 December 2014 issued by the Manager in relation to the notification of the time and date on which the transfer books and register of Unitholders will be closed to determine Unitholders' entitlement to the Advance Distribution.)

8. STATUS OF THE NEW UNITS

The indicative date of trading of the New Units on the SGX-ST will be on or around 17 December 2014.

Other than the Advance Distribution to which the New Units will not be entitled, the New Units issued pursuant to the Placement will, upon issue and allotment, rank *pari passu* in all respects with the Existing Units, including the right to any distributions which may be paid for the period from 17 December 2014, being the expected date on which the New Units are issued, to 31 December 2014, as well as all distributions thereafter.

For the avoidance of doubt, the New Units will not be entitled to participate in the distribution of any distributable income accrued by LMIR Trust prior to the date of issue of the New Units. Upon issue and allotment, the New Units will only be entitled to participate in LMIR Trust's distributable income for the period from the date of their issue (expected to take place on or around 17 December 2014), whereas the Existing Units are entitled to participate in LMIR Trust's distributable income in

4 The estimated distribution for the period from 1 October 2014 to the day immediately prior to the date on which the New Units are issued pursuant to the Placement is based on the Manager's pro-rated estimate of LMIR Trust's revenue and expenses for the quarter ending 31 December 2014. This amount is an estimate only based on information currently available to the Manager, and the actual Advance Distribution may differ.

respect of the period from 1 October 2014 to the date prior to the listing of the New Units.

9. APPLICATION TO THE SGX-ST FOR APPROVAL IN-PRINCIPLE

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such approval in-principle from the SGX-ST.

By Order of the Board

Mr Alvin Cheng Yu Dong
Executive Director of the Board and Chief Executive Officer
LMIRT Management Ltd.
(as manager of Lippo Malls Indonesia Retail Trust)
(Company registration no. 200707703M)

8 December 2014

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.

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

All figures in this announcement unless expressed differently or otherwise stated are rounded off to one decimal place.

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