



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

ANNOUNCEMENT

UPDATE ON THE ACQUISITION OF STRATA TITLE UNITS OF LIPPO MALL PURI – THE RIGHTS ISSUE

*Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the acquisition announcement dated 12 March 2019 (the “**Acquisition Announcement**”) and the update announcements dated 2 September 2019, 1 April 2020 and 31 August 2020 (the “**Update Announcements**”) in relation to the proposed acquisition of the strata title units of Lippo Mall Puri.*

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.10,600.

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**”) refers to the announcements dated 12 March 2019, 2 September 2019, 1 April 2020 and 31 August 2020 (the “**Announcements**”) in relation to the proposed acquisition of the strata title units of Lippo Mall Puri (the “**Property**”, and the proposed acquisition of the Property, the “**Acquisition**”). The Manager would like to provide additional details on the Rights Issue to part finance the Acquisition, the rationale for the Acquisition and the pro forma financial information on the Rights Issue and the Acquisition.

2. UPDATE ON THE METHOD OF FINANCING THE ACQUISITION – THE RIGHTS ISSUE

As stated in the Update Announcement on 31 August 2020, the Manager intends to finance the Acquisition Cost (excluding the acquisition fee payable to the Manager for the Acquisition (the “**Acquisition Fee**”), which will be paid through the issue of new units in LMIR Trust (units in LMIR Trust “**Units**” and the Units issued as payment for the Acquisition Fee, the “**Acquisition Fee Units**”)) through a combination of debt financing of up to S\$120.0 million, comprising bank debt and the Vendor Financing and proceeds from a renounceable non-underwritten rights issue of Rights Units to eligible Unitholders on a *pro rata* basis.

2.1 Rights Issue

The Manager proposes to raise gross proceeds of approximately S\$280.0 million through the Rights Issue. Based on an indicative issue price of S\$0.060 per Rights Unit, the Manager currently expects to issue 4,682,872,029 Rights Units (which is equivalent to approximately 160% of the 2,926,795,018 Units in issue as at 18 September 2020) by way of a non-underwritten renounceable rights issue to Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with The Central Depository (Pte) Limited are in Singapore as at the time and date on which the transfer books and register of

Unitholders will be closed to determine the provisional allotment of the Rights Units (the “**Eligible Unitholders**” and the time and date on which the transfer books and register of Unitholders will be closed to determine the provisional allotment of the Rights Units, the “**Rights Issue Record Date**”) on a *pro rata* basis of 160 Rights Units for every 100 Units held as at the Rights Issue Record Date (the Units in issue as at the Rights Issue Record Date, the “**Existing Units**”).

The actual terms and conditions of the Rights Issue will be set out in the offer information statement in connection with the Rights Issue to be lodged with the MAS and issued to Eligible Unitholders (“**Offer Information Statement**”). The Rights Issue is further conditional upon the lodgement of the Offer Information Statement with the MAS.

2.2 Issue Price

The indicative issue price of S\$0.060 per Rights Unit is at a discount of:

- (i) approximately 47.8% to the closing price of S\$0.115 per Unit on Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 17 September 2020, being the last trading day of the Units prior to the date of announcement (“**Closing Price**”);
- (ii) approximately 26.1% to the theoretical ex-rights price (“**TERP**”) of S\$0.081 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of LMIR Trust based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

and

- (iii) approximately 58.0% discount to the *pro forma* NAV per unit after the completion of the Rights Issue of S\$0.143 per Unit.

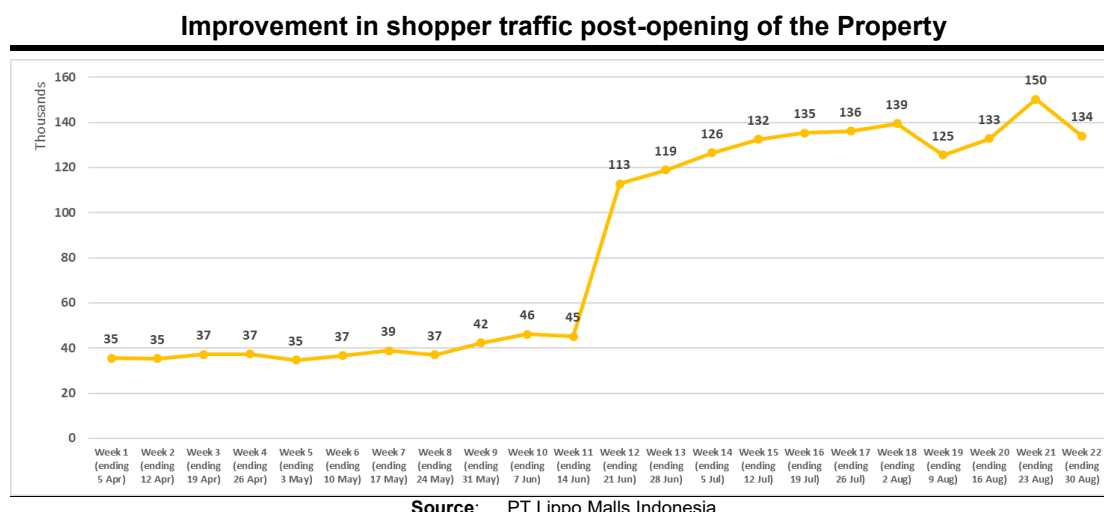
3. RATIONALE FOR THE ACQUISITION AND THE RIGHTS ISSUE

The Manager believes that the Acquisition and the Rights Issue will bring the following key benefits to Unitholders:

3.1 Acquisition of a strategic and iconic retail mall within a premium integrated development located within West Jakarta, an area with favourable demand and supply dynamics

The Acquisition of the Property, which will become the flagship asset of LMIR Trust, represents an opportunity for LMIR Trust to acquire a best-in-class retail mall in West Jakarta. Given its strategic location in the Puri Indah Central Business District (“**CBD**”), the Property has established itself as one of the most iconic and well-known retail malls in West Jakarta, and has successfully garnered attention and several accolades through its innovative marketing and publicity efforts. As of 2019, the Property serves 17.0 million visitors per year, with its 333 tenancies spread across a full and extensive range of retail, dining, entertainment and leisure options. While visitor numbers were impacted by the temporary closure of the Property (with the exception of essential services) from 27 March 2020 to 15 June 2020,

shopper traffic has recovered as of 11 September 2020 to approximately 45.0% of the levels seen prior to the Covid-19 pandemic outbreak. This improvement occurred despite the continued imposition of social distancing restrictions and measures on the Property including the continued closure of leisure-related retailers.



Evident from the strong historical traffic trends and continued improvement post re-opening, the Property remains attractive to shoppers in the region as it is supported by the surrounding large local catchment with strong spending power. Hence, the Property remains well-positioned for growth potential as businesses recover from the Covid-19 pandemic.

3.1.1 An integrated ecosystem designed for living, working and playing

The Property, the retail podium component of St. Moritz with up to 122,862 sq m of net lettable area (“**NLA**”) over five levels, is one of the largest purpose-built shopping malls in West Jakarta and an integral part of the development’s “live, work and play” vision, making for a family-friendly destination for residents, tenants, the private school community in the vicinity, and future hotel guests. The hotel component, as well as convention centres located in the same mixed-use development provides convenient event venues and amenities.

The presence of residential and commercial components within the integrated development provides a natural visitor catchment for the Property and has enabled the Property to be increasingly relevant during the Covid-19 pandemic where movement is restricted, as retail and other essential amenities are readily available and accessible within walking distance.

During the period of closure from 27 March 2020 to 14 June 2020, the Property attracted a daily average of 5,524 visitors compared to a daily average of 2,824 visitors per mall within LMIR Trust’s existing retail malls located within the Greater Jakarta region.

3.1.2 Favourable Supply Dynamics in West Jakarta

The onset of the Covid-19 pandemic has caused some developers to postpone their development schedule, as many retailers held back on expansion plans. Within West

Jakarta, there was no injection of new supply in 1H 2020, allowing retail occupancy to hold up relatively well at 2,750 sq m, compared with an annual net demand of 3,915 sq m in 2019. Moreover, owing to the relatively large population and limited retail space available in West Jakarta, retail space per capita remained one of the lowest at 0.23 sq m, compared with 0.53 sq m in South Jakarta and 0.51 sq m in Central Jakarta.

In terms of the retail pipeline supply in Jakarta, future supply is primarily spread across North Jakarta (30.5%; 125,000 sq m), South Jakarta (29.6%; 121,400 sq m) and Central Jakarta (24.7%; 101,200 sq m), with only 7.9% (32,500 sq m) in West Jakarta and (7.3%; 30,000 sq m) in East Jakarta. Therefore, existing malls in West and East Jakarta are expected to see limited impact from the upcoming malls.

3.1.3 Excellent transportation connectivity

The Property enjoys convenient access from three roads adjacent to it, including two major toll roads which provide excellent accessibility to the Soekarno-Hatta International Airport, the Jakarta CBD and other parts of Jakarta, Tangerang and Bekasi. Another two-way major road beside the mall connects the Property to other residential developments in the surrounding areas. The Property is also readily accessible via public transportation.

The location of the Property is also set to benefit from the government's ongoing infrastructure programme in Jakarta, which emphasises the region's potential to become a transportation hub.

3.2 Acquisition of a high-quality retail mall at an attractive price and attractive NPI Yield with potential for capital appreciation

3.2.1 Attractive price and NPI Yield

The Acquisition presents an opportunity for LMIR Trust to acquire a strategically located, iconic retail mall at an attractive price. The Purchase Consideration of approximately Rp.3,500 billion (approximately S\$330.2 million) represents a 7.0% discount to the valuation of the Property by Cushman of Rp.3,762.0 billion (approximately S\$354.9 million), after taking into consideration the Vendor Support.

The NPI Yield of the Acquisition based on the Property's NPI for FY2019 including the Vendor Support is 9.71%. The NPI Yield of the Existing Portfolio was 9.65% as of 31 December 2019. With the Acquisition, the NPI Yield of the Existing Portfolio and the Property (together the "**Enlarged Portfolio**") would be 9.66% on a *pro forma* basis as of 31 December 2019.

	Existing Portfolio	Property	Enlarged Portfolio
NPI (Rp. billion)	1,819.2	340.0 ⁽¹⁾	2,159.2
Valuation / Purchase Price (Rp. billion)	18,851.8	3,500.0	22,351.8
NPI Yield (%)	9.65	9.71	9.66

Note:

(1) Property NPI of Rp.340.0 billion comprises of Vendor support of Rp.118.0 billion and the net service income of Rp.13.0 million.

The NPI Yield of the Acquisition based on the Property's NPI for the 6-month period ended 30 June 2020 ("6M2020") including the Vendor Support is 9.87%. The NPI Yield of the Existing Portfolio at 5.83% as of 30 June 2020. With the Acquisition, the NPI Yield of the Enlarged Portfolio would be 6.46% on a pro forma basis as of 30 June 2020. The annualized NPI for 6M2020 is negatively impacted by the Covid-19 pandemic.

	Existing Portfolio	Property	Enlarged Portfolio
NPI (Rp. billion)	549.2	172.6 ⁽¹⁾	721.8
Valuation / Purchase Price (Rp. billion)	18,851.8	3,500.0	22,351.8
Annualized NPI Yield (%)	5.83	9.87	6.46

Note:

(1) Property NPI of Rp.172.6 billion comprises of Vendor support of Rp.104.0 billion and the net service income of Rp.2.6 billion.

Following the announcement by LMIR Trust on the execution of the initial CSPA on 12 March 2019, the Manager has been closely monitoring the performance of the Property and as part of this continuous due diligence, updated valuations of the Property (without considering any Vendor Support) were conducted by the Independent Valuers for 31 December 2019 and 30 June 2020. The table below illustrates the change in valuation of the Property in IDR terms from 31 December 2018 to the latest 30 June 2020:

Average of the two Valuations conducted by the Independent Valuers						
Rp. (billions)	as at 31 December 2018	as at 31 December 2019	% Change vs 31 Dec 2018	as at 30 June 2020	% Change vs 31 Dec 2018	% Change vs 31 Dec 2019
Valuation without Vendor Support	3,753.3	4,147.0	10.50	3,626.0	(3.39)	(12.56)

3.2.2 Short-term impacts of Covid-19 presents a window of opportunity for the acquisition of a quality asset at a substantially reduced price with long-term capital appreciation potential

The valuations as at 30 June 2020 reflect the Independent Valuers' assessments on the impact of the Covid-19 pandemic on the Property with differences in key assumptions made in the 31 December 2019 and 30 June 2020 valuations shown in the following table:

	Rental Relief	Rental Growth Rate (%)	Year 1 Occupancy Rate (%)	Discount Rate (%)	Terminal Rate (%)
31 December 2019 Valuation	Nil	<u>Year 1 -3</u> 5 - 8% <u>Long term</u> 5 - 6%	86.5 – 88.8	12.75 – 12.77	8.00 – 8.50
30 June 2020 Valuation	33 – 50% discount on monthly rental for up to December 2020; up to 25% discount in 2021	<u>Year 1</u> 0% <u>Year 2</u> 0 – 6% <u>Long term</u> 5 – 6%	82.0	13.11 – 13.73	8.00 – 8.50

Due to the Covid-19 pandemic, the Independent Valuers have assumed a lower growth rate for the first 2 years of projection, whereas the long-term growth rate remains the same as their previous assumption at 5% to 6%. As for the discount rate, it has increased mainly due to the higher equity risk premium in the current market. The terminal capitalisation rate, applied at the end of the projection period, however, remains unchanged as the impact of the pandemic is expected to be temporary.

The above clearly indicates the Independent Valuers' assessment that any impact from the Covid-19 pandemic is expected to be of short term in nature. The long-term terminal rates assumed are also largely unchanged over the 31 December 2019 to 30 June 2020 period despite the outbreak of the Covid-19 pandemic which indicates that the outlook and business proposition of retail malls in Indonesia over the long term remains intact. Therefore, there is potential for the Property to experience an appreciation in capital value once the Indonesian economy and the Property recovers from the short-term negative impact of the Covid-19 pandemic.

3.2.3 Vendor Support helps to mitigate the impacts of the Covid-19 pandemic

The outbreak of the Covid-19 pandemic has impacted the performance of the retail market in Indonesia due to strict health protocols and transitional social restriction measures. Consequently, the retail market has experienced a decline in rental rates of retail space as mall owners offer more competitive rental rates to attract or retain tenants or provide rental reliefs to tenants to help them tide over the pandemic. These

measures will likely impact the Property's short-term revenue due to lower growth rates, lower average rental rates and higher vacancy allowances.

The Manager has therefore negotiated for the Vendor to lease certain vacant leasable space within the Property which is not occupied by, or which has not been committed in writing to be leased to a tenant other than the Vendor under an agreement on a quarterly basis from the date of Completion to 31 December 2024 ("**Vendor Support Period**"), for such amount of rent such that the Property will generate an agreed amount of NPI per quarter (the "**Vendor Support**").

The Vendor Support is expected to allow the Property to provide a stable level of income to mitigate the short-term uncertainties caused by the Covid-19 pandemic, and for the property income to be in line with the income of comparable retail malls in West Jakarta during the Vendor Support Period.

3.3 Acquisition will result in a significant growth in Assets under Management and NLA

The Acquisition will increase LMIR Trust's assets under management by 18.57% to Rp.22,351.8 billion (from Rp.18,851.8 billion in FY2019). NLA will also increase by 13.57% (from 905,567 sq m in FY2019). Following the divestments of Pejaten Village and Binjai Supermall on 30 July 2020 and 3 Aug 2020 respectively (the "**Divestments**"), the Acquisition will increase LMIR Trust's assets under management by 19.92% and NLA by 14.63%. This enlarges LMIR Trust's footprint within the Indonesia's retail landscape, and positions LMIR Trust favourably to benefit from Indonesia's resilient retail and consumer market and the upside of the economic recovery post the Covid-19 pandemic.

Consumers in Jakarta are fairly resilient and optimistic and consumption is likely to bounce back following the Covid-19 pandemic due to pent up demand. Prior to the Covid-19 pandemic, the Property added 73 new tenants, totalling 10,587 sq m from January 2019 to March 2020. The Manager believes that the Property will continue to maintain occupancy and attract new tenants to the mall as the businesses gradually recover, and expects rental rates to show stable or moderate growth from late-2021.

3.4 Enhanced product offering

LMIR Trust's Existing Portfolio trade sector mix is predominantly department stores, supermarkets and hypermarkets. The proposed Acquisition will increase the trade sector exposure of LMIR Trust across Fashion, Leisure & Entertainment and F&B trade sectors to 39.4%, from 38.2%. This enhances the quality of LMIR Trust trade sector mix and allows LMIR Trust to capitalise on the growing affluence and consumerism in the country especially among the upper-middle income class consumers.

3.5 Improved portfolio mix and long-term growth potential in a post Covid-19 environment

As the flagship asset in LMIR Trust's portfolio, the quality of the Property would further strengthen the stability of LMIR Trust. Alongside the recent Divestments, the proposed acquisition forms part of the Manager's long term strategic plan to optimise LMIR Trust's portfolio with a mix of mixed-use developments or retail malls that hold a position of dominance in their trade area. The Manager also expects other benefits to be reaped from the Acquisition including cost savings with suppliers and service providers due to greater bargaining power as well as better economics of scale in operations, marketing and financing

activities especially in the West Jakarta area. This is in line with the Manager's long-term strategy to recycle capital and continuously improve the portfolio mix.

3.6 Larger market capitalisation may lead to improved trading liquidity

To part-finance the acquisition, the Manager will issue 4,682,872,029 Rights Units which is equivalent to approximately 160% of the Existing Units. The Rights Issue will increase the market capitalisation of LMIR Trust and may improve the trading liquidity of Units on the SGX-ST. Increased market capitalisation and liquidity may potentially give LMIR Trust higher coverage and visibility within the research and investment community.

3.7 Strong support from the Sponsor which has provided an irrevocable undertaking to apply for all the Excess Rights Units in the Rights Issue

Other than the key benefits to Unitholders set out above, through the Acquisition and the Rights Issue, the Sponsor also continues to demonstrate its commitment to LMIR Trust through (1) granting LMIR Trust a right of first refusal over its income-producing real estate used primarily for retail and/or retail-related purposes, as well as (2) its undertaking to take up its full *pro rata* stake in the Rights Issue and apply for all the Excess Rights Units under the Sponsor Irrevocable Undertaking. Should the Sponsor be allocated 72.5% or more of the Excess Rights, LMIR Trust will effectively become a subsidiary of the Sponsor which will own at least 50.1% of LMIR Trust. This commitment by the Sponsor will further align its interests with that of LMIR Trust and its Unitholders and reflects the Sponsor's strong support and confidence in the growth prospects and importance of the Acquisition to the Enlarged Portfolio.

4. PRO FORMA FINANCIAL INFORMATION

4.1 Pro Forma Financial Effects of the Acquisition and the Rights Issue

FOR ILLUSTRATIVE PURPOSES ONLY:

The *pro forma* financial effects of the Acquisition and the Rights Issue presented below are **strictly for illustrative purposes only** and were prepared based on the FY2019 Audited Consolidated Financial Statements and the unaudited consolidated financial statements for 6M2020 (the "**6M2020 Unaudited Consolidated Financial Statements**") assuming:

- (i) a total Acquisition Cost (including the Acquisition Fee) of S\$392.65 million;
- (ii) the Acquisition Cost (excluding the Acquisition Fee, which will be paid through the issue of the Acquisition Fee Units) of S\$391.0 million will be paid in cash;
- (iii) the Manager voluntarily waives 50.0% of its acquisition fee entitlement under the Trust Deed, which would otherwise have been 1.0% of the Purchase Consideration for the Acquisition, and the Acquisition Fee is satisfied via the issue of 20,331,815 Acquisition Fee Units which are assumed to be issued at a prevailing Market Price of S\$0.081 per Unit;
- (iv) the Acquisition Cost (excluding the Acquisition Fee, which will be paid through the issue of the Acquisition Fee Units) of S\$391.0 million will be funded by S\$271.0

million of equity and S\$120.0 million of debt financing facilities comprising bank facilities and the Vendor Financing; and

- (v) 4,682,872,029 Rights Units will be issued on a *pro rata* basis of 160 Rights Units for every 100 Existing Units at an illustrative issue price of S\$0.060 per Rights Unit to raise total proceeds of approximately S\$280.0 million,

and taking into account the receipt of an aggregate consideration of Rp.1,152.6 billion (approximately S\$113.2 million) from the Divestments.

4.2 FY2019

Pro Forma DPU

The *pro forma* financial effects of the Acquisition, the Rights Issue and the Divestments on LMIR Trust's DPU for FY2019 as if the Acquisition, the Rights Issue and the Divestments were completed on 1 January 2019 and LMIR Trust held and operated the Property in FY2019 are as follows:

	FY2019 ⁽¹⁾			
	Before the Acquisition and the Rights Issue ⁽²⁾	After the Divestments ⁽²⁾	After the Divestments, the Acquisition and the Rights Issue ⁽²⁾⁽⁴⁾⁽⁹⁾	After the Divestments, the Acquisition, the Rights Issue and without the Vendor Support ⁽²⁾⁽⁵⁾⁽⁹⁾
Distributable Income (S\$'000)	64,850	54,942 ⁽³⁾	73,918 ⁽³⁾	64,663 ⁽³⁾
Units in issue and to be issued	2,894,902,627	2,892,543,850	7,601,708,452	7,599,640,342
DPU (cents)	2.23	1.90	0.97	0.85
Annualised Distribution yield (%)	9.9 ⁽⁶⁾	8.4 ⁽⁶⁾	12.0 ⁽⁷⁾	10.5 ⁽⁷⁾
DPU Yield (%) based on Rights Issue Price	-	-	16.2 ⁽⁸⁾	14.2 ⁽⁸⁾

Notes:

(1) Based on an exchange rate of S\$1.00: Rp.10,324.32.

(2) Based on the FY2019 Audited Consolidated Financial Statements.

(3) Including the cost of the Divestments and related tax amounting to S\$3.7 million and assuming that the net proceeds of the Divestments are placed into a Rupiah denominated fixed deposits at an interest rate of 5.0% per annum.

(4) Taking into account the issue of 4,709,164,602 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on *pro forma* financials of LMIR Trust in FY2019.

(5) Taking into account the issue of 4,707,096,492 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on *pro forma* financials of LMIR Trust in FY2019.

(6) Based on a closing price of S\$0.225 per Unit.

(7) Based on a TERP of S\$0.081 per Unit.

(8) Based on the Issue Price of S\$0.060 per Unit.

(9) Assuming all debt financing to be funded by banking facilities.

Pro Forma on Lippo Mall Kemang Master Leases (the “LMK Master Leases”)

The LMK Master Leases, with a gross rental income per annum of Rp.208.0 billion (approximately S\$19.6 million), expired on 16 December 2019. The actual underlying income in respect of the areas under the LMK Master Leases is lower than the rental income under the LMK Master Leases.

The *pro forma* financial effects of the Acquisition, the Rights Issue, the Divestments and the Expiry of the LMK Master Leases on LMIR Trust’s DPU for FY2019 as if the Acquisition, the Rights Issue and Divestments were completed on 1 January 2019, the LMK Master Leases had expired on 1 January 2019 and LMIR Trust held and operated the Property in FY2019 are as follows:

	FY2019 ⁽¹⁾			
	Before the Acquisition and the Rights Issue ⁽²⁾	Without the LMK Master Leases and before the Acquisition and the Rights Issue ⁽²⁾	Without the LMK Master Leases and after the Acquisition, the Rights Issue and the Divestments ⁽²⁾⁽³⁾ (8)	Without the LMK Master Leases, after the Acquisition the Rights Issue, the Divestments and without the Vendor Support ⁽²⁾⁽⁴⁾⁽⁸⁾
Distributable Income (S\$'000)	64,850	51,993	61,061	51,806
Units in issue and to be issued	2,894,902,627	2,829,925,073	7,536,730,897	7,534,662,788
DPU (cents)	2.23	1.84	0.81	0.69
Annualised Distribution yield (%)	9.9 ⁽⁶⁾	8.2 ⁽⁵⁾	10.0 ⁽⁶⁾	8.5 ⁽⁶⁾
DPU Yield (%) based on Rights Issue Price	-	-	13.5 ⁽⁷⁾	11.5 ⁽⁷⁾

Notes:

- (1) Based on an exchange rate of S\$1.00: Rp.10,324.32.
- (2) Based on the FY2019 Audited Consolidated Financial Statements and pro-forma for the expiry of the LMK Master Leases and the pro forma for the Divestments. Including the cost of the Divestments and related tax amounting to S\$3.7 million and assuming that the net proceeds of the Divestments are placed into a Rupiah denominated fixed deposits at an interest rate of 5.0% per annum.
- (3) Taking into account the issue of 4,709,164,602 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on pro forma financials of LMIR Trust in FY2019 and 64,977,554 relating to the performance fee units for Kemang master lease.
- (4) Taking into account the issue of 4,707,096,492 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on pro forma financials of LMIR Trust in FY2019 and 64,977,554 relating to the performance fee units for Kemang master lease.
- (5) Based on a closing price of S\$0.225 per Unit.
- (6) Based on a TERP of S\$0.081 per Unit.
- (7) Based on the Issue Price of S\$0.060 per Unit.
- (8) Assuming all debt financing to be funded by banking facilities.

Pro Forma NAV per Unit

The *pro forma* financial effects of the Acquisition, the Rights Issue and the Divestments on LMIR Trust's NAV per Unit as at 31 December 2019, as if the Acquisition, the Rights Issue and the Divestments were completed on 31 December 2019 are as follows:

	As at 31 December 2019	
	Before the Acquisition and the Rights Issue ⁽¹⁾	After the Acquisition, the Rights Issue and the Divestments ⁽²⁾
NAV (S\$'000) ⁽³⁾	816,298	1,090,032
Units in issue and to be issued	2,894,902,627	7,598,106,471
NAV per Unit (cents)	28.20	14.35

Notes:

(1) Based on the FY2019 Audited Consolidated Financial Statements.

(2) Taking into account the issue of 4,703,203,844 Rights Units and issue of the Acquisition Fee Units (taking into account the voluntarily waiver of 50% of its acquisition fee entitlement under the Trust Deed by the Manager).

(3) Based on the net assets attributable to Unitholders and excluding the net assets attributable to holders of perpetual securities.

Pro Forma Capitalisation

The *pro forma* capitalisation of LMIR Trust as at 31 December 2019, as if the Acquisition, the Rights Issue and the Divestments were completed on 31 December 2019, is as follows.

	As at 31 December 2019	
	Actual ⁽¹⁾	As adjusted for the Acquisition, the Rights Issue and the Divestments ⁽²⁾
	(S\$'000)	(S\$'000)
Short-term debt:		
Unsecured	75,000	75,000
Total short-term debt	75,000	75,000
Long-term debt:		
Unsecured	646,725	765,753
Total long-term debt	646,725	765,753
Total Debt	721,725	840,753
Unitholders funds	816,298	1,090,032
Perpetual securities	259,647	259,647
Total Capitalisation	1,797,670	2,190,432

Notes:

(1) Based on the FY2019 Audited Consolidated Financial Statements.

(2) Taking into account the issue of 4,703,203,844 Rights Units and the issue of the Acquisition Fee Units (taking into account the voluntarily waiver of 50% of its acquisition fee entitlement under the Trust Deed by the Manager).

4.3 6M 2020

Pro Forma DPU

The *pro forma* financial effects of the Acquisition and the Rights Issue on LMIR Trust's DPU for 6M2020 as if the Acquisition, the Rights Issue and the Divestments were completed on 1 January 2020 and LMIR Trust held and operated the Property through to 30 June 2020, are as follows:

	6M2020 ⁽¹⁾			
	Before the Acquisition and the Rights Issue ⁽²⁾	After the Divestments ⁽²⁾	After the Divestments, the Acquisition and the Rights Issue ⁽²⁾⁽⁴⁾⁽⁹⁾	After the Divestments, Acquisition, the Rights Issue and without the Vendor Support ⁽²⁾⁽⁵⁾⁽⁹⁾
Distributable Income (S\$'000)	6,649	1,215 ⁽³⁾	10,965 ⁽³⁾	2,898 ⁽³⁾
Units in issue and to be issued	2,926,795,018	2,925,931,666	7,633,798,341	7,630,988,666
DPU (cents)	0.23	0.04	0.14	0.04
Annualised Distribution yield (%)	3.4 ⁽⁶⁾	0.6 ⁽⁶⁾	3.5 ⁽⁷⁾	1.0 ⁽⁷⁾
DPU Yield (%) based on Rights Issue Price	-	-	4.7 ⁽⁸⁾	1.3 ⁽⁸⁾

Notes:

- (1) Based on an exchange rate of S\$1.00: Rp.10,444.12.
- (2) Based on the 6M2020 Unaudited Consolidated Financial Statements.
- (3) Including the cost of the Divestments and related tax amounting to S\$3.7 million and assuming that the net proceeds of the Divestments are placed into a Rupiah denominated fixed deposit at an interest rate of 5.0% per annum.
- (4) Taking into account the issue of 4,707,866,675 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on the 6M2020 Unaudited Consolidated Financial Statements.
- (5) Taking into account the issue of 4,705,057,000 Rights Units, the issue of the Acquisition Fee Units and the performance fee units for the Manager based on the 6M2020 Unaudited Consolidated Financial Statements.
- (6) Based on a closing price of S\$0.135 per Unit.
- (7) Based on a TERP of S\$0.081 per Unit.
- (8) Based on the Issue Price of S\$0.060 per Unit.
- (9) Assuming all debt financing to be funded by banking facilities.

Pro Forma NAV per Unit

The *pro forma* financial effects of the Acquisition, the Rights Issue and the Divestments on LMIR Trust's NAV per Unit as at 30 June 2020, as if the Acquisition, the Rights Issue and the Divestments were completed on 30 June 2020 are as follows:

As at 30 June 2020			
	Before the Acquisition and the Rights Issue ⁽¹⁾	After the Acquisition, the Rights Issue and the Divestments ⁽²⁾	After the Acquisition, the Rights Issue, the Divestments and the revaluation of the Existing Portfolio ⁽²⁾⁽⁴⁾
NAV (\$'000) ⁽³⁾	811,696	1,085,382	900,739
Units in issue and to be issued	2,926,795,018	7,629,998,862	7,629,998,862
NAV per Unit (cents)	27.73	14.23	11.81

Notes:

(1) Based on the 6M2020 Unaudited Consolidated Financial Statements.

(2) Taking into account the issue of 4,703,203,844 Rights Units and the issue of the Acquisition Fee Units (taking into account the voluntarily waiver of 50% of its acquisition fee entitlement under the Trust Deed by the Manager).

(3) Based on the net assets attributable to Unitholders and excluding the net assets attributable to holders of perpetual securities.

(4) Based on a desktop valuation of the Existing Portfolio at 31 July 2020 with the total revised value of S\$1,538.7 million excluding the Divestments and assuming the revaluation is recognised as of 30 June 2020.

Pro Forma Capitalisation

The *pro forma* capitalisation of LMIR Trust as at 30 June 2020, as if the Acquisition, the Rights Issue and the Divestments were completed on 30 June 2020, is as follows:

As at 30 June 2020		
	Actual ⁽¹⁾	As adjusted for the Acquisition, the Rights Issue and the Divestments ⁽²⁾
	(\$'000)	(\$'000)
Short-term debt:		
Unsecured	44,000	44,000
Total short-term debt	44,000	44,000
Long-term debt:		
Unsecured	657,946	776,974
Total long-term debt	657,946	776,974
Total Debt	701,946	820,974
Unitholders funds	811,696	1,085,382
Perpetual securities	259,577	259,577
Total Capitalisation	1,773,219	2,165,933

Notes:

(1) Based on the 6M2020 Unaudited Consolidated Financial Statements.

- (2) Taking into account the issue of 4,703,203,844 Rights Units and the issue of the Acquisition Fee Units (taking into account the voluntarily waiver of 50% of its acquisition fee entitlement under the Trust Deed by the Manager).

5. FURTHER DETAILS TO BE PROVIDED IN THE CIRCULAR

The Manager will provide additional details of the Rights Issue (including details pertaining to the issue price for the Rights Units, the rights ratio and the use of proceeds and percentage allocation for each use) in the Circular to be issued for the purpose of seeking the approval of Unitholders for the Acquisition, the Rights Issue, the Whitewash Resolution and the Vendor Financing.

LMIRT MANAGEMENT LTD.

(As manager of Lippo Malls Indonesia Retail Trust)

(UEN/Company registration number: 200707703M)

Liew Chee Seng James

Executive Director and Chief Executive Officer

18 September 2020

IMPORTANT NOTICE

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The value of Units and the income derived from them, if any, may fall or rise. 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. The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

Investors have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.