



LIPPO MALLS INDONESIA RETAIL TRUST

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

**FOR IMMEDIATE RELEASE**

**LMIR Trust unlocks value with divestment of Pejaten Village and Binjai Supermall for Rp1,280 billion**

- *Divestments of Pejaten Village and Binjai Supermall at a premium of 33.3% and 19.3% respectively to their original acquisition prices*
- *Sale marks the Trust's inaugural divestment since initial public listing in 2007*

**SINGAPORE – 30 December 2019 – LMIRT Management Ltd.** (the “**REIT Manager**”), the manager of **Lippo Malls Indonesia Retail Trust** (“**LMIR Trust**” or the “**Trust**”) today announced that it has entered into conditional sale and purchase agreements (“**CSPA**”) with NWP Retail, a joint venture between Warburg Pincus and PT City Retail Developments for a total sale consideration of Rp1,280.7 billion (S\$124.3 million).

The sale considerations of Rp997.4 billion for Pejaten Village and Rp283.3 billion for Binjai Supermall amount to a premium of 33.3% and 19.3% over the original purchase considerations of Rp748.0 billion and Rp237.5 billion of the respective properties acquired back in 2012, albeit at a nominal 4.1% and 8.3% discount to their latest valuations<sup>1</sup> of Rp1,040.0 billion and Rp309.0 billion respectively.

Mr James Liew, Chief Executive Officer of the REIT Manager said, “The sale of these assets clearly demonstrates that, despite a relatively illiquid commercial real estate market in Indonesia, the Manager is able to capture opportunities to achieve long-term sustainable returns for Unitholders. This marks our inaugural divestment since the Trust’s listing in 2007 and is also in line with our ongoing portfolio optimisation strategy.”

The net divestment proceeds of approximately S\$120.2 million will increase the Manager’s financial flexibility to fund growth through reinvestments, make distributions to Unitholders or pare down debt.

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<sup>1</sup> Valuations of the two properties conducted by Savills Valuation and Professional Services (S) Pte Ltd as at 30 June 2019.

Mr Liew added, “Alongside the proposed Lippo Mall Puri acquisition, we will continue to seek other strategic and opportunistic acquisitions that exhibit attractive growth prospects while concurrently executing asset enhancement initiatives to optimise the value of our portfolio.”

### **About the Properties**

Located in South Jakarta, Pejaten Village is a retail shopping mall consisting of six levels (including one basement level) and an underground carpark, with a total gross floor area (“GFA”) of approximately 91,749 square metres and a total net leasable area (“NLA”) of approximately 42,184 square metres. It is constructed on top of three plots of land held under the right to build (*Hak Guna Bangunan*) (“HGB”) certificates. Construction of the building was completed in 2008.

Located in North Sumatra, Binjai Supermall is a retail shopping mall consisting of three levels and a carpark, with a total GFA of approximately 44,153 square metres and a total NLA of approximately 23,431 square metres. Also under a HGB certificate, it is constructed on top of a single plot of land with the building completion date in 2007.

Following the completion of the two divestments, expected in the second quarter of 2020, LMIR Trust’s portfolio will comprise 28 properties valued at a total of S\$ 1.7 billion.

### **CONTACT INFORMATION**

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### **About Lippo Malls Indonesia Retail Trust (“LMIR Trust”) ([www.lmir-trust.com](http://www.lmir-trust.com))**

LMIR Trust is a Singapore-based real estate investment trust established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes.

LMIR Trust’s current asset portfolio comprises 23 retail malls (“Retail Malls”) and seven retail spaces located within other retail malls (“Retail Spaces”, and collectively with the Retail Malls, the “Properties”). The Properties have a total net lettable area of 910,749 square metres and total valuation of Rp19,514.1 billion as at 31 December 2018, and are strategically located in major cities of Indonesia with large middle-income population. Tenants include leading names such as Matahari Department Store, Zara, M&S, H&M, Sogo, Giant, Hypermart, Carrefour, Ace Hardware, as well as international specialty tenants such as Victoria’s Secret, Promod, McDonalds, Pizza Hut, Kentucky Fried Chicken, A&W, Fitness First and Starbucks.

## **IMPORTANT NOTICE**

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in LMIR Trust ("**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 REIT 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 REIT 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 REIT Manager's current view of future events.

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