



LIPPO MALLS INDONESIA RETAIL TRUST

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

## ANNOUNCEMENT

### **S\$140,000,000 7.00 PER CENT SUBORDINATED PERPETUAL SECURITIES ISSUED ON 27 SEPTEMBER 2016 (ISIN CODE SG74H8000008)**

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**”), and the manager of LMIR Trust, the “**Manager**”) refers to the S\$140,000,000 7.00 per cent. subordinated perpetual securities (ISIN Code: SG74H8000008) (the “**Perpetual Securities**”) issued by Perpetual (Asia) Limited, in its capacity as trustee of LMIR Trust (the “**Issuer**”).

The Manager wishes to announce that in accordance with the terms and conditions of the Perpetual Securities, the distribution rate applicable to the Perpetual Securities shall be reset on 27 September 2021 as the Perpetual Securities would not be redeemed on 27 September 2021. The distribution rate applicable to the Perpetual Securities in respect of the period from the First Reset Date (being 27 September 2021) to the immediately following reset date (being 27 September 2026) shall be the prevailing five-year swap offer rate with respect to the relevant reset date plus the initial spread of 5.245 per cent. in accordance with the terms and conditions of the Perpetual Securities.

The decision to allow the distribution rate for the Perpetual Securities to be reset and not redeem the Perpetual Securities on 27 September 2021 was arrived at after having considered the long-term interests of LMIR Trust and the current macroeconomic environment, including but not limited to the following factors:

- (i) given the uncertainties of the prevailing operating environment, it is a better strategic option to preserve cashflow and liquidity;
- (ii) assuming new debt for the purposes of the redemption of the Perpetual Securities will increase LMIR Trust’s leverage and reduce the debt headroom available for acquisition opportunities and asset enhancement initiatives during a market recovery; and
- (iii) current market conditions are not favourable for LMIR Trust for the issuance of perpetual securities at a lower yield than the reset distribution rate.

LMIR Trust will continue to remain prudent in implementing and executing its financial strategies while keeping flexibilities with the option to exercise its right to redeem the Perpetual Securities on any distribution payment date when market conditions normalise.

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  
17 August 2021

## **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.