



LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

ENTRY INTO INTERESTED PERSON TRANSACTION:

- LEASE AGREEMENT WITH PT MATAHARI DEPARTMENT STORE TBK IN LIPPO PLAZA KENDARI
- LEASE AGREEMENT WITH PT MATAHARI PRIMA PUTRA TBK IN MALANG TOWN SQUARE
- TERMINATION OF PT MATAHARI PRIMA PUTRA TBK LEASE AGREEMENT IN SUN PLAZA

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 wholly-owned subsidiaries of LMIR Trust will renew two (2) leases and terminate one (1) lease as stated below.

- (a) A lease agreement between PT. Mitra Anda Sukses Bersama (“**Kendari**”) and PT Matahari Department Store Tbk (a related party of the Sponsor) (“**MDS**”) (the “**Kendari MDS Lease**”), in respect of the premise at Lippo Plaza Kendari for a period of two (2) year commencing on 10 November 2023
- (b) A lease agreement between PT. Matos Surya Perkasa (“**Malang**”) and PT Matahari Prima Putra Tbk (a related party of the Sponsor) (“**Hypermart**”) (the “**Malang Hypermart Lease**”), in respect of the premise at Malang Town Square for a period of one (1) year commencing on 19 November 2023
- (c) Early termination of lease agreement between PT. Manunggal Wiratama (“**Sun Plaza**”) and PT Matahari Prima Putra Prima Tbk (a related party of the Sponsor) (the “**Sun Plaza Hypermart Lease**”), in respect of the premise at Sun Plaza (the “**Premise at Sun Plaza**”) with effect from 15 November 2023 (“**Sun Hypermart ET**”)

2. INTERESTED PERSON TRANSACTION

Under Chapter 9 of Singapore Exchange Securities Trading Limited Listing Manual, where an entity at risk (as defined in the Listing Manual) enters into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 3.0% of LMIR Trust’s latest audited net tangible assets (“**NTA**”), LMIR Trust must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

As at the date of this announcement, the Manager has a direct interest in 48,075,671 Units (comprising 0.62% of the total number of issued Units). The Manager is wholly-owned by Peninsula Investment Limited, which in turn is directly held by Jesselton Investment Limited, which is in turn a wholly-owned subsidiary of PT Lippo Karawaci Tbk (the “**Sponsor**”). The Sponsor, through one of its subsidiaries and through its interest in the Manager, has deemed interests of (i) 47.45% in LMIR Trust and (ii) 100% in the Manager and is therefore regarded as a “Controlling Unitholder”¹ of LMIR Trust and a “Controlling Shareholder”² of the Manager respectively under both the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”).

3. TERM OF THE LEASES

3.1 Kendari MDS Lease

Pursuant to Kendari MDS Lease, MDS will pay Kendari a total gross rental of IDR 15,195,353,844.68/ S\$ 1,309,820.09 (1 SGD to IDR 11,601.10) during their two (2) year lease period.

The Kendari MDS lease is calculated based on monthly gross rent payable to Kendari and has been reviewed by an independent valuer, KJPP Rinaldi, Alberth, Baroto, dan Rekan (‘Alberth’) who opined that the transacted rent rates are in line with the market. The secured rent rates are also generally comparable with the rental rates of leases signed with other malls and retail spaces within LMIR Trust’s existing portfolio, after taking into account the differences between each mall and retail space.

Accordingly, the Manager is of the view that the Kendari MDS Lease is made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

According to Listing Manual Rule 905, the value of Kendari MDS Lease will be aggregated.

3.2 Malang Hypermart Lease

Pursuant to Malang Hypermart Lease, Hypermart will pay Malang a total gross rental of IDR 5,109,490,561.43/ S\$ 440,431.56 (1 SGD to IDR 11,601.10) during their one (1) year lease period.

The Malang Hypermart Lease is calculated based on monthly gross rent payable to Malang and has been reviewed by an independent valuer, Alberth who opined that the transacted rent rates are in line with the market. The secured rent rates are also generally comparable with the rental rates of leases signed with other malls and retail spaces within LMIR Trust’s existing portfolio, after taking into account the differences between each mall and retail space.

Accordingly, the Manager is of the view that the Malang Hypermart Lease is made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

According to Listing Manual Rule 905, the value of Malang Hypermart Lease will be aggregated.

¹ “**Controlling unitholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or
- (b) in fact exercises control over the property fund.

² “**Controlling shareholder**” means a person who:

- (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or
- (b) in fact exercises control over a company.

3.3 Sun Hypermart ET

Pursuant to Sun Hypermart ET, the estimated loss of gross rent is IDR 9,056,473,576.34 / S\$780,656.45 (1 SGD to IDR 11,601.10), calculated from the termination date on 15 November 2023 to the original lease expiry date on 25 January 2027. As part of the re-layout of Sun Plaza's Level 4 and continued refreshment of the mall's tenancy mix, the Manager and Property Manager have secured new 10 year leases with PT. Giandi Inti Fantasi and PT. Playsports Indonesia Aktif (collectively known as the "**Playtopia**") as replacement tenancies for the vacated space at Sun Plaza ("**Playtopia Leases**"). The contract value of the Playtopia Leases from their lease commencement date in May 2024 to Hypermart's lease expiry on 25 January 2027 is 24.0% higher than the income loss of Sun Hypermart ET.

Accordingly, the Manager is of the view that the early termination of Sun Plaza Hypermart Lease is on normal commercial terms and not prejudicial to the interests of LMIR Trust and its minority unitholders.

According to Listing Manual Rule 905, the income loss of Sun Hypermart ET will be aggregated.

4. RATIONALE

4.1 Rationale of Kendari MDS Lease

MDS is an existing tenant at Kendari and this is a renewal of their current tenancy. MDS serves as the anchor tenant of Lippo Plaza Kendari which will draw crowd to the mall. This renewal benefits Kendari as it maintains occupancy and provide steady stream of income to the mall.

4.2 Rationale of Malang Hypermart Lease

Hypermart is an existing tenant at Malang and this is a renewal of their current tenancy. Hypermart fulfils the supermarket tenancy mix of the mall. This renewal benefits Malang as it maintains occupancy and provide steady stream of income to the retail unit.

4.3 Rationale of Sun Hypermart ET

As part of the Manager's and Property Manager's consistent efforts to refresh the mall tenancy mix, the new tenancy with Playtopia will provide new facilities and entertainment options to shoppers of Sun Plaza. Playtopia will be operating a children entertainment playground and ice-skating facility in Sun Plaza. The benefit of the Playtopia Leases will bring higher rental income to the mall and improve shopper visitor traffic.

5. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the total value of Interested Person Transactions (including the entry into the above transactions) between LMIR Trust and the Sponsor and/or its associates, for the current financial year, is approximately S\$25,589,412.22, which is approximately 3.31% of the latest audited NTA of LMIR Trust as at 31 December 2022.

6. AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee is of the view that the entry into terms of each Interested Party Transactions are made on normal commercial terms and are not prejudicial to the interests of LMIR Trust and its minority Unitholders.

By Order of the Board

LMIRT MANAGEMENT LTD.
(as manager of Lippo Malls Indonesia Retail Trust)
(Company registration number: 200707703M)

Liew Chee Seng James
Executive Director and Chief Executive Officer
8 November 2023

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.