



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 charts new growth with proposed acquisition of iconic retail mall in West Jakarta**

- *LMIR Trust enters into a conditional sale and purchase agreement to acquire Lippo Mall Puri for a purchase consideration of Rp.3,700.0 billion (S\$354.7 million)<sup>1</sup>, an attractive 5.13% discount to the lower of two independent valuations*
- *Strategically located within established catchment area and part of the largest premium integrated development in West Jakarta*
- *Expected NPI yield of 9.41% (including vendor support) that supports strategy of acquiring income-producing assets to sustain long-term growth*

**SINGAPORE – 12 March 2019 – LMIRT Management Ltd.** (the “**REIT Manager**”), the manager of **Lippo Malls Indonesia Retail Trust** (“**LMIR Trust**” or the “**Trust**”) announced that it has entered into a conditional sales and purchase agreement (the “**CSPA**”) with PT Mandiri Cipta Gemilang (the “**Vendor**”), a wholly-owned subsidiary of PT Lippo Karawaci Tbk, the sponsor of LMIR Trust (the “**Sponsor**”), for the proposed acquisition of Lippo Mall Puri (“**Puri Mall**”)<sup>2</sup> at a purchase consideration of Rp.3,700.0 billion (S\$354.7 million) (the “**Acquisition**”).

The purchase consideration represents an attractive 5.13% discount to the lower of two independent valuations by Cushman & Wakefield VHS Pte Ltd<sup>3</sup> and Colliers International Consultancy & Valuation (Singapore) Pte Ltd<sup>4</sup> (valued with vendor support) as at 31 December 2018. The Acquisition will grow LMIR Trust’s portfolio to 31 properties comprising 24 retail malls and seven retail spaces and is expected to boost LMIR Trust’s assets by 19.0% from Rp.19,514.1 billion (S\$1.9 billion) to Rp.23,214.1 billion (S\$2.2 billion) as at 31 December 2018. The Acquisition will also increase the Trust’s total net lettable area (“**NLA**”) by 12.69% from 910,749 square metres to 1,026,349 square metres.

1 Based on an illustrative exchange rate of S\$1.00 to Rp.10,431.47 as at 28 February 2019.

2 Excludes a retail walkway connecting the two buildings of Puri Mall, the car park areas (except for the P2 car park on level 2) as well as certain other areas of Puri Mall.

3 In collaboration with KJPP Firman Suryantoro Sugeng Suzy Hartomo & Partners.

4 In collaboration with KJPP Rinaldi Alberth Baroto & Partners.

As Puri Mall is still maturing in terms of shopper recognition, tenant performance and passing rents,, the Vendor has also agreed to provide support from completion of the Acquisition, with a guaranteed level of net property income (“NPI”) of Rp.348.0 billion up to December 2019, increasing to Rp.356.0 billion in December 2023. Together with the vendor support, Puri Mall is expected to generate an NPI yield of approximately 9.41% which is higher than the NPI yield of the existing portfolio of the Trust of 8.94% as at 31 December 2018.

Completion of the Acquisition is conditional upon, among others, completion of the segregation of the existing land titles and issuance of strata title certificates for Puri Mall and the Trust securing sufficient financing for the Acquisition.

Ms Gouw Vi Ven, Chief Executive Officer of the REIT Manager said, “This is a great opportunity to acquire an iconic and premier asset at an attractive price. With the on-going positive economic developments within Indonesia, as shown by the gradual recovery of the Indonesian Rupiah to Singapore Dollar since the beginning of this year, the entry into a conditional sale and purchase agreement for Puri Mall allows us to lock in the attractive price.

“We aim to complete the acquisition in the second half of 2019 after issuance of the strata title certificates for Puri Mall. To ensure a smoother completion process and to better protect the interest of the Unitholders, the timing of any fund-raising exercise to finance this acquisition will take into account the timing of the issuance of the strata title certificates for the mall.

“With its high growth potential in the long run supported by its strategic location within the heart of the Puri Indah central business district and close proximity to an affluent residential area and captive shopper traffic, we are confident that Puri Mall is well-placed to meet the needs of shoppers and a great addition to our portfolio.

“We have consistently articulated our plans to grow the Trust inorganically to generate long-term value for our Unitholders. This Acquisition with an NPI yield of 9.41% (with vendor support) will further boost the Trust’s existing portfolio NPI yield of 8.94% to 9.02% on a pro forma basis as of 31 December 2018 and reaffirms our commitment to continually secure high-quality income-producing assets to sustain long-term growth.”

### **Landmark asset with strong traffic growth**

Strategically located in the bustling Puri Indah commercial precinct of West Jakarta, Puri Mall is the flagship mall of the Sponsor and the retail component of the St Moritz Jakarta Integrated Development, the largest premium mixed-use development in West Jakarta. The mall is an integral element in the development's integrated ecosystem of businesses and lifestyle amenities, comprising six upmarket apartment towers (The Royal Towers 1 and 2, The Ambassador Towers 1 and 2 and The Presidential Towers 1 and 2) with a total of more than 1,000 residential units, a school (Hope Academy) and an office-cum-5-star hotel building which is estimated to have approximately 320 rooms.

Puri Mall comprises two eight-storey buildings and two lower ground floors, of which the retail space is distributed over five floors and the two lower ground floors with total NLA of approximately 115,600 square metres, making it the Trust's largest acquisition to date. The remaining floor area is occupied by a car park and two retail walkways, which will not be part of this acquisition.

Since the commencement of operations in July 2014, the mall has established itself as a popular one-stop destination for residents within its catchment area due to its location, scale and transport connectivity. Average footfall has grown from 176,000 visitors per month in Q32014 to nearly 1.22 million visitors per month in Q42018, a compounded growth rate of 62.0% across its five years of operations.

As at 31 December 2018, Puri Mall has an occupancy rate of 89.6%, higher than industry average of 83.2% as at 3Q2018. Puri Mall's 324 tenants offer visitors a full and extensive range of retail, dining, entertainment and leisure options with household brands including Cinema XXI, Matahari, Parkson and Time Zone, as well as over 100 renowned international brands such as Adidas, Best Denki, H&M, Marks & Spencer, Uniqlo, and Zara.

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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.

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