



LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007)

PRESS STATEMENT

LMIR Trust responses to Business Times article dated 21 December 2017

Singapore, 22 December 2017 – LMIRT Management Ltd, the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), refers to the article titled “Moody’s reviewing Lippo Malls Retail Trust rating for possible downgrade to junk” published in the Business Times on 21 December 2017.

The Manager would like to state that as at 22 December 2017, with the completion of the two recent acquisitions of Lippo Plaza Jogja and Kediri Town Square at a total purchase consideration of S\$98.1 million, the Trust’s gearing stood at 32.2%, which is well within the Monetary Authority of Singapore’s regulatory limit of 45%.

Chief Executive Officer of the REIT Manager, Ms Chan Lie Leng, said, “Since the listing of LMIR Trust, we have proactively managed our capital structure and have kept our gearing well below the regulatory limit even as the Trust increases our assets. All our assets are income-producing with a total occupancy rate at 93.4%, higher than industry average of 85.0%. Lippo group of companies remain our major tenants in our malls and there has not been any incidence of non-repayment or default of rental payments and we are confident that there will not be any such incidence in future. Our Sponsor, PT Lippo Karawaci Tbk remains committed to our operations and has consistently demonstrated its support through our mall operator PT Lippo Mall Indonesia.

The Trust received its Moody’s issuer rating of Baa3 on 12 June 2015. Any possible downgrade by Moody’s Investors Service of this credit rating will not affect or cause a default of any of the Trust’s existing debt facilities or issued bonds and perpetual securities.”

In fact, the Trust has recently managed to obtain an S\$80 million unsecured uncommitted revolving credit facility from CIMB Bank Berhad, Singapore Branch (“**CIMB**”).

“With the support from CIMB as well as other banks, coupled with our prudent management strategy, we are confident that we are able to manage our refinancing risk. As at 30 September 2017, 70% of our debt is on fixed rate basis to mitigate the impact of uncertain interest rate fluctuations,” said Ms Chan.

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About Lippo Malls Indonesia Retail Trust (“LMIR Trust”) (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 872,858 square metres and total valuation of IDR18,434 billion as at 30 June 2017, 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, KFC, A&W, Fitness First and Starbucks.