

PRESS RELEASE

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July 30, 2020

LPKR Delivers 26% YoY Increase in 1H20 Marketing Sales; Core EBITDA Up By 33.9% YoY, Despite Revenues Decreasing by 2.6% due to COVID impact on Hospitals, Malls and Hotels Businesses

- **Overcoming Covid-19, Real Estate Development increased by 33.9% to Rp1.32 trillion from Rp983 billion as the Company's core property business is showing signs of improvement.**
- **Marketing sales increased by 26% YoY to Rp1.05 trillion from Rp835 billion in 1H19, as affordable housing launches and rejuvenated sales apparatus supported the turnaround.**
- **Real Estate Management & Services decreased by 10.5% to Rp3.96 trillion from Rp4.43 trillion as Hospitals, Malls and Hotels experienced extraordinary conditions due to the pandemic.**
- **EBITDA in 1H20 increased by 81.5% YoY to Rp969 billion from Rp534 billion in 1H19; or 34% YoY if normalized for PSAK 73 adoption.**

Jakarta - PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate company based on total assets and revenue, today announced its results for the first half of 2020. Overcoming Covid-19, Real Estate Development increased by 33.9% to Rp1.32 trillion from Rp983 billion as the Company's core property business is showing signs of improvement. This was boosted by strong revenue growth at Cikarang, recognition at LPKR of handovers at Hillcrest and Fairview Towers in Lippo Village, and sales of existing inventory. The property business continues to show signs of resilience as marketing sales in 1H20 increased by 26% YoY to Rp1.05 trillion from Rp835 billion in the same period last year.

Real Estate Management & Services, however, decreased by 10.5% in 1H20 to Rp3.96 trillion from Rp4.43 trillion as Hospitals, Malls and Hotels experienced extraordinary conditions due to the pandemic. Consolidated, LPKR's revenues decreased by 2.6% year on year to Rp5.33 trillion from Rp5.47 trillion in 1H19.

LPCK posted strong revenue growth

Lippo Cikarang reported strong revenue growth as the company is successfully marketing its affordable landed housing project, and the Orange County apartment complex continues to complete hand-overs of units. LPCK's revenue's increased by 58.9% to Rp1.09 trillion in 1H20 from Rp686 billion in 1H19. In 1H20, Orange County recorded Rp529 billion in revenues, representing an increase of 110% YoY from Rp252 billion in the same period last year. Moreover, residential revenue recognition amounted to Rp193 billion compared to Rp173 billion and industrial land sales totaled Rp119 billion in 1H20 compared to Rp13 billion in 1H19. In 2Q20, revenues were up by 79.0% to Rp 514 billion, as apartments and affordable landed housing increased by 213% and 168% compared to 2Q19.

Siloam's recurring revenue were impacted by Covid-19

As Covid-19 brought Indonesia's economy to a virtual standstill in 2Q20, Siloam Hospitals experienced a decrease in revenue in 1H20 of 6.0% YoY to Rp3.18 trillion from Rp3.38 trillion in the prior year. Despite this decline, Siloam continued to account for 79.1% of total recurring revenues in 1H20 compared to 75.2% in 1H19. In 1H20, Siloam operated 38 hospitals across Indonesia. Overall, revenues from LPKR's Real Estate Management & Services decreased by 10.5% YoY to Rp3.96 trillion, accounting for 74.3% of total revenue in 1H20 compared to 80.9% in 1H19.

(In Billion Rp)	Income Statement	1H2020	1H2019	Change YoY
Revenue				
Development	Subtotal	1,316	983	33.9%
	Real Estate Development	1,316	983	33.9%
Recurring	Subtotal	4,016	4,490	-10.6%
	Healthcare	3,176	3,377	-6.0%
	Malls	176	248	-29.1%
	Others (Real Estate Management & Services)	613	804	-23.8%
	Fund Management/ Investment	52	61	-15.9%
	Total Revenue	5,333	5,473	-2.6%

Consolidated Gross Profit increased by 2.6% YoY to Rp2.12 trillion

LPKR booked gross profit of Rp2.12 trillion in 1H20 compared to Rp2.06 trillion in 1H19. The Real Estate Development segment reported an increase in Gross Profit of 148.3% YoY to Rp604 billion in 1H20 from Rp243 billion in 1H19. Meanwhile, the real estate management & services businesses (healthcare, malls, others) gross profit recorded a decrease of 16.9% YoY to Rp1.46 trillion in 1H20 from Rp1.76 trillion in the year ago period.

(In Billion Rp)	Income Statement	1H2020	1H2019	Change YoY
GROSS PROFIT				
	Real Estate Development	604	243	148.3%
	Healthcare	998	1,140	-12.5%
	Malls	175	248	-29.2%
	Others (Real Estate Management & Services)	289	371	-22.2%
	Fund Management/ Investment	52	61	-15.9%
Total		2,117	2,063	2.6%
GROSS MARGIN (%)		40%	38%	

(In Billion Rp)	Income Statement	1H2020	1H2019	Change YoY
OPERATING EXPENSES				
	Real Estate Development	769	605	27.0%
	Real Estate Management & Services	1,176	1,238	-5.0%
	Fund Management/ Investment	27	27	1.1%
Total		1,972	1,870	5.4%
OPEX / REVENUES		37%	34%	

Consolidated EBITDA increased by 81.5% YoY to Rp969 billion

LPKR's reported EBITDA in 1H20 increased by 81.5% YoY to Rp969 billion from Rp534 billion in 1H19. However, in 2020 we adopted the accounting standard PSAK 73 pertaining to the recognition of leases. The

impact is a decrease in rental expense and an increase in interest expense, resulting in a higher reported EBITDA. The impact is Rp254 billion, which implies that our normalized EBITDA was Rp715 billion, or an increase of 34% year on year. Real Estate Development led the EBITDA improvement, increasing by 290.7% YoY to Rp225 billion in 1H20 from a loss of Rp118 billion in 1H19.

In the first semester, Siloam booked EBITDA of Rp385 billion compared with Rp373 billion in 1H19, an increase of 3.1%. Following strong EBITDA growth in 1Q20 of 57.3% year on year, in 2Q20, Siloam booked EBITDA of Rp82 billion compared with Rp180 billion in 2Q19, a decrease of 54.8%. In 2Q20, Siloam booked a Net Loss After Tax of Rp149 billion.

Consolidated EBITDA Margin has improved to 18% in 1H20 from 10% in 1H19. However, in accordance with mark to market accounting policies in relation to our bonds outstanding we incurred an unrealized forex loss. In 2Q20 we reported an unrealized forex gain of Rp1.9 trillion as the Rupiah appreciated against the USD and almost offset the year to date unrealized forex loss of Rp446 billion in 1H20, as the Indonesian Rupiah depreciated against the USD. LPKR reported a consolidated net profit of Rp864 billion in 2Q20, however this was unable to offset the 1Q20 net loss. In 1H20, the net loss stood at Rp1.25 trillion, compared to a net loss of Rp1.46 trillion in the year ago period.

(In Billion Rp)	Income Statement	1H2020	1H2019	Change YoY
EBITDA				
	Real Estate Development	225	(118)	290.7%
	Real Estate Management & Services	716	605	18.5%
	Fund Management/ Investment	28	47	-41.1%
Total		969	534	81.5%
EBITDA MARGIN		18%	10%	

Proactive unwinding of hedges, bond launch, bond retap and First REIT divestment helps to improve balance sheet

In the first half of 2020, LPKR strengthened its cash position and improved its debt maturity by refinancing our 2022 bonds and extending the maturity to 2025. The cash and cash equivalents balance at 1H20 totaled Rp4.54 trillion compared to Rp4.69 trillion as of year-end 2019. The Company increased its cash position by Rp860 billion by unwinding existing hedges and replacing them with collar hedges at Rp15.000 to Rp17.500 and by Rp249 billion from the disposal of First REIT shares in 1H20. The Company reported higher total debt in Rupiah terms, reaching Rp13.44 trillion in 1H20 compared to Rp12.25 trillion at YE19, primarily due to the increased in short term bank loans, from ICBC Rp100 billion, BNI Rp170 billion and Mandiri Rp400 billion. As a result, the net gearing ratio increased to 0.28x in 1H20, compared to 0.22x in 4Q19. The Company has explored opportunities to diversify some debt away from USD, and incorporate more Rupiah denominated debt, as currently USD debt is 86% of total debt.

Adoption of PSAK 72 and 73

The impact to the income statement from PSAK 73 adoption and its increase in EBITDA by Rp254 billion is explained in the EBITDA section above. Rental expense is reclassified to interest expense, meaning that the reported EBITDA becomes Rp969 billion. For PSAK 72, the property business must allocate revenues when handover is completed. This was the primary driver in increasing our inventories (+Rp2.438 trillion impact) and advance from customers (+Rp3.148 trillion impact). Our retained earnings decreased by Rp579 billion as a result of those adjustments.

Recent Events

In July 2020, Lippo Karawaci sold out all of our 324 brand new units of Cendana Homes in under 6 hours. This affordable landed housing development in Lippo Village has a gross development value of Rp260.9 billion. The Cendana Homes is strategically located in Lippo Village, Tangerang, in close proximity to the toll road, a Siloam Hospital, schools and the main shopping area in Lippo Village. The average selling price of the homes was over Rp800 million per unit.

In our July AGM, shareholders approved and ratified the Company's plan to transfer treasury shares toward the implementation of a Management Stock Ownership Program (“MSOP”). Shares will be allocated to Management and employees based on Key Performance Indicators and other profitability metrics that will further align management with shareholders interests. In addition, Anand Kumar of Gateway Partners joined the Board of Commissioners and two new members of the Board of Directors were named, Mr. Tevilyan Yudhistra Rusli and Mr. Rudy Halim.

John Riady, CEO of LPKR, commented: “Despite the recent global pandemic significantly impacting our recurring revenues from healthcare, malls and hotels, we continue to show progress on our real estate development business which grew by 33.9% in 1H20. I strongly believe the property business is experiencing a revival and will continue to grow as Lippo Karawaci continues to build the affordable homes that our resident’s desire. With Indonesian home ownership at low levels comparative to Asian peers, and Indonesian mortgage debt at under 5% of GDP, we are seeing first-time home owners entering the market and banks willingness to extend credit to them. This presents a generational opportunity for companies like us to serve this demand and to take part in improving the lives of the 80 million plus constituents of Indonesia’s emerging middle class.”

Project	Location	in RpBn			
		FY20 Marketing Sales Target	1H20 Marketing Sales	1H20 Units Sold	1H20 Land ASP (RpMn/sqm)
Lippo Village	West Greater Jakarta	750	103	51	16.0
Lippo Cikarang :		800	544	460	
Residential	East Greater Jakarta	25	21	18	9.9
Waterfront	East Greater Jakarta	600	324	383	6.3
Commercial	East Greater Jakarta	25	12	3	5.3
Industrial	East Greater Jakarta	100	167	41	2.0
Orange County	East Greater Jakarta	50	21	15	18.6
Holland Village Manado	Manado, North Sulawesi	10	1	1	11.5
Tanjung Bunga	Makassar, South Sulawesi	150	94	158	5.1
Raudlatul Jannah	Karawang, West Java		2	64	7.8
San Diego Hills	Karawang, West Java	200	83	798	15.1
Amartapura	West Greater Jakarta		16	31	4.8
Kemang Village	South Jakarta	100	15	2	18.6
St Moritz Jakarta	West Jakarta	100	54	17	16.8
Park View	South Jakarta		1	1	16.9
Embarcadero	Tangerang	40	8	8	18.7
Holland Village Jakarta	North East Jakarta	150	14	7	19.8
Lippo Office Thamrin	Central Jakarta	100	94	10	45.0
Hillcrest & Fairview	West Greater Jakarta	100	23	8	20.8
Total		2,500	1,052	1,616	

About Lippo Karawaci (“LPKR”) (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci (“LPKR”) is Indonesia’s leading integrated real estate company with total assets of US\$4.2 bn at 30 June 2020. Our core business comprises urban residential developments, lifestyle malls and healthcare. We are also actively involved in integrated developments, hospitality, township development and management, as well as asset management services.

Currently, the Company has a presence in 40 cities, and is a leading Indonesian property developer with 1,416 ha of landbank ready for development. Through our two publicly listed subsidiaries, PT

Lippo Cikarang Tbk, and PT Gowa Makassar Tourism Development Tbk, of which LPKR owns 84.0% and 62.7% respectively, LPKR develops and operates urban developments at Lippo Cikarang in Bekasi and at Tanjung Bunga in Makassar. Additionally, LPKR owns 55.4% of PT Siloam International Hospitals Tbk, Indonesia's leading private hospitals network, with 38 hospitals across 24 cities nationwide.

LPKR also has an ownership stake in Lippo Malls Indonesia Retail Trust, a listed REIT in Singapore with US\$1.3bn of assets under management at 30 June 2020.

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Certain statements in this release are or may be forward- looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release.