



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 posts steady 2Q growth amid stabilising operating environment

- Growth in rental revenue and gross revenue for the quarter on lower rental and service charge discounts extended to tenants
- 2Q 2022 DPU and distribution to unitholders remain stable at 0.09 Singapore cents and S\$6.9 million respectively

Summary of Financial Results for period ended 30 June 2022

| S\$'000 | 2Q 2022 | 2Q 2021 | % Variance | 1H 2022 | 1H 2021 | % Variance |
|-----------------------------|---------|---------|------------|-----------|---------|------------|
| Rental Revenue | 30,195 | 29,584 | +2.1 | 60,691 | 56,066 | +8.2 |
| Gross Revenue | 51,710 | 49,650 | +4.1 | 102,613 | 93,258 | +10.0 |
| Net Property Income | 34,602 | 31,805 | +8.8 | 65,869 | 57,588 | +14.4 |
| Distribution to Unitholders | 6,927 | 6,906 | +0.3 | 13,854 | 13,045 | +6.2 |
| DPU (cents) | 0.09 | 0.09 | - | 0.18 | 0.17 | +5.9 |
| Rp'million | | | | | | |
| Gross Revenue | 545,493 | 535,921 | +1.8 | 1,085,177 | 999,144 | +8.6 |
| Net Property Income | 365,094 | 343,107 | +6.4 | 696,594 | 616,985 | +12.9 |

Singapore, 8 August 2022 – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today reported stable distribution per unit (“**DPU**”) and distribution to Unitholders of 0.09 Singapore cents and S\$6.9 million respectively for the three months ended 30 June 2022 (“**2Q 2022**”) amid recovering operating conditions.

For the period under review, rental revenue and gross revenue grew 2.1% and 4.1% to S\$30.2 million and S\$51.7 million respectively, partially offset by the master lease expiry of Lippo Mall Kuta and lower year-on-year (“**YoY**”) portfolio occupancy.

The top-line growth was largely due to lower rental and service charge discounts extended to tenants as stabilising Covid-19 situation in Indonesia and easing of social restrictions led to the resumption of normal operating hours for most of the Trust’s retail malls and retail spaces. The longer operating hours also resulted in higher service charge and utilities recovery of 8.0% or S\$1.5 million in 2Q 2022.

A net reversal of allowance for impairment loss on trade receivables of S\$1.8 million for 2Q 2022 following successful collection from a tenant saw net property income (“**NPI**”) for 2Q 2022 increasing 8.8% to S\$34.6 million compared to S\$31.8 million in the corresponding period a year ago (“**2Q 2021**”).

On a half-year basis (“1H 2022”), rental revenue and gross revenue grew 8.2% and 10.0% to S\$60.7 million and S\$102.6 million respectively, while NPI rose 14.4% to S\$65.9 million and distribution to Unitholders increased 6.2% to S\$13.9 million with DPU at 0.18 Singapore cents.

“As Indonesia gradually transitions from pandemic to endemic phase, the easing of restrictions has enabled our malls to resume normal operating hours with most of our tenants back in operations. As a result, we were able to gradually reduce both our rental and service charge discounts to tenants. Operationally, as consumers get used to living with Covid, we are seeing more favourable consumer spending as well as a recovery in shopper traffic to our malls for the quarter, which increased 25.4% quarter-on-quarter and 14.5% YoY. It has also recovered to 64.4% of pre-Covid levels,” said Mr James Liew, Chief Executive Officer of the Manager.

“Meanwhile, our portfolio occupancy stood at 79.7% in 2Q 2022, up from 79.1% in the previous quarter but lower than last year’s 83.4% due to termination of leases from tenants impacted by the pandemic. However, it remained higher than industry average of 77.0% and riding on improving consumer confidence and the reopening of borders worldwide, we will focus on managing the renewal of expiring leases as well as working closely with our mall operator to improve tenant mix and bring in new tenants. As at 30 June 2022, approximately 61.6% of the leases expired in 1H 2022 have renewed their leases and the Trust has also managed to achieve a positive rental reversion of 1.7% year-to-date,” said Mr Liew.

LMIR Trust’s cash balance as at 30 June 2022 stood at S\$120.1 million, an improvement from S\$113.0 million as at 31 March 2022 on the back of better collections from tenants arising from a more conducive operating environment.

Market Outlook

The Covid-19 infections remain volatile especially with recent surge in cases from the Omicron subvariants. However, instead of the extreme restrictions seen in the last two years, most of Southeast Asia’s governments are taking more reasonable measures. Similarly in Indonesia, after assessing the situation on the ground and considering that hospital bed occupancy rate remains relatively stable despite the spike, the government has extended its public activity restrictions (“PPKM”) at level 1 – the most relaxed of the four-tiered curbs – until 15 August 2022 in all regions across Java and Bali, and 15 September 2022 for the rest of the country.¹

With the Covid-19 infections remaining manageable despite the spike, the economic activity in Indonesia also continues to normalise. In the Asian Development Outlook 2022 Supplement report released by the Asian Development Bank in July 2022, it revised its forecast for Indonesia’s economic

¹ 3 August 2022, The Jakarta Post - Govt maintains least-stringent curbs nationwide

growth in 2022 to 5.2%, up from its April projection of 5.0% due to healthy domestic demand and steady export growth.²

The Trust is actively managing its properties with asset enhancement initiatives to optimise the value of its portfolio to create and attract the right mix of tenants to improve shopper experience. With rising inflation, interest rates and ongoing Russia-Ukraine war, LMIR Trust will continue to be prudent with its capital management and actively manage its portfolio to drive recovery.

CONTACT INFORMATION

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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 portfolio comprises 22 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 957,917 square metres and total carrying value of Rp19,014.1 billion as at 30 June 2022 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, Uniqlo, Sogo, Hypermart, Carrefour, Ace Hardware, as well as international specialty tenants such as Victoria’s Secret, McDonalds, Pizza Hut, Kentucky Fried Chicken, A&W, Fitness First, Timezone, and Starbucks.

² 21 July 2022, Asian Development Bank – ADB raises growth forecast for Indonesia