



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 reports stable operational performance for 1Q 2024

- *Strategic asset enhancement initiatives over the next two years to optimise spaces, prepare for new tenants and enhance shoppers' experience*
- *Prudent capital management continues as the Trust explores available options to achieve a sustainable capital structure*

*Summary of Financial Results for period ended 31 March 2024*

S\$' 000	1Q 2024	1Q 2023	% Variance
Rental Revenue	27,512	27,756	▼0.9
Gross Revenue	49,230	48,897	▲0.7
Net Property Income	29,882	30,824	▼3.1
Rp' million			
Rental Revenue	320,978	317,094	▲1.2
Gross Revenue	574,359	558,617	▲2.8
Net Property Income	348,629	352,144	▼1.0

**Singapore, 26 April 2024** – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today reported rental revenue of S\$27.5 million for the first quarter ended 31 March 2024 (“**1Q 2024**”), a marginal 0.9% dip from S\$27.8 million in the corresponding period a year ago (“**1Q 2023**”). This was largely due to a 2.1% depreciation in IDR against SGD<sup>1</sup>. In IDR terms, rental revenue for the quarter edged up 1.2% to Rp321.0 billion compared to Rp317.1 billion in 1Q 2023.

Gross revenue on the other hand rose 0.7% to S\$49.2 million from S\$48.9 million in 1Q 2023 on higher carpark revenue and service charge and utilities recovery, while net property income (“**NPI**”) declined 3.1% to S\$29.9 million compared to S\$30.8 million in 1Q 2023 due to higher property operating and maintenance expenses and lower net reversal for impairment loss on trade receivables compared the period before.

In IDR terms, gross revenue grew 2.8% to Rp574.4 billion in 1Q 2024 from Rp558.6 billion in 1Q 2023, while NPI slid 1.0% to Rp348.6 billion from Rp352.1 billion in 1Q 2023.

<sup>1</sup> Average exchange rate of Singapore Dollar (SGD) 1.00 to Indonesia Rupiah (IDR) 11,666.85 for 1Q 2024 vs. SGD1.00 to IDR11,424.36 for 1Q 2023

“Despite the exit of a hypermarket tenant from our malls, our portfolio remains resilient and continues to show signs of recovery. Average portfolio occupancy for the quarter edged up to 79.5% from 79.0% as at 31 December 2023, largely attributed to securing new leases for 19,140 square metres and renewing 61.8% of expiring leases. Overall, we have achieved an average positive rental reversion of 3.0% year- to-date, indicating positive momentum in our leasing activities.

“We are actively pursuing asset enhancement initiatives to optimise space utilisation, boost mall value, and rejuvenate specific areas, potentially leading to higher rental rates. We have earmarked a total of nine properties for refurbishment works over the next two years. While the positive effects of these initiatives will require time, we aim to attract an interesting mix of tenants from various sectors to offer shoppers a holistic and enriching experience,” said **Mr James Liew, Chief Executive Officer of the Manager.**

Additionally, shopper traffic for the quarter has rebounded to approximately 75.4% of pre-Covid levels in 2019 and showing a year-on-year improvement of 10.7% over 1Q 2023.

### **Prudent Capital Management**

The Trust has maintained a prudent and strategic approach to capital management amidst prolonged macroeconomic effects, including high inflation, elevated interest, and volatile foreign exchange rates. Navigating these challenges, strategic actions were undertaken last year to address its capital structure and maturing loans.

In December 2023, a tender offer was launched for the US\$250.0 million Guaranteed Senior Notes (“**2024 Notes**”) and US\$200.0 million Guaranteed Senior Notes (“**2026 Notes**”). Subsequently, in January 2024, a second tender offer was initiated for the 2024 and 2026 Notes. These efforts have resulted in a significant reduction in outstanding notes, with the 2024 Notes reducing to US\$138.5 million as at 31 March 2024 from US\$188.3 million as at 31 December 2023, and the 2026 Notes decreasing to US\$114.8 million as at 31 March 2024 from US\$143.2 million as at 31 December 2023. The funds utilised for the tender offers were from the IDR facility secured in December 2023, and through these exercises, LMIR Trust’s weighted average debt maturity has improved from 1.13 years as at 30 September 2023, to 2.75 years as at 31 December 2023 and to 2.80 years as at 31 March 2024.

As a result of its strategic capital management, LMIR Trust managed to maintain its average leverage ratio at 43.7% as at 31 March 2024, which is below the regulatory limit.

The Trust remains committed to exploring various options available to maintain a prudent and sustainable capital structure. It will also focus on addressing its other maturing debt obligations in the next 12 months, particularly the outstanding 2024 Notes. It continues to be in active discussions with banks to explore potential liability management alternatives. Pending a clear resolution on its debt obligations maturing in 2024 and potentially in 2026 as well as achieving a sustainable capital structure, the Trust will continue to exercise prudence regarding any distributions to be made to both Unitholders and holders of the perpetual securities.

### **Market Outlook**

According to recent Fitch Ratings Agency report, Indonesia's gross domestic product growth in 2024 is broadly stable at 4.9%, slightly down from 5.05% in 2023. It expects slower export momentum in the first half of this year, given weakening global demand, but strong domestic investment and consumption will most likely support growth, also due in part to spending related to local elections to be held country-wide in November.<sup>2</sup>

Bank Indonesia ("BI") recently raised its key benchmark rate by 25 basis points to 6.25% as a response to the recent pressure on the Indonesian Rupiah, which reached 16,200 against the US dollar. The rate hike aims to bolster the stability of the foreign exchange rate amid escalating global risks, and to ensure inflation remains within the target range. BI remains committed to enhancing its policy aimed at stabilising the currency exchange rate.<sup>3</sup>

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### **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 953,499 square metres and total carrying value of Rp18,385.9 billion as at 31 March 2024 and are strategically located in major cities of Indonesia with large middle-income population. Tenants include well-known retailers such as Hypermart, Matahari Department Store and Sogo, as well as popular consumer brands including Zara, Uniqlo, H&M, Adidas, Victoria Secret, Giordano, Starbucks, Fitness First, Timezone, Miniso and Ace Hardware, among others.

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<sup>2</sup> 15 March 2024, Fitch Ratings - Fitch Affirms Indonesia at 'BBB'; Outlook Stable

<sup>3</sup> 24 April 2024, Business Times – Indonesia's central bank surprises with "pre-emptive" rate hike to cushion falling rupiah