



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 3Q 2023 NPI of S\$30.6 million despite ongoing macroeconomic challenges

- A subdued global and domestic economy in a volatile interest rate and foreign exchange environment continues to present challenges
- Successfully enters into amendment and restatement agreements to extend maturing loans
- Staying prudent and strategic with capital and portfolio management to ensure stability and boost operational recovery

Summary of Financial Results for period ended 30 September 2023

S\$'000	3Q 2023	3Q 2022	% Variance	9M 2023	9M 2022	% Variance
Rental Revenue	28,073	29,920	▼6.2	84,087	90,611	▼7.2
Gross Revenue	49,770	51,730	▼3.8	149,378	154,343	▼3.2
Net Property Income	30,642	32,795	▼6.6	93,796	98,664	▼4.9
Rp'million						
Rental Revenue	315,982	319,962	▼1.2	947,091	961,796	▼1.5
Gross Revenue	560,196	553,107	▲1.3	1,682,478	1,638,284	▲2.7
Net Property Income	344,891	350,681	▼1.7	1,056,446	1,047,275	▲0.9

Singapore, 9 November 2023 – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today reported net property income (“**NPI**”) of S\$30.6 million for the third quarter ended 30 September 2023 (“**3Q 2023**”) compared to S\$32.8 million in the same period a year ago (“**3Q 2022**”).

The Trust’s topline performance remained relatively stable in 3Q 2023 with rental revenue dipping 6.2% to S\$28.1 million whilst gross revenue slipped 3.8% to S\$49.8 million, largely due to the 5.8% year-on-year (“**YoY**”) depreciation of IDR against SGD¹ and lower rental contribution of S\$0.7 million in aggregate from Lippo Plaza Jogja due to the expiry of master leases in December 2022.

In IDR terms, rental revenue for the quarter edged down 1.2% to Rp316.0 billion, while gross revenue rose 1.3% to Rp560.2 billion on higher service charge and utilities recovery in 3Q 2023 as more tenants returned to full operations upon a more relaxed operating environment. NPI dipped marginally to Rp344.9 billion in 3Q 2023 compared to Rp350.7 billion in 3Q 2022.

¹ Average exchange rate of Singapore Dollar (SGD) 1.00 to Indonesia Rupiah (IDR) 11,263.23 for 3Q 2023 vs. SGD1.00 to IDR10,614.56 for 3Q 2022

The Trust's portfolio occupancy declined to 76.8% as at 30 September 2023 compared to 81.4% as at 30 June 2023, mainly due to the previously disclosed early termination/ downsizing of Carrefour anchor leases in Palembang Square, Tamini Square and Lippo Plaza Kramat Jati, where initiatives have been taken to convert these vacated spaces to cater for mini-anchor or speciality tenants. The Trust secured a total of 85,456 square metres of new leases and renewed 66.8% of expiring leases at a positive rental reversion of 1.4%. The Manager expects occupancy to gradually rise back above 80% over the next six months. Overall shopper traffic has recovered to 68.7% of pre-Covid levels with footfall for malls in the Sumatra region recovering to over 85% of pre-Covid levels, while some malls in Java region continue to face intense competition from newer malls.

In October 2023, the Trust announced that it has entered into amendment and restatement agreements ("ARAs") in respect of their two loan facilities of S\$67.5 million each maturing on 9 November 2023 and a S\$110.0 million loan facility with S\$82.5 million maturing on 6 January 2024 and S\$27.5 million maturing on 6 January 2026. These loan facilities were extended with effect from 3 November 2023 with a final maturity on 2 November 2026 following the upfront prepayment of S\$47.0 million. Certain properties have been provided as collateral to the lenders of these agreements.

Mr James Liew, Chief Executive Officer of the Manager said, "As we continue to exercise prudence in our capital management, conserving cash to stabilise our performance in this challenging high interest rate and depreciating IDR environment, exacerbated by geopolitical tensions and subdued global and domestic economy, we successfully secured support from our existing relationship lenders to extend our maturing loans. Despite the successful extension of the loans in 2023, given the challengers outlined above, distributions to both the Perpetual Securities Holders and Unitholders will unfortunately remain constrained until a comprehensive solution is determined for the Trust's maturing debts in 2024."

The Trust's gearing ratio stood at 43.0% as at 30 September 2023 with interest cover at 1.97 times on higher YoY interest expenses. Post the upfront prepayment of the S\$47.0 million, the Trust's pro-forma gearing ratio edged down to 41.5%.

Market Outlook

October's inflation rate in Indonesia inched up to 2.56% from September's inflation rate of 2.28%. This was largely driven by El Nino weather conditions that has triggered an increase in food prices. Meanwhile, core inflation continued to ease to 1.98% from 2.00% in the previous month, marking the lowest figure in 21 consecutive months.²

² 1 November 2023, Business Times – Indonesia's inflation rises to 2.56% in October, fuelling talks of further rate hikes

Despite some easing in inflation, the Indonesian Rupiah (“IDR”) continued to weaken to its lowest level at 15,871 against the US dollar since 2020. This triggered the raising of its key rate by 25 basis points to 6.00% by Bank Indonesia (“BI”) to strengthen stabilisation measures for the currency against the impact of increasing global uncertainty. The key rate is now at its highest level since June 2019. Further weakness in the IDR may trigger more rate hikes. Nevertheless, Indonesia’s economic growth forecast remains at 4.5% to 5.3% for 2023.³

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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 950,297 square metres and total carrying value of Rp19,483.7 billion as at 30 September 2023 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.

³ 19 October 2023, Business Times – Indonesia central bank unexpectedly raises rates amid falling rupiah