



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 sees 2Q growth on contribution from Puri Mall and lower rental and service charge discounts**

- Declares DPU of 0.09 Singapore cents for 2Q 2021

*Summary of Financial Results for period ended 30 June 2021*

S\$'000	2Q 2021	1Q 2021	2Q 2021 vs. 1Q 2021 % Variance	2Q 2020	2Q 2021 vs. 2Q 2020 % Variance
Rental Revenue	29,584	26,482	11.7	12,627	n.m.
Gross Revenue	49,650	43,608	13.9	27,383	81.3
Net Property Income	31,805	25,783	23.4	12,823	n.m.
Amount Available for Distribution	4,742	328	n.m.	(11,303)	n.m.
Distribution to Unitholders	6,906	6,139	12.5	3,137	n.m.
DPU (cents)	0.09	0.08	12.5	0.11	(18.2)
<b>Rp'million</b>					
Gross Revenue	535,921	463,223	15.7	303,178	76.8
Net Property Income	343,107	273,878	25.3	144,451	n.m.

**Singapore, 26 July 2021** – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today announced a steady growth in operational performance for the second quarter ended 30 June 2021 (“**2Q 2021**”), compared to the corresponding period a year ago (“**2Q 2020**”) and to the first quarter ended 31 March 2021 (“**1Q 2021**”).

Distribution per unit (“**DPU**”) for the quarter came in at 0.09 Singapore cents, compared to 0.11 Singapore cents in 2Q 2020. On a quarter-on-quarter (“**QoQ**”) basis, DPU grew 12.5% from 0.08 Singapore cents in 1Q 2021.

Underpinned by lower rental and service charge discounts following a gradual recovery in the operating environment in 2Q 2021, as well as contribution from the newly acquired Lippo Mall Puri (“**Puri Mall**”), LMIR Trust saw rental revenue and gross revenue improving YoY to S\$29.6 million and S\$49.7 million, from S\$12.6 million and S\$27.4 million in 2Q 2020 respectively. The increase was partially offset by the S\$1.3 million loss of income from Binjai Supermall and Pejaten Village that were divested in 3Q 2020.

Correspondingly, net property income (“**NPI**”) for the quarter increased to S\$31.8 million from S\$12.8 million in 2Q 2020, while distribution to Unitholders more than doubled to S\$6.9 million in 2Q 2021 from S\$3.1 million in 2Q 2020.

For the six months ended 30 June 2021 (“**1H 2021**”), rental revenue and gross revenue grew 14.0% and 1.0% YoY to S\$56.1 million and S\$93.3 million respectively, while NPI rose 9.5% YoY to S\$57.6 million and distribution to Unitholders doubled to S\$13.0 million.

Chief Executive Officer of the Manager, Mr James Liew said, “Indonesia was showing signs of recovery in the first half of the year with the launch of its vaccination programme, lesser Covid-19 transmissions reported and easing of restrictions. As our malls and tenants gradually resumed operations with the improving operating environment, we were able to extend lower rental and service charge discounts, resulting in both YoY and QoQ improvements in our financial performance.

“Unfortunately, Indonesia is experiencing a resurgence of Covid-19 cases due to the highly transmissible Delta variant. The government has imposed emergency public activity restrictions since 3 July for an initial period of three weeks, which is now extended to 2 August. In compliance and to help curb the rampant spread of the virus, our malls in Java, Bali and Medan are temporarily closed till 2 August, with possible extension depending on regulations.”

During the closure period, only essential services such as supermarkets, pharmacies, banks and clinics remain operational albeit at shorter operating hours and capacity limits. Restaurants and cafes continue to offer delivery and take-away services but no dine-in services are permitted. The health and safety of the employees of the property manager and tenants, of which over 85% and 70% respectively are fully vaccinated, shoppers and contractors remain the critical priority during this period, and the Trust has continued to adhere to stringent safety and health measures in the malls.

In view of the current development, the Trust will be extending rental waivers to tenants who are not permitted to operate during this closure period. The extension of additional rental support and service charge discounts are being considered. As the situation remains uncertain, it is currently difficult for the Manager to ascertain the full impact of the crisis on the financial performance of the Trust.

Nevertheless, the Trust has sufficient financial resources to meet its near-term financial obligations when they fall due. It has no debt maturity obligations in 2021, having repaid a revolving credit facility and refinanced a term loan facility in 1H 2021. Hence, it has no refinancing needs owing to non-related lenders until November 2022. The Trust will continue to exercise financial prudence in light of the near term uncertainties ahead. As at 30 June 2021, its gearing remained stable at 42.5%.

“We are actively engaging with our tenants and will continue to render the necessary support and resources during such challenging times. Our overall portfolio occupancy remained stable at 83.4% as at 30 June 2021, which is higher than industry average of 77.0%. Approximately 25.4% of expired leases or due to expire in 2021 have renewed or committed to renew their leases. We will continue to actively manage our tenant mix and work with our tenants to support their recovery,” said Mr Liew.

## **Market Outlook**

Following rising Covid-19 cases and the emergency public activity restrictions, the Indonesian government has revised down its expected 2021 gross domestic product (“GDP”) growth to 3.7% to 4.5% as compared to the previously expected growth of 4.5% to 5.3%.<sup>1</sup>

The partial lockdown in Jakarta and across Java Bali and Medan, started since 3 July and extended till 2 August, includes the shutdown of all malls, places of worship, and parks, while restaurants can only provide takeaway and delivery services. Grocery stores and supermarkets remain open but with restricted opening hours and capacity. Number of cases saw a downward trend since the lockdown and if situation continues to improve, the government plans to gradually begin easing certain restrictions.<sup>2</sup> To fund its pandemic response, the government has doubled its healthcare spending from the beginning of the year to Rp193.9 trillion (S\$18.2 billion).<sup>3</sup>

## **INFORMATION**

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### **About Lippo Malls Indonesia Retail Trust (“LMIR Trust”) ([www.lmir-trust.com](http://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 957,950 square metres and total carrying value of Rp18,969.0 billion as at 30 June 2021 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 speciality tenants such as Victoria's Secret, Promod, McDonalds, Pizza Hut, Kentucky Fried Chicken, A&W, Fitness First and Starbucks.

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<sup>1</sup> 5 July 2021, Reuters – Indonesia revises down 2021 GDP growth to 3.7%-4.5% - senior minister

<sup>2</sup> 26 July 2021, The Jakarta Post - Indonesia relaxes emergency curbs, vows to boost testing, tracing

<sup>3</sup> 5 July 2021, The Jakarta Post – Indonesia increases health spending, wants vaccinations day and night