



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 performance on gradual recovery of mall operations and contribution from Puri Mall**

- Declares DPU of 0.09 Singapore cents for 4Q 2021, up from 0.04 Singapore cents a year ago
- Lower rental and service charge discounts to tenants in 4Q 2021 amid improving Covid-19 situation

*Summary of Financial Results for period ended 31 December 2021*

S\$'000	4Q 2021	4Q 2020	% Variance	FY 2021	FY 2020	% Variance
Rental Revenue	27,928	13,822	n.m.	101,740	78,290	30.0
Gross Revenue	50,916	27,352	86.2	175,067	148,535	17.9
Net Property Income	29,359	10,627	n.m.	104,239	76,357	36.5
Distribution to Unitholders	6,906	3,042	n.m.	26,857	11,740	n.m.
DPU (cents)	0.09	0.04	n.m.	0.35	0.34	2.9
<b>Rp'million</b>						
Gross Revenue	512,132	305,063	67.9	1,839,338	1,579,222	16.5
Net Property Income	294,699	120,718	n.m.	1,095,185	811,826	34.9

**Singapore, 22 February 2022** – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), capped off financial year ended 31 December 2021 (“**FY 2021**”) with steady year-on-year (“**YoY**”) revenue and net property income growth on gradual easing of restrictions due to positive developments of the Covid-19 situation in Indonesia towards the end of the year.

For the fourth quarter ended 31 December 2021 (“**4Q 2021**”), the Trust posted a distribution per unit of 0.09 Singapore cents, up from 0.04 Singapore cents for the same period a year ago (“**4Q 2020**”), on the back of distribution to Unitholders of S\$6.9 million for the quarter.

Rental revenue for 4Q 2021 increased to S\$27.9 million from S\$13.8 million in 4Q 2020 mainly due to the contribution from the newly acquired Lippo Mall Puri (“**Puri Mall**”) amounting to S\$5.8 million, as well as retrospective rental adjustments for certain tenants from the previous periods in FY 2021. On a like-for-like basis for the existing portfolio, lower rental discounts were extended to tenants in 4Q 2021 due to relaxation of restrictions and improved operating conditions, which also led to the higher rental revenue.

Correspondingly, increase in car park revenue due to higher vehicle traffic, and higher service charge and utilities recovery boosted gross revenue to S\$50.9 million in 4Q 2021 from S\$27.4 million in 4Q 2020. Notwithstanding an increase in operating expenses along with the increase in operating activities, net property income (“NPI”) improved to S\$29.4 million in 4Q 2021 from S\$10.6 million in 4Q 2020.

“The addition of the flagship Puri Mall has helped anchor the performance of the Trust more steadily during the year, as seen in its revenue and income contributions. In addition, after a surge in cases due to the Delta variant in July and August, Indonesia saw a stabilising Covid-19 situation in the fourth quarter of the year, resulting in the gradual easing of restrictions on mall operations. Amid the improving conditions and favourable consumer behaviour, we were able to reduce our rental discount to our tenants to an average of approximately 13% in 4Q 2021 compared to an average of 33% a year ago. Similarly, we were also able to reduce service charge discount to our tenants for the period,” said Mr James Liew, Chief Executive Officer of the Manager.

On a full-year basis, rental revenue and gross revenue grew 30.0% and 17.9% to S\$101.7 million and S\$175.1 million respectively, while NPI rose 36.5% to S\$104.2 million, largely on contribution from the Puri Mall. Full year distribution to Unitholders was S\$28.6 million with annualised DPU at 0.35 Singapore cents.

### **General Business Updates**

The improving pandemic situation and easing of Covid-19 curbs bodes well for mall operations in 4Q 2021. The Trust’s retail malls and retail spaces were operating under more relaxed regulations of 50-75% mall capacity, with certain capacity limits for dining-in, cinemas and gyms. Visitors to the malls are required to show proof of vaccination and children under the age of 12 are now allowed into the mall with parental supervision.

However, a spike in infections due to the Omicron variant triggered the tightening of social restrictions in Greater Jakarta, Bandung, Bali and Yogyakarta by the Indonesia government in early February. Restaurants, cafes, shopping malls must again limit visitors and operate at 60% capacity, and entertainment centres at 35% capacity in these four cities.

“As conditions stabilised towards the last quarter of the year, we were seeing more favourable consumer behaviour with increasing shopper footfall to our malls as most of our tenants were able to resume operations at reduced restrictions. Average shopper traffic for the year has recovered to 48.0% of pre-Covid days in 2019 and based on 4Q 2021, shopper traffic has recovered to 55.4% of 4Q 2019. The onset of Omicron has resulted in record high Covid-19 cases but as similarly experienced in other countries, the surge has not resulted in a similar surge in hospitalisations and fatalities. Our malls are able to keep operating albeit under slightly more restrictive conditions. Shopper traffic as at 21 February 2022 declined relative to January 2022 but remained at levels comparable to the same period in February 2021 before the onset of Delta and Omicron.

“Operationally, we are also working actively with our mall operator and tenants to increase our marketing efforts to attract shoppers to our malls as well as actively looking to optimise space to improve tenant mix and attract new and replacement tenants to boost occupancy,” said Mr Liew.

Average portfolio occupancy stood at 80.9% as at 31 December 2021, down from 84.5% as at 31 December 2020. This is however still higher than the industry average of 76.5% for 2021.

LMIR Trust’s gearing remained stable at 42.5% as at 31 December 2021 with interest cover at 1.91 times.

### **Market Outlook**

Indonesia’s economy bounced back with 3.69% growth in 2021 from a contraction of 2.07% in 2020. Its fourth quarter gross domestic product expanded 5.02% on a yearly basis, accelerating from 3.51% growth in the previous quarter, following an increase in domestic consumption on the easing of Covid-19 restrictions in the quarter and as stronger commodity prices pushed exports to record high. However, the outlook for 2022 is clouded by rising cases due to the highly transmissible Omicron variant and tightening of restrictions to curb the spread.<sup>1</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 956,632 square metres and total carrying value of Rp19,039.9 billion as at 31 December 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, Hypermart, Carrefour, Ace Hardware, as well as international specialty 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> 7 February 2022, Nikkei Asia - Indonesia's economy bounced back in 2021 with 3.69% growth