



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 pays 2Q 2020 DPU of 0.11 cents, amid loss caused by COVID-19 pandemic

- *Progressively reopening malls and retail spaces since mid-May*
- *Except for cinemas, gyms and entertainment outlets which remain closed, 92.4% of tenants by NLA, have resumed operations with safety measures in place*
- *Actively engaging tenants to initiate promotional activities to rebuild footfall and improve shopper experience in the new normal*

Summary of Financial Results for period ended 30 June 2020

S\$'000	2Q 2020	1Q 2020	% Variance
Gross Rental Income	12,627	36,569	(65.5)
Total Gross Revenue	27,383	64,928	(57.8)
Net Property Income	12,823	39,761	(67.7)
(Loss)/Income Attributable to the period	(11,303)	14,552	N.M.
Distribution to Unitholders	3,137	3,512	(10.7)
DPU (cents)	0.11	0.12	(8.3)
Rp'million			
Gross Rental Income	141,559	372,250	(62.0)
Total Gross Revenue	303,178	660,928	(54.1)
Net Property Income	144,451	404,743	(64.3)

Singapore, 24 July 2020 – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today announced a distribution per unit (“**DPU**”) of 0.11 Singapore cents for the second quarter ended 30 June 2020 (“**2Q 2020**”), amid the Covid-19 pandemic.

Chief Executive Officer of the REIT Manager, Mr James Liew said, “The Covid-19 pandemic has exerted widespread impact on the operating environment and the economy in Indonesia. In support of the Indonesian government’s call to help curb the spread of the coronavirus, the Trust had closed all its malls by 1 April, which affected our 2Q performance. Nevertheless, the situation is steadily improving with the resumption of operations at the malls at shorter operating hours in light of the pandemic situation in Indonesia, giving comfort to the Trust in making a prudent distribution to our unitholders.”

The temporary closure of the Trust’s retail malls and retail spaces commenced on 27 March, except for essential services such as supermarkets and pharmacies which remained open at shorter operating hours. With tenants affected by the closure being extended rental waivers, the Trust

recorded gross rental income of S\$12.6 million for 2Q 2020, compared to S\$36.6 million in 1Q 2020. A 40% discount on service charge was also extended to tenants, which, along with the provision of free parking at some malls during the closure period, led to lower ancillary income. Consequently, total gross revenue for 2Q 2020 was S\$27.4 million, compared with S\$64.9 million in 1Q 2020. The net property income (“NPI”) came in at S\$12.8 million in 2Q 2020 versus S\$39.8 million in 1Q 2020.

Alleviating the reduction in rental income following the temporary closure of the retail malls and spaces, cost-saving measures were implemented to cut property operating expenses, resulting in a decline of 42.1% to S\$14.6 million in 2Q 2020 from S\$25.2 million in 1Q 2020. Taking this into account, the Trust contained the loss to S\$7.7 million in 2Q 2020. Utilising retained income of S\$14.4 million from previous quarters to set off against the loss incurred in 2Q 2020 and pay the distribution to its perpetual security holders in June, a residual amount of S\$3.1 million will be distributed for 2Q 2020, marginally less than the S\$3.2 million distributed in 1Q 2020.

Outlook

Since mid-May, with the gradual lifting of social restrictions in Indonesia, the Trust has progressively reopened its retail assets albeit at shorter operating hours. Notwithstanding the continued spread of the virus within Indonesia, the Trust is seeing steady improvement in footfall at its malls. Growth in footfall will naturally take time to rebuild and is supported by the strict safety measures implemented by the property manager and tenants to ensure a safe environment for all visitors to the malls.

“Under the current circumstances, the Trust’s average occupancy of 88.2% remains higher than the industry average of 80.8%. Except for cinemas, gyms and entertainment outlets which remain closed, 92.4% of tenants by net lettable area have resumed operations with safety measures in place. Amid continued uncertainty surrounding the pandemic in Indonesia and with the health and safety of the Trust’s employees, tenants, shoppers and contractors remaining key priorities of the Trust, the Manager continues to work closely with and support our tenants in relation to their trading performance and collections in light of reduced trading hours. In uncertain times, shoppers naturally are more conservative with their discretionary spending and so we are actively working with our retailers to roll out promotional initiatives and explore ways to improve shopper experience in this new normal,” said Mr Liew.

“Staying vigilant and resilient in these challenging times is crucial which includes managing closely our capital, discretionary capital expenditure and operating expenses. The Trust remains in compliance with its debt financial covenants and has adequate financial reserves to fulfil its obligations into the foreseeable future in these unprecedented times. Specifically, during the quarter, the Trust repaid its S\$75.0 million EMTN notes utilising internally generated cash to fulfil this obligation. Additionally, our gearing ratio as at 30 June 2020 stood at 35.7%, well below the new regulatory limit of 50.0%, with an interest cover of 3.33 times,” said Mr Liew.

Amid the current global challenges, the Trust continues to work strategically to improve its financial stability and flexibility. This includes optimising current portfolio performance through divestment together with capturing future opportunities that will achieve long-term sustainable returns for unitholders. As part of this effort, the Trust has entered into a conditional sale and purchase agreement with NWP Retail for the divestment of Pejaten Village and Binjai Supermall for a total consideration of Rp1,152.6 billion.

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 current asset portfolio comprises 23 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 913,958 square metres and total valuation of Rp18,851.8 billion as at 31 December 2019, 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 specialty tenants such as Victoria’s Secret, Promod, McDonalds, Pizza Hut, Kentucky Fried Chicken, A&W, Fitness First and Starbucks.