



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 maintains stable operational recovery for 2Q 2024

- *Substantially addressed debts with less than 12 months maturity*
- *Remains strategic and prudent with capital management*

Summary of Financial Results for period ended 30 June 2024

S\$'000	2Q 2024	2Q 2023	% Variance	1H 2024	1H 2023	% Variance
Rental Revenue	27,033	28,258	▼4.3	54,545	56,014	▼2.6
Gross Revenue	48,112	50,711	▼5.1	97,342	99,608	▼2.3
Net Property Income	29,357	32,331	▼9.2	59,239	63,154	▼6.2
Rp' million						
Rental Revenue	322,168	314,015	▲2.6	643,146	631,109	▲1.9
Gross Revenue	573,411	563,665	▲1.7	1,147,770	1,122,282	▲2.3
Net Property Income	349,865	359,411	▼2.7	698,494	711,555	▼1.8

Singapore, 29 July 2024 – LMIRT Management Ltd (the “**Manager**”), the manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), today reported year-on-year (“**YoY**”) topline growth in its underlying performance, denominated in Indonesia Rupiah (“**IDR**”), for the second quarter ended 30 June 2024 (“**2Q 2024**”). This growth was underpinned by improving operational performance from strategic and active asset management. In its reporting currency, the Singapore Dollar (“**SGD**”), the topline performance registered a marginal YoY slide, largely attributable to a 4.4% depreciation in IDR against SGD¹,

In IDR terms, rental revenue grew 2.6% to Rp322.2 billion in 2Q 2024 compared to Rp314.0 billion in the same quarter a year ago (“**2Q 2023**”) and gross revenue edged up 1.7% to Rp573.4 billion in 2Q 2024 from Rp563.7 billion in 2Q 2023. Net property income (“**NPI**”) slipped 2.7% to Rp349.9 billion from Rp359.4 billion in 2Q 2023, on lower net reversal for impairment loss on trade receivables compared to 2Q 2023.

On the other hand, in its reporting currency, rental revenue and gross revenue dipped 4.3% and 5.1% to S\$27.0 million and S\$48.1 million respectively in 2Q 2024, while NPI declined 9.2% to S\$29.4 million.

¹ Average exchange rate of Singapore Dollar (SGD) 1.00 to Indonesia Rupiah (IDR) 11,791.11 for 1H 2024 vs. SGD1.00 to IDR11,266.99 for 1H 2023

Commented **Mr James Liew, Chief Executive Officer of the Manager**, “Our strategic and active asset management initiatives have led to positive operational recovery for the first half of 2024. We have maintained a stable portfolio occupancy rate of 79.9% through active rental renewals and securing new leases and overall shopper traffic has also recovered to 70% of pre-Covid levels in 2019.

“The shopping mall landscape in Indonesia remains highly competitive with the rapid growth of online shopping and newer malls in certain regions. Nonetheless, the social and experiential value of malls continues to be significant to shoppers. We are actively managing our tenant mix to incorporate more entertainment and dining options, creating a diverse and interesting environment and choices to attract shoppers.”

Prudent Capital Management

The prevailing high interest rates and volatile foreign exchange environment continue to pose challenges for the Trust. Nevertheless, the Trust has remained steadfast in navigating these challenges to maintain a sustainable capital structure.

With PT Lippo Karawaci Tbk (the “**Sponsor**”) introducing the Trust to their domestic Indonesian relationship banks, the Trust has largely transitioned into an IDR-denominated financing structure, which acts as a natural hedge against the Trust’s IDR-denominated asset base. This consequently reduces foreign currency risk going forward. With proceeds from Rp8.5 trillion of IDR loan facilities, the Trust fully repaid its SGD-denominated bank loans in early June 2024, repurchased or fully redeemed its 2024 Notes due in June 2024 and significantly reduced its outstanding 2026 Notes due in February 2026 to US\$22.6 million. The Trust’s weighted average maturity of debt increased significantly from 2.75 years as of end December 2023 to approximately 6.94 years as of date of this announcement.

“We are heartened by the support from our new relationship banks for these new term loan facilities and will continue to be prudent, exploring various funding sources to maintain a sustainable capital structure in the current macroeconomic landscape. Nevertheless, with our leverage ratio at an elevated level of 44.96% as at 30 June 2024, obligation to meet the monthly principal loan repayments under our IDR Facilities and liquidity needs to fund our operational capital expenditures and asset enhancement initiatives, the Trust will need to continue to exercise prudence with our distributions to Unitholders and holders of our perpetual securities,” said James.

Market Outlook

Indonesia’s annual inflation eased to 2.51% in June from 2.84% in May, marking it the lowest level in nine months and within Bank Indonesia’s (“**BI**”) target range between 1.5% to 3.5%. With inflation remaining within the target range, BI was able to focus on stabilising the Indonesian Rupiah, which has weakened to its lowest level in four years amid increasing uncertainties in the global markets.²

² 1 July 2024, Business Times – Indonesia’ June inflation eases to 2.51%, below analyst forecasts

Among its other measures to stabilise the rupiah, BI has maintained its interest rate at 6.25% in July. It has also reaffirmed its 2024 Indonesia gross domestic product forecast with a projected expansion between 4.7% and 5.5%. However, the Rupiah remains vulnerable to exchange rate fluctuations and will remain as the primary focus of BI's current monetary policy.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 960,825 square metres and total carrying value of Rp18,435.5 billion as at 30 June 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.

³ 17 July 2024, Business Times – Indonesia's central bank holds interest rates steady, as expected