



**LIPPO MALLS INDONESIA RETAIL TRUST**

**Condensed interim financial statements**

For the second quarter and half year ended 30 June 2022

## **Lippo Malls Indonesia Retail Trust**

### **Condensed interim financial statements**

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## **Lippo Malls Indonesia Retail Trust**

### **Introduction**

Lippo Malls Indonesia Retail Trust (“LMIR Trust”) is a Singapore-based real estate investment trust (“REIT”) constituted by a trust deed dated 8 August 2007. LMIR Trust was listed on the Singapore Exchange Securities Trading Limited on 19 November 2007.

LMIR Trust was 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 is primarily used for retail and/or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 June 2022, LMIR Trust’s property portfolio comprises 22 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

The tax transparency treatment applicable to S-REITs that derive specified income from Singapore immovable properties (“taxable income”) which requires a distribution to unitholders of at least 90% of the taxable income derived by the S-REITs in the same year the income is derived is not applicable to LMIR Trust. For the avoidance of doubt, as disclosed in LMIR Trust’s prospectus and in accordance with the trust deed of LMIR Trust, the actual level of distribution will be determined at the discretion of LMIR Management Ltd (the “Manager”).

LMIR Trust’s distributable income is from its net tax-exempt income which comprises mainly tax-exempt (1-tier) dividends received from the Singapore subsidiaries of LMIR Trust (“SPCs”) that originated from the underlying rental and related income derived from the Indonesian properties. LMIR Trust may also at the discretion of its Manager make capital distributions to unitholders which comprise proceeds received from the redemption of redeemable preference shares in the SPCs, irrespective of the level of distributable income.

**Lippo Malls Indonesia Retail Trust**

**Summary of results**

**Group Performance**

	<u>Second quarter</u> <u>ended 30 June</u>		<u>Variance</u> <u>Favourable/</u> <u>(Unfavourable)</u> %	<u>Half year</u> <u>ended 30 June</u>		<u>Variance</u> <u>Favourable/</u> <u>(Unfavourable)</u> %
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
	\$'000	\$'000		\$'000	\$'000	
Rental revenue	30,195	29,584	2.1%	60,691	56,066	8.2%
Car park revenue	1,521	1,464	3.9%	2,826	2,672	5.8%
Service charge and utilities recovery	19,598	18,139	8.0%	38,291	33,609	13.9%
Other rental income	396	463	(14.5%)	805	911	(11.6%)
<b>Gross revenue (Note A)</b>	<b>51,710</b>	<b>49,650</b>	<b>4.1%</b>	<b>102,613</b>	<b>93,258</b>	<b>10.0%</b>
Net property income	34,602	31,805	8.8%	65,869	57,588	14.4%
<b>Amount available for distribution:</b>						
Unitholders of the Trust	6,343	4,742	33.8%	10,069	5,070	NM
Perpetual securities holders	4,235	4,445	(4.7%)	8,423	8,814	(4.4%)
<b>Distributable amount</b>	<b>10,578</b>	<b>9,187</b>	<b>15.1%</b>	<b>18,492</b>	<b>13,884</b>	<b>33.2%</b>
<b>Distribution to Unitholders (Note B)</b>	<b>6,927</b>	<b>6,906</b>	<b>0.3%</b>	<b>13,854</b>	<b>13,045</b>	<b>6.2%</b>
<b>Distribution per unit ("DPU") (in cents)</b> <b>(Note 9)</b>	<b>0.09</b>	<b>0.09</b>	<b>0.0%</b>	<b>0.18</b>	<b>0.17</b>	<b>5.9%</b>

## Lippo Malls Indonesia Retail Trust

### Summary of results (cont'd)

Note A:

The portfolio performance in IDR terms is as follows:

	<u>Group Performance</u>					
	<u>Second quarter</u> <u>ended 30 June</u>		Variance Favourable/ (Unfavourable) %	<u>Half year</u> <u>ended 30 June</u>		Variance Favourable/ (Unfavourable) %
	<u>2022</u> IDR million	<u>2021</u> IDR million		<u>2022</u> IDR million	<u>2021</u> IDR million	
Rental revenue	318,509	319,375	(0.3%)	641,834	600,678	6.9%
Car park revenue	16,050	15,795	1.6%	29,886	28,627	4.4%
Service charge and utilities recovery	206,757	195,750	5.6%	404,944	360,079	12.5%
Other rental income	4,177	5,001	(16.5%)	8,513	9,760	(12.8%)
<b>Gross revenue</b>	<b>545,493</b>	<b>535,921</b>	<b>1.8%</b>	<b>1,085,177</b>	<b>999,144</b>	<b>8.6%</b>
<b>Net property income</b>	<b>365,094</b>	<b>343,107</b>	<b>6.4%</b>	<b>696,594</b>	<b>616,985</b>	<b>12.9%</b>
Exchange rate (IDR to SGD)				10,575.44	10,713.77	1.3%

Note B:

In January 2021, LMIR Trust issued 4,682,872,029 units ("Rights Units") to raise \$281.0 million to partially fund the acquisition of Lippo Mall Puri. With the completion of the acquisition of Lippo Mall Puri and the Net Property Income ("NPI") guarantee extended by the vendor until 2024, the Trust expects a steady stream of income and cashflow from this strategic asset. Although the financial performance of the Trust has been affected by the Covid-19 pandemic, taking into consideration the positive cashflow generated from operations, the Trust has declared \$6.9 million distributions for the quarter ended 30 June 2022.

## Lippo Malls Indonesia Retail Trust

### Condensed interim statements of total return For the second quarter and half year ended 30 June 2022

	Note	Group			
		Second quarter ended 30 June		Half year ended 30 June	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Gross revenue	3	51,710	49,650	102,613	93,258
Property operating expenses	4	(17,108)	(17,845)	(36,744)	(35,670)
<b>Net property income</b>		<b>34,602</b>	<b>31,805</b>	<b>65,869</b>	<b>57,588</b>
Interest income		407	1,039	702	1,264
Other losses		-	(5)	-	(13)
Manager's management fees	5	(2,638)	(2,546)	(5,138)	(4,850)
Trustee's fees		(115)	(115)	(229)	(231)
Finance costs	6	(14,616)	(15,530)	(28,948)	(29,693)
Other expenses		(92)	(1,068)	(809)	(1,879)
<b>Net income</b>		<b>17,548</b>	<b>13,580</b>	<b>31,447</b>	<b>22,186</b>
Decrease in fair value of investment properties		(4,998)	(30,480)	(4,998)	(30,480)
Realised (losses)/gains on derivative financial instruments		(323)	(180)	(323)	663
Increase/(decrease) in fair value of derivative financial instruments		9,032	4,243	(2,815)	9,035
Realised foreign exchange losses		(925)	(31)	(1,463)	(39)
Unrealised foreign exchange losses	7	(14,325)	(1,216)	(15,724)	(9,614)
Amortisation of intangible assets	11	(1,770)	(1,962)	(3,531)	(3,473)
<b>Total return/(loss) for the period before tax</b>		<b>4,239</b>	<b>(16,046)</b>	<b>2,593</b>	<b>(11,722)</b>
Income tax expense	8	(6,349)	(5,304)	(12,528)	(10,766)
<b>Total loss for the period</b>		<b>(2,110)</b>	<b>(21,350)</b>	<b>(9,935)</b>	<b>(22,488)</b>
<b>Other comprehensive loss</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations, net of tax		(16,470)	375	(23,212)	(16,376)
<b>Total comprehensive loss for the period</b>		<b>(18,580)</b>	<b>(20,975)</b>	<b>(33,147)</b>	<b>(38,864)</b>
<b>Total loss for the period attributable to:</b>					
Unitholders of the Trust		(6,345)	(25,795)	(18,358)	(31,302)
Perpetual securities holders		4,235	4,445	8,423	8,814
		<u>(2,110)</u>	<u>(21,350)</u>	<u>(9,935)</u>	<u>(22,488)</u>
<b>Total comprehensive loss attributable to:</b>					
Unitholders of the Trust		(22,815)	(25,420)	(41,570)	(47,678)
Perpetual securities holders		4,235	4,445	8,423	8,814
		<u>(18,580)</u>	<u>(20,975)</u>	<u>(33,147)</u>	<u>(38,864)</u>
		<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
<b>Earnings per unit</b>					
Basic and diluted	9	(0.08)	(0.34)	(0.24)	(0.44)

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Condensed interim statements of distribution For the second quarter and half year ended 30 June 2022

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Total loss for the period</b>	<b>(2,110)</b>	<b>(21,350)</b>	<b>(9,935)</b>	<b>(22,488)</b>
Add: Net adjustments (Note A below)	8,453	26,092	20,004	27,558
<b>Amount available for distribution to Unitholders</b>	<b>6,343</b>	<b>4,742</b>	<b>10,069</b>	<b>5,070</b>
<b>Unitholders' distribution:</b>				
- As distribution from operations	-	-	-	-
- As distribution of Unitholders' capital contribution	6,927	6,906	13,854	13,045
	<u>6,927</u>	<u>6,906</u>	<u>13,854</u>	<u>13,045</u>
<b>Note A – Net adjustments</b>				
Decrease in fair value of investment properties, net of deferred tax	4,998	29,646	4,998	29,646
Manager's management fees payable in units	-	1,272	-	1,272
Depreciation of plant and equipment	627	684	1,359	1,402
(Increase)/decrease in fair value of derivative financial instruments	(9,032)	(4,243)	2,815	(9,035)
Unrealised foreign exchange losses	14,325	1,216	15,724	9,614
Amortisation of intangible assets	1,770	1,962	3,531	3,473
Amount reserved for distribution to perpetual securities holders	(4,235)	(4,445)	(8,423)	(8,814)
	<u>8,453</u>	<u>26,092</u>	<u>20,004</u>	<u>27,558</u>

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Condensed interim statements of financial position As at 30 June 2022

	Note	Group		Trust	
		30 June	31 December	30 June	31 December
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		\$'000	\$'000	\$'000	\$'000
<b><u>Non-current assets</u></b>					
Plant and equipment		6,403	6,836	-	-
Investment properties	10	1,766,251	1,788,915	-	-
Intangible assets	11	14,850	18,595	-	-
Investments in subsidiaries		-	-	1,525,053	1,534,790
Derivative financial instruments		1,203	-	1,203	-
<b>Total non-current assets</b>		<b><u>1,788,707</u></b>	<b><u>1,814,346</u></b>	<b><u>1,526,256</u></b>	<b><u>1,534,790</u></b>
<b><u>Current assets</u></b>					
Trade and other receivables	12	46,398	49,023	178,472	208,484
Other non-financial assets	13	42,412	43,364	78	64
Cash and cash equivalents	14	120,063	122,104	19,146	31,275
Derivative financial instruments		42	-	42	-
<b>Total current assets</b>		<b><u>208,915</u></b>	<b><u>214,491</u></b>	<b><u>197,738</u></b>	<b><u>239,823</u></b>
<b>Total assets</b>		<b><u>1,997,622</u></b>	<b><u>2,028,837</u></b>	<b><u>1,723,994</u></b>	<b><u>1,774,613</u></b>
<b><u>Non-current liabilities</u></b>					
Deferred tax liabilities		8,199	8,199	-	-
Other payables	17	-	-	722,464	704,407
Other financial liabilities	15	796,629	778,510	73,798	73,533
Other non-financial liabilities	16	80,494	84,025	-	-
Derivative financial instruments		21,441	12,628	21,441	12,628
<b>Total non-current liabilities</b>		<b><u>906,763</u></b>	<b><u>883,362</u></b>	<b><u>817,703</u></b>	<b><u>790,568</u></b>
<b><u>Current liabilities</u></b>					
Income tax payable		3,689	3,114	-	32
Trade and other payables	17	37,778	38,722	95,453	93,910
Other financial liabilities	15	67,817	67,646	67,365	67,194
Other non-financial liabilities	18	48,256	48,179	-	-
Derivative financial instruments		-	343	-	343
<b>Total current liabilities</b>		<b><u>157,540</u></b>	<b><u>158,004</u></b>	<b><u>162,818</u></b>	<b><u>161,479</u></b>
<b>Total liabilities</b>		<b><u>1,064,303</u></b>	<b><u>1,041,366</u></b>	<b><u>980,521</u></b>	<b><u>952,047</u></b>
<b>Net assets</b>		<b><u>933,319</u></b>	<b><u>987,471</u></b>	<b><u>743,473</u></b>	<b><u>822,566</u></b>
Represented by:					
Unitholders' funds		673,887	728,018	484,041	563,113
Perpetual securities	21	259,432	259,453	259,432	259,453
<b>Net assets</b>		<b><u>933,319</u></b>	<b><u>987,471</u></b>	<b><u>743,473</u></b>	<b><u>822,566</u></b>
<b>Net asset value per unit attributable to Unitholders (in cents)</b>					
	19	<b><u>8.76</u></b>	<b><u>9.49</u></b>	<b><u>6.29</u></b>	<b><u>7.34</u></b>

The accompanying notes form an integral part of these condensed interim financial statements.



## Lippo Malls Indonesia Retail Trust

### Condensed interim statements of changes in unitholders' funds For the second quarter and half year ended 30 June 2022

	Second quarter ended 30 June		Half year ended 30 June	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Group</b>				
<b>Unitholders' funds</b>				
At beginning of period	<b>703,629</b>	<b>764,708</b>	<b>728,018</b>	<b>509,329</b>
<b>Operations</b>				
Total loss for the period	(2,110)	(21,350)	(9,935)	(22,488)
Less: Amount reserved for distribution to perpetual securities holders	(4,235)	(4,445)	(8,423)	(8,814)
<b>Net decrease in net assets resulting from operations attributed to Unitholders</b>	<b>(6,345)</b>	<b>(25,795)</b>	<b>(18,358)</b>	<b>(31,302)</b>
<b>Unitholders' contributions</b>				
Issuance of rights units	-	-	-	276,397
Manager's management fees settled in units	-	-	1,272	2,629
Manager's acquisition fees settled in units	-	-	-	1,653
Changes in net assets resulting from creation of units	-	-	1,272	280,679
Distributions	(6,927)	(6,139)	(13,833)	(9,181)
Total net assets before movements in foreign currency translation reserve and perpetual securities	<u>690,357</u>	<u>732,774</u>	<u>697,099</u>	<u>749,525</u>
<b>Foreign currency translation reserve*</b>				
Net movement in other comprehensive loss	(16,470)	375	(23,212)	(16,376)
At end of period	<u>673,887</u>	<u>733,149</u>	<u>673,887</u>	<u>733,149</u>
<b>Perpetual securities</b>				
At beginning of period	259,146	259,156	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,235	4,445	8,423	8,814
Distributions to perpetual securities holders	(3,949)	(3,949)	(8,444)	(12,780)
At end of period	<u>259,432</u>	<u>259,652</u>	<u>259,432</u>	<u>259,652</u>
<b>Net assets</b>	<b><u>933,319</u></b>	<b><u>992,801</u></b>	<b><u>933,319</u></b>	<b><u>992,801</u></b>

\* Foreign currency translation reserve comprises foreign exchange differences arising from translation of the financial statements of foreign operations.

The accompanying notes form an integral part of these condensed interim financial statements.

**Lippo Malls Indonesia Retail Trust**  
**Condensed interim statements of changes in unitholders' funds (cont'd)**  
**For the second quarter and half year ended 30 June 2022**

	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Trust</b>				
<b>Unitholders' funds</b>				
At beginning of period	<b>521,101</b>	<b>665,091</b>	<b>563,113</b>	<b>412,098</b>
<b>Operations</b>				
Total loss for the period	(25,898)	(16,498)	(58,088)	(36,773)
Less: Amount reserved for distribution to perpetual securities holders	(4,235)	(4,445)	(8,423)	(8,814)
<b>Net decrease in net assets resulting from operations attributed to Unitholders</b>	<b>(30,133)</b>	<b>(20,943)</b>	<b>(66,511)</b>	<b>(45,587)</b>
<b>Unitholders' contributions</b>				
Issuance of rights units	-	-	-	276,397
Manager's management fees settled in units	-	-	1,272	2,629
Manager's acquisition fees settled in units	-	-	-	1,653
Changes in net assets resulting from creation of units	-	-	1,272	280,679
Distributions	(6,927)	(6,139)	(13,833)	(9,181)
At end of period	<u>484,041</u>	<u>638,009</u>	<u>484,041</u>	<u>638,009</u>
<b>Perpetual securities</b>				
At beginning of period	259,146	259,156	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,235	4,445	8,423	8,814
Distributions to perpetual securities holders	(3,949)	(3,949)	(8,444)	(12,780)
At end of period	<u>259,432</u>	<u>259,652</u>	<u>259,432</u>	<u>259,652</u>
<b>Net assets</b>	<b><u>743,473</u></b>	<b><u>897,661</u></b>	<b><u>743,473</u></b>	<b><u>897,661</u></b>

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Condensed interim statement of cash flows For the second quarter and half year ended 30 June 2022

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b><u>Cash flows from operating activities</u></b>				
Total return/(loss) for the period before tax	4,239	(16,046)	2,593	(11,722)
Adjustments for:				
Interest income	(407)	(1,039)	(702)	(1,264)
Interest expense and other related costs	13,156	14,267	26,003	26,986
Amortisation of borrowing costs	1,460	1,263	2,945	2,707
Depreciation of plant and equipment	627	684	1,359	1,402
Amortisation of intangible assets	1,770	1,962	3,531	3,473
Net (reversal)/impairment loss on trade and other receivables	(2,783)	1,929	(1,034)	3,678
Decrease in fair value of investment properties	4,998	30,480	4,998	30,480
Fair value (gains)/losses on derivative financial instruments	(9,032)	(4,243)	2,815	(9,035)
Unrealised foreign exchange losses	14,325	1,216	15,724	9,614
Manager's management fees payable in units	-	1,272	-	1,272
Operating cash flows before changes in working capital	28,353	31,745	58,232	57,591
Trade and other receivables	6,130	(6,740)	4,253	(7,724)
Other non-financial assets	445	42	1,521	(31,593)
Trade and other payables	6,924	(3,580)	6,228	2,903
Other non-financial liabilities, current	114	234	726	7,205
Net cash flows from operations before tax	41,966	21,701	70,960	28,382
Income tax paid	(6,148)	(6,291)	(11,953)	(10,831)
Net cash flows from operating activities	35,818	15,410	59,007	17,551
<b><u>Cash flows from investing activities</u></b>				
Acquisition of investment properties	-	-	-	(349,112)
Capital expenditure on investment properties	(3,371)	(2,378)	(6,066)	(4,742)
Purchase of plant and equipment	(478)	(177)	(1,013)	(355)
Interest received	395	1,039	687	1,264
Net cash flows used in investing activities	(3,454)	(1,516)	(6,392)	(352,945)

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Condensed interim statement of cash flows (cont'd) For the second quarter and half year ended 30 June 2022

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b><u>Cash flows from financing activities</u></b>				
Proceeds from bank borrowings	-	30,000	-	110,000
Proceeds from vendor financing	-	-	-	40,000
Repayment of bank borrowings	-	-	-	(219,000)
Repayment of vendor financing	-	(30,000)	-	(30,000)
Proceeds from bond issuance	-	-	-	263,207
Transaction costs on bond issuance	-	-	-	(4,078)
Other financial liabilities, current	(2)	25	(203)	(149)
Other non-financial liabilities, non-current	776	(1,168)	(2,416)	309
Interest paid	(14,740)	(14,267)	(28,977)	(26,986)
Proceeds from rights issue	-	-	-	280,972
Issue expenses paid in relation to rights issue	-	-	-	(4,575)
Distributions to unitholders	(6,927)	(6,139)	(13,833)	(9,181)
Distributions to perpetual security holders	(3,949)	(3,949)	(8,444)	(12,780)
Cash restricted in use for bank facilities	(726)	(991)	(1,055)	568
Net cash flows (used in)/from financing activities	<u>(25,568)</u>	<u>(26,489)</u>	<u>(54,928)</u>	<u>388,307</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>				
	6,796	(12,595)	(2,313)	52,913
Cash and cash equivalents at beginning of period	110,449	170,998	119,881	106,143
Effect of exchange rate fluctuations on cash held	(460)	39	(783)	(614)
<b>Cash and cash equivalents at end of period</b>	<u>116,785</u>	<u>158,442</u>	<u>116,785</u>	<u>158,442</u>
Cash and cash equivalents per statement of cash flows				
	116,785	158,442	116,785	158,442
Add: Cash restricted in use for bank facilities	3,278	2,212	3,278	2,212
<b>Cash and cash equivalents per statements of financial position (Note 14)</b>	<u>120,063</u>	<u>160,654</u>	<u>120,063</u>	<u>160,654</u>

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Statement of portfolio As at 30 June 2022

#### Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 June 2022 \$'000	Percentage of net assets at 30 June 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
1. Gajah Mada Plaza	Jalan Gajah Mada 19-26 Sub-District of Petojo Utara, District of Gambir, Regency of Central Jakarta, Jakarta-Indonesia	19 November 2007	79,830	Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040	76,268	8.1	73,383	7.4
2. Cibubur Junction	Jalan Jambore No.1 Cibubur, Sub-District of Ciracas, Regency of East Jakarta, Jakarta-Indonesia	19 November 2007	66,935	Build, Operate and Transfer ("BOT") scheme, expires on 28 July 2025	15,384	1.6	15,509	1.6
3. The Plaza Semanggi	Jalan Jenderal Sudirman Kav.50, Sub-District of Karet Semanggi, District of Setiabudi, Regency of South Jakarta, Jakarta-Indonesia	19 November 2007	155,122	BOT scheme, expires on 31 March 2054	75,729	8.1	76,041	7.7
4. Mal Lippo Cikarang	Jalan MH Thamrin, Lippo Cikarang, Sub-District of Cibatu, District of Lemah Abang, Regency of Bekasi, West Java-Indonesia	19 November 2007	39,293	HGB title, expires on 5 May 2023	65,943	7.1	66,520	6.7
5. Lippo Plaza Ekalokasari Bogor	Jalan Siliwangi No. 123, Sub-District of Sukasari, District of Kota Bogor Timur, Administrative City of Bogor, West Java-Indonesia	19 November 2007	58,859	BOT scheme, expires on 27 June 2032	29,798	3.2	30,189	3.1

The accompanying notes form an integral part of these condensed interim financial statements.

**Lippo Malls Indonesia Retail Trust**

**Statement of portfolio (cont'd)  
As at 30 June 2022**

**Indonesia retail malls (cont'd)  
Group**

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 30 June 2022</u> \$'000	<u>Percentage of net assets at 30 June 2022</u> %	<u>Fair value at 31 December 2021</u> \$'000	<u>Percentage of net assets at 31 December 2021</u> %
6. Bandung Indah Plaza	Jalan Merdeka No. 56, Sub-District of Citarum, District of Bandung Wetan, Regency of Bandung, West Java-Indonesia	19 November 2007	75,868	BOT scheme, expires on 31 December 2030	53,964	5.8	54,871	5.6
7. Istana Plaza	Jalan Pasir Kaliki No. 121 – 123, Sub-District of Pamoyanan, District of Cicendo, Regency of Bandung, West Java-Indonesia	19 November 2007	47,533	BOT scheme, expires on 17 January 2034	46,183	4.9	46,707	4.7
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	167,649	HGB title, expires on 24 November 2032	199,809	21.4	202,017	20.4
9. Pluit Village	Jalan Pluit Indah Raya, Sub-District of Pluit, District of Penjaringan, City of North Jakarta, Province of DKI Jakarta, Indonesia	6 December 2011	150,905	BOT scheme, expires on 9 June 2027	56,400	6.0	58,143	5.9
10. Plaza Medan Fair	Jalan Jendral Gatot Subroto, Sub-District of Sekip, District of Medan Petisah, City of Medan, Province of North Sumatera, Indonesia	6 December 2011	141,866	BOT scheme, expires on 23 July 2027	70,066	7.6	74,807	7.6

The accompanying notes form an integral part of these condensed interim financial statements.

**Lippo Malls Indonesia Retail Trust**

**Statement of portfolio (cont'd)  
As at 30 June 2022**

**Indonesia retail malls (cont'd)  
Group**

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 30 June 2022</u> \$'000	<u>Percentage of net assets at 30 June 2022</u> %	<u>Fair value at 31 December 2021</u> \$'000	<u>Percentage of net assets at 31 December 2021</u> %
11. Palembang Square Extension	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia	15 October 2012	23,825	BOT scheme, expires on 25 January 2041	25,577	2.7	26,107	2.6
12. Lippo Plaza Kramat Jati	Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province, Indonesia	15 October 2012	65,446	HGB title, expires on 24 October 2024	53,708	5.8	54,459	5.5
13. Tamini Square	Jalan Raya Taman Mini Pintu 1 No.15, Pinang Ranti Sub District, Makasar Distrik, East Jakarta Region, DKI Jakarta Province, Indonesia	14 November 2012	18,963	Strata title constructed on HGB title common land, expires on 26 September 2035	22,349	2.5	22,649	2.3
14. Palembang Square	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia	14 November 2012	49,511	Strata title constructed on HGB title common land, expires on 1 September 2039	69,708	7.5	70,630	7.1

The accompanying notes form an integral part of these condensed interim financial statements.

**Lippo Malls Indonesia Retail Trust**

**Statement of portfolio (cont'd)  
As at 30 June 2022**

**Indonesia retail malls (cont'd)  
Group**

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 30 June 2022</u> \$'000	<u>Percentage of net assets at 30 June 2022</u> %	<u>Fair value at 31 December 2021</u> \$'000	<u>Percentage of net assets at 31 December 2021</u> %
15. Lippo Mall Kemang	Jalan Kemang VI, Bangka Sub District, Mampang Prapatan District, South Jakarta, DKI Jakarta Province, Indonesia	17 December 2014	150,932	Strata title constructed on HGB title common land, expires on 28 June 2035	204,581	21.9	207,214	21.0
16. Lippo Plaza Batu	Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia	7 July 2015	34,340	HGB title, expires on 8 June 2031	21,382	2.3	21,674	2.2
17. Palembang Icon	Jalan POM IX, Sub District of Lorok Pakjo, District of Ilir Barat I, City of Palembang, Province of South Sumatra, Indonesia	10 July 2015	50,889	HGB title, BOT scheme, expires on 30 April 2040	76,711	8.2	77,655	7.9
18. Lippo Mall Kuta	Jalan Kartika Plaza, Sub District of Kuta, District of Kuta, Regency of Badung, Province of Bali, Indonesia	29 December 2016	48,467	HGB title, expires on 22 March 2037	50,386	5.4	51,050	5.2
19. Lippo Plaza Kendari	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia	21 June 2017	34,784	BOT scheme, expires on 7 July 2041	32,198	3.4	32,622	3.3

The accompanying notes form an integral part of these condensed interim financial statements.



**Lippo Malls Indonesia Retail Trust**

**Statement of portfolio (cont'd)  
As at 30 June 2022**

**Indonesia retail malls (cont'd)  
Group**

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 30 June 2022</u> \$'000	<u>Percentage of net assets at 30 June 2022</u> %	<u>Fair value at 31 December 2021</u> \$'000	<u>Percentage of net assets at 31 December 2021</u> %
20. Lippo Plaza Jogja	Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia	22 December 2017	65,524	HGB title, expires on 27 December 2043	45,951	4.9	46,546	4.7
21. Kediri Town Square	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java, Indonesia	22 December 2017	28,688	HGB title, expires on 12 August 2024	35,852	3.8	36,299	3.7
22. Lippo Mall Puri	Jalan Puri Indah Raya Blok U1, RT.3/RW.2, Kembangan Sel., Kembangan, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11610, Indonesia	27 January 2021	175,146	HGB title, expires on 15 January 2040	349,799	37.5	354,127	35.8

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Statement of portfolio (cont'd) As at 30 June 2022

#### Indonesia retail spaces Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 June 2022 \$'000	Percentage of net assets at 30 June 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
1. Mall WTC Matahari Units	Jalan Raya Serpong No.39, Sub-District of Pondok Jagung, District of Serpong, Regency of Tangerang, Banten-Indonesia	19 November 2007	11,184	Strata title constructed on HGB title common land, expires on 8 April 2038	9,825	1.1	9,957	1.0
2. Metropolis Town Square Units	Jalan Hartono Raya, Sub-District of Cikokol, District of Cipete, Regency of Tangerang, Banten-Indonesia	19 November 2007	15,248	Strata title constructed on HGB title common land, expires on 27 December 2029	11,233	1.2	11,384	1.2
3. Depok Town Square Units	Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Depok, Regency of Depok, West Java-Indonesia	19 November 2007	13,045	Strata title constructed on HGB title common land, expires on 27 February 2035	13,732	1.5	13,917	1.4
4. Java Supermall Units	Jalan MT Haryono, No. 992-994, Sub-District of Jomblang, District of Semarang Selatan, Regency of Semarang, Central Java-Indonesia	19 November 2007	11,082	Strata title constructed on HGB title common land, expires on 24 September 2037	11,611	1.2	11,767	1.2

The accompanying notes form an integral part of these condensed interim financial statements.

**Lippo Malls Indonesia Retail Trust**

**Statement of portfolio (cont'd)  
As at 30 June 2022**

**Indonesia retail spaces (cont'd)  
Group**

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 30 June 2022</u> \$'000	<u>Percentage of net assets at 30 June 2022</u> %	<u>Fair value at 31 December 2021</u> \$'000	<u>Percentage of net assets at 31 December 2021</u> %
5. Malang Town Square Units	Jalan Veteran No. 2, Sub-District of Penanggungan, District of Klojen, Regency of Malang, East Java-Indonesia	19 November 2007	11,065	Strata title constructed on HGB title common land, expires on 21 April 2033	15,153	1.6	15,357	1.6
6. Plaza Madiun Units	Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Regency of Madiun, East Java-Indonesia	19 November 2007	19,991	Strata title constructed on HGB title common land, expires on 9 February 2032	19,981	2.1	20,250	2.0
7. Grand Palladium Units	Jalan Kapten Maulana Lubis, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia	19 November 2007	13,730	Strata title constructed on HGB title common land, expires on 9 November 2028	6,970	0.7	7,064	0.7
Investment properties					1,766,251	189.2	1,788,915	181.1
Other net liabilities					(832,932)	(89.2)	(801,444)	(81.1)
Net asset value					<u>933,319</u>	<u>100.0</u>	<u>987,471</u>	<u>100.0</u>

The accompanying notes form an integral part of these condensed interim financial statements.

## Lippo Malls Indonesia Retail Trust

### Notes to the condensed interim financial statements

#### 1. General

Lippo Malls Indonesia Retail Trust (“LMIR Trust” or the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the Trust Deed dated 8 August 2007 (the “Trust Deed”) entered into between LMIRT Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”), governed by the laws of the Republic of Singapore.

On 1 November 2017, the Manager entered into a Supplemental Deed of Retirement and Appointment of Trustee with HSBC Institutional Trust Services (Singapore) Limited as the retiring Trustee and Perpetual (Asia) Limited as the new Trustee. The change of trustee took effect on 3 January 2018.

The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 November 2007.

The parent company of the Manager is PT Lippo Karawaci Tbk (the “Sponsor”), incorporated in Indonesia and a substantial Unitholder of LMIR Trust.

The property manager of the properties of the Trust is PT Lippo Malls Indonesia (the “Property Manager”), a wholly-owned subsidiary of the Sponsor.

The financial statements are presented in Singapore dollars, recorded to the nearest thousands, unless otherwise stated, and they cover the Trust and its subsidiaries (the “Group”).

The registered office of the Manager is located at 6 Shenton Way, OUE Downtown 2 #12-08 Singapore 068809.

The principal activities of the Group and of the Trust are to invest in a diversified portfolio of income-producing real estate properties in Indonesia. These are primarily used for retail and/or retail-related purposes. The primary objective is to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per unit.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

## **2. Summary of significant accounting policies**

### **2.1 Basis of preparation**

These condensed interim financial statements have been prepared in accordance with the recommendation of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (“CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”). They are also in compliance with the provisions of the Singapore Exchange Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these condensed interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the Trust and the Group since the latest audited annual financial statements as at and for the year ended 31 December 2021.

### **2.2 Critical judgements, assumptions and estimation uncertainties**

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2021.

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when the financial statements are prepared. However, this does not prevent actual figures differing from the estimates. The nature and carrying amount of such significant assets and liabilities are disclosed with further details in the relevant notes to these condensed interim financial statements.

#### **Covid-19**

The Covid-19 pandemic and its aftermath have caused, and will continue to cause, disruptions for the foreseeable future to, and create uncertainty surrounding, the Group’s business. There is significant uncertainty around the medium to long term impact of Covid-19 and economic forecasts are continually changing. These uncertainties have impacted the Group’s operations and may create questions regarding, among other things, the valuation of investment properties and allowance for impairment of trade receivables. As Indonesia gradually transitions from pandemic to endemic phase, the Indonesian authorities lifted all quarantine requirements for overseas visitors to spur tourism in the country with effect from March 2022. However, certain domestic restrictions are still in place to curb the spread of the virus.

The Manager expects the operating environment to remain challenging as retailers remain cautious despite the easing of restrictions. The Manager will continue to manage its operations carefully by adopting an operating cost reduction strategy and measures to conserve liquidity by working with major suppliers and lenders to align repayment obligations with receivable collections.

## Lippo Malls Indonesia Retail Trust

### 3. Gross revenue

	<u>Group</u>			
	<u>Second quarter ended 30 June</u>		<u>Half year ended 30 June</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Rental revenue	30,195	29,584	60,691	56,066
Car park revenue	1,521	1,464	2,826	2,672
Service charge and utilities recovery	19,598	18,139	38,291	33,609
Other rental income	396	463	805	911
	<u>51,710</u>	<u>49,650</u>	<u>102,613</u>	<u>93,258</u>

Rental revenue includes the top-up from the vendor of Lippo Mall Puri under the net property income guarantee arrangement.

Due to the uncertainties in the current operating environment arising from the Covid-19 pandemic where the operations of the retail malls and retail spaces are affected, varying rental support measures in the form of waivers or relief, as well as discounts on service charges, have been provided to affected tenants from time to time. Such rental support and discounts on service charges granted to the tenants are accounted for and recorded in the period when the rental support and discounts are negotiated and granted and at times cover prior periods.

### 4. Property operating expenses

	<u>Group</u>			
	<u>Second quarter ended 30 June</u>		<u>Half year ended 30 June</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Land rental expense	372	361	724	740
Property management fees	1,781	1,231	3,498	2,332
Legal and professional fees	445	361	874	822
Depreciation of plant and equipment	627	684	1,359	1,402
Net (reversal)/allowance for impairment of trade receivables	(1,780)	819	(31)	1,764
Property operating and maintenance expenses	15,553	14,298	30,139	28,432
Other property operating expenses	110	91	181	178
	<u>17,108</u>	<u>17,845</u>	<u>36,744</u>	<u>35,670</u>

## Lippo Malls Indonesia Retail Trust

### 5. Manager's management fees

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
Base fee	1,235	1,254	2,468	2,525
Performance fee	1,384	1,272	2,635	2,304
Authorised investment fee	19	20	35	21
	<u>2,638</u>	<u>2,546</u>	<u>5,138</u>	<u>4,850</u>

### 6. Finance costs

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
Interest expense	13,113	14,267	25,917	26,752
Amortisation of borrowing costs	1,460	1,263	2,945	2,707
Issuance and commitment fees	43	-	86	234
	<u>14,616</u>	<u>15,530</u>	<u>28,948</u>	<u>29,693</u>

### 7. Unrealised foreign exchange losses

Unrealised foreign exchange movements mainly relate to revaluation of USD Guaranteed Senior Notes amounting to US\$450.0 million in aggregate.

### 8. Income tax

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Current tax</b>				
Singapore income tax	2	-	2	-
Foreign income tax	5,295	5,015	10,434	9,432
Withholding tax	1,052	1,123	2,092	2,168
	<u>6,349</u>	<u>6,138</u>	<u>12,528</u>	<u>11,600</u>
<b>Deferred tax</b>				
Deferred tax expense/(benefit)	-	(834)	-	(834)
	<u>6,349</u>	<u>5,304</u>	<u>12,528</u>	<u>10,766</u>

## Lippo Malls Indonesia Retail Trust

### 9. Earnings per unit

#### 9A. Earnings per unit

The following table sets out the numerators and denominators used to calculate earnings per unit ("EPU"):

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Numerator</b>				
Total loss after tax	(2,110)	(21,350)	(9,935)	(22,488)
Less: Amount reserved for distribution to perpetual securities holders	<u>(4,235)</u>	<u>(4,445)</u>	<u>(8,423)</u>	<u>(8,814)</u>
Total loss attributable to Unitholders	<u>(6,345)</u>	<u>(25,795)</u>	<u>(18,358)</u>	<u>(31,302)</u>
<b>Denominator</b>				
Weighted average number of units	<u>7,696,809,979</u>	<u>7,673,336,012</u>	<u>7,685,526,911</u>	<u>7,124,936,512</u>
EPU (in cents) <sup>(1)</sup>	<u>(0.08)</u>	<u>(0.34)</u>	<u>(0.24)</u>	<u>(0.44)</u>
Adjusted EPU (in cents) <sup>(2)</sup>	<u>(0.02)</u>	<u>0.05</u>	<u>(0.17)</u>	<u>(0.02)</u>

(1) In computing EPU, weighted average number of units for the period is used.

(2) Adjusted EPU excludes changes in fair value of investment properties (net of deferred tax).

#### 9B. Distribution per unit

The following table sets out the numerators and denominators used to calculate distribution per unit ("DPU"):

	<u>Group</u>			
	Second quarter ended 30 June		Half year ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Numerator</b>				
Distribution to Unitholders	<u>6,927</u>	<u>6,906</u>	<u>13,854</u>	<u>13,045</u>
<b>Denominator</b>				
Number of units in issue (note 20)	<u>7,696,809,979</u>	<u>7,673,336,012</u>	<u>7,696,809,979</u>	<u>7,673,336,012</u>
DPU (in cents)	<u>0.09</u>	<u>0.09</u>	<u>0.18</u>	<u>0.17</u>



10. Investment properties

	<u>Group</u>	
	30 June	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<b>At valuation</b>		
At beginning of period/year	1,788,915	1,459,360
Acquisition of investment property	-	328,092
Enhancement expenditure capitalised	6,066	15,930
	<u>1,794,981</u>	<u>1,803,382</u>
Changes in fair value included in profit or loss	(4,998)	(31,382)
Foreign exchange adjustments	(23,732)	16,915
At end of period/year	<u>1,766,251</u>	<u>1,788,915</u>

The acquisition of investment property during the year ended 31 December 2021 relates to the acquisition of Lippo Mall Puri in January 2021.

The Group had engaged external valuers to measure the fair values of each of its investment properties on 31 December 2021. This information is also disclosed in the audited financial statements as at and for the year ended 31 December 2021.

The carrying amounts of the investment properties as at 30 June 2022 were based on the assessment by the Manager. The assessment took into consideration changes in the assumptions and methodologies used in the valuation on 31 December 2021 and the information available at the date of the assessment. Significant unobservable inputs used in assessing the carrying amounts as at 30 June 2022 included: (1) estimated discount rates; (2) growth rates; (3) terminal discount rate; and (4) expected rental cashflows. The decrease in the carrying amount of investment properties includes adjustments to certain properties with tenure of land under the BOT schemes due to shorten remaining tenure during the period ended 30 June 2022.

Given that the potential impact of Covid-19 is constantly evolving, significant market uncertainty exists. Therefore, the carrying amounts of the investment properties assessed by the Manager were current as at 30 June 2022 but may change significantly after the reporting date.

## Lippo Malls Indonesia Retail Trust

### 11. Intangible assets

	<u>Group</u>	
	30 June	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<b>Cost</b>		
At beginning of period/year	67,319	44,407
Additions	-	22,673
Foreign exchange adjustments	(467)	239
At end of period/year	<u>66,852</u>	<u>67,319</u>
<b>Accumulated amortisation</b>		
At beginning of period/year	48,724	41,081
Amortisation for the period/year	3,531	7,570
Foreign exchange adjustments	(253)	73
At end of period/year	<u>52,002</u>	<u>48,724</u>
<b>Carrying value</b>		
At beginning of period/year	<u>18,595</u>	<u>3,326</u>
At end of period/year	<u>14,850</u>	<u>18,595</u>

Intangible assets represent unamortised aggregate rental guarantee amounts receivable by the Group from master leases upon the acquisitions of Lippo Mall Kuta in 2016, Lippo Plaza Kendari in 2017 and Lippo Plaza Jogja in 2017, respectively as well as the Net Property Income ("NPI") guarantee amount provided to the Group upon the acquisition of Lippo Mall Puri in 2021. The master leases range from 3 to 5 years and the NPI guarantee covers the period from the date of acquisition to 31 December 2024.

## Lippo Malls Indonesia Retail Trust

### 12. Trade and other receivables

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
<b>Trade receivables</b>				
Outside parties	39,908	39,412	559	47
Related parties	9,955	11,444	-	-
Less: Allowance for impairment				
Outside parties	(11,036)	(11,583)	-	-
Related parties	(812)	(469)	-	-
	<u>38,015</u>	<u>38,804</u>	<u>559</u>	<u>47</u>
<b>Other receivables</b>				
Subsidiaries	-	-	177,913	208,437
Related parties	720	977	-	-
Other receivables	8,171	10,758	-	-
Less: Allowance for impairment				
Outside parties	(508)	(1,516)	-	-
Related parties	-	-	-	-
	<u>8,383</u>	<u>10,219</u>	<u>177,913</u>	<u>208,437</u>
	<u>46,398</u>	<u>49,023</u>	<u>178,472</u>	<u>208,484</u>

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants and credit policy of obtaining security deposits from most tenants for leasing the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades.

Movements in allowance for impairment for trade receivables are as follows:

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
At beginning of period/year	(12,052)	(8,293)	-	-
Reversal of allowance no longer required	5,158	3,892	-	-
Charge to profit or loss	(5,127)	(7,570)	-	-
Foreign exchange adjustments	173	(81)	-	-
At end of period/year	<u>(11,848)</u>	<u>(12,052)</u>	<u>-</u>	<u>-</u>

## Lippo Malls Indonesia Retail Trust

### 12. Trade and other receivables (cont'd)

Movements in allowance for impairment for other receivables are as follows:

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
At beginning of period/year	(1,516)	(1,516)	-	-
Reversal of allowance no longer required	1,003	-	-	-
Foreign exchange adjustments	5	-	-	-
At end of period/year	<u>(508)</u>	<u>(1,516)</u>	<u>-</u>	<u>-</u>

The trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is disclosed in the audited financial statements as at and for the year ended 31 December 2021. The loss allowance for trade receivables was as follows:

	<u>Trade receivables</u>			
	<u>Gross amount</u>		<u>Loss allowance</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Current	9,230	13,934	108	135
1 to 30 days past due	3,709	2,966	71	80
31 to 60 days past due	3,104	717	95	28
Over 61 days past due	22,165	22,912	1,305	1,545
12-month ECL	38,208	40,529	1,579	1,788
Lifetime ECL	11,655	10,327	10,269	10,264
	<u>49,863</u>	<u>50,856</u>	<u>11,848</u>	<u>12,052</u>

Subsequent to 30 June 2022, \$9.7 million of trade receivables were collected, of which \$4.2 million was from related party tenants and \$5.5 million was from non-related party tenants.

### 13. Other non-financial assets

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Prepayments	2,564	2,819	78	64
Prepaid tax	39,848	40,545	-	-
	<u>42,412</u>	<u>43,364</u>	<u>78</u>	<u>64</u>

Prepaid tax includes prepaid VAT (“value-added tax”) amounting to \$33,700,000 relating to the acquisition of Lippo Mall Puri that is recoverable from the relevant tax authority in Indonesia.

## Lippo Malls Indonesia Retail Trust

### 14. Cash and cash equivalents

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Not restricted in use	116,785	119,881	17,356	30,054
Cash pledged for bank facilities	3,278	2,223	1,790	1,221
	<u>120,063</u>	<u>122,104</u>	<u>19,146</u>	<u>31,275</u>

### 15. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
<b>Non-current</b>				
<b>Financial instruments with floating interest rates</b>				
Bank loans (unsecured)	184,500	184,500	74,500	74,500
Less: Unamortised transaction costs	(3,334)	(4,159)	(702)	(967)
	<u>181,166</u>	<u>180,341</u>	<u>73,798</u>	<u>73,533</u>
<b>Financial instruments with fixed interest rates</b>				
Senior notes (unsecured)*	625,377	609,569	-	-
Less: Unamortised transaction costs	(10,281)	(11,970)	-	-
	615,096	597,599	-	-
Finance leases	367	570	-	-
	<u>796,629</u>	<u>778,510</u>	<u>73,798</u>	<u>73,533</u>
<b>Current</b>				
<b>Financial instruments with floating interest rates</b>				
Bank loans (unsecured)	67,500	67,500	67,500	67,500
Less: Unamortised transaction costs	(135)	(306)	(135)	(306)
	<u>67,365</u>	<u>67,194</u>	<u>67,365</u>	<u>67,194</u>
<b>Financial instruments with fixed interest rates</b>				
Finance leases	452	452	-	-
	<u>67,817</u>	<u>67,646</u>	<u>67,365</u>	<u>67,194</u>
	<u>864,446</u>	<u>846,156</u>	<u>141,163</u>	<u>140,727</u>
Due within 2 to 5 years	796,595	778,476	73,798	73,533
Due after 5 years	34	34	-	-
	<u>796,629</u>	<u>778,510</u>	<u>73,798</u>	<u>73,533</u>

\* Cross currency arrangements were entered into to swap US\$180.0 million into SGD with a weighted average interest rate of 6.97% plus 6 months SORA per annum.

## Lippo Malls Indonesia Retail Trust

### 15. Other financial liabilities (cont'd)

#### Borrowings and debt securities (excluding unamortised borrowing costs)

	<u>Notes</u>	<u>Maturity</u>	<u>Interest rate</u>	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
<b>Current borrowings</b>					
\$67.5 million term loan (Facility A)	1	November 2022	3.05% + SOR*	67,500	67,500
<b>Non-current borrowings</b>					
\$67.5 million term loan (Facility B)	1	November 2023	3.25% + SOR*	67,500	67,500
\$60.0 million term loan (Facility A1)	2	January 2024	3.15% + SOR*	60,000	60,000
\$20.0 million term loan (Facility A2)	2	January 2026	3.57% + SOR*	20,000	20,000
\$30.0 million term loan (Facility B1)	2	January 2024	3.15% + SOR*	22,500	22,500
\$10.0 million term loan (Facility B2)	2	January 2026	3.57% + SOR*	7,500	7,500
US\$250.0 million Guaranteed Senior Notes	3	June 2024	7.25%	347,432	338,649
US\$200.0 million Guaranteed Senior Notes	4	February 2026	7.50%	277,945	270,920
Committed revolving loan facility	5	August 2023	2.10% + SORA#	7,000	7,000
				877,377	861,569

\* SOR refers to SGD Swap Offer Rate

# SORA refers to Singapore Overnight Rate Average

- On 19 November 2018, the Group drew down \$135.0 million which consists of two tranches, A and B, of \$67.5 million each, maturing in November 2022 and November 2023, respectively, at interest rate of 3.05% plus SOR per annum and 3.25% plus SOR per annum, respectively.
- On 6 January 2021, the Group obtained a term loan facility of up to \$120.0 million and drew down \$110.0 million. The term loan facility comprises of \$60.0 million (Facility A1), \$20.0 million (Facility A2), \$22.5 million (Facility B1) and \$7.5 million (Facility B2) with maturity tenure of 36 months for Facility A1 and Facility B1 and 60 months for Facility A2 and Facility B2.  
  
Facility A1 and Facility A2 were drawn down in January 2021; and Facility B1 and Facility B2 were drawn down in April 2021.
- Cross currency swap agreements were entered into to swap the US\$250.0 million Notes into SGD with a weighted average fixed interest rate of 6.71% per annum.
- Cross currency swap agreements were entered into to swap US\$180.0 million of the US\$200.0 million Notes into SGD with a weighted average interest rate of 6.97% plus 6-months SORA per annum.
- On 18 August 2021, the Group obtained a committed \$30.0 million revolving loan facility for a period of 2 years till August 2023. The Group drew down \$7.0 million in August 2021 from the facility.

## Lippo Malls Indonesia Retail Trust

### 15. Other financial liabilities (cont'd)

#### Financial risk management

There has been no change in the financial risk management and overall capital risk management of the Group from the last audited financial year.

The Group had computed its aggregate leverage ratio and interest coverage ratio as follows:

	<u>Group</u>	
	30 June	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Total gross borrowings and deferred payments	877,377	861,569
Total deposited property	<u>1,997,622</u>	<u>2,028,837</u>
Aggregated leverage ratio (%)	<u>43.9%</u>	<u>42.5%</u>
Interest coverage ratio (times) <sup>(1)</sup>	<u>1.7</u>	<u>1.6</u>

<sup>(1)</sup> Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with the Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6 (the "MAS guidelines"). Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense (excluding FRS 116 finance expense) in accordance with the MAS guidelines.

Interest coverage ratio was 2.1 (31 December 2021: 1.9) times in accordance with covenants of the borrowings, calculated based on ratio of consolidated NPI over consolidated interest expenses in accordance with the financial covenants of borrowings facilities. Ratio is calculated by dividing the trailing 12 months NPI by the trailing 12 months interest expense.

### 16. Other non-financial liabilities, non-current

	<u>Group</u>	
	30 June	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Advance payments by tenants	<u>80,494</u>	<u>84,025</u>

This relates to rental received in advance from certain tenants.

The Group collects advance rental payment from tenants for new leases, which is up to 20% of the rental value of the lease agreement, and is amortised to income statement as rental revenue over the lease tenure.

## Lippo Malls Indonesia Retail Trust

### 17. Trade and other payables

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
<b>Other payables, non-current</b>				
Loan payable to subsidiaries <sup>(#)</sup>	-	-	722,464	704,407
<b>Trade payables, current</b>				
Outside parties and accrued liabilities	27,133	29,164	3,973	5,383
Related parties	879	708	-	-
	<u>28,012</u>	<u>29,872</u>	<u>3,973</u>	<u>5,383</u>
<b>Other payables, current</b>				
Loan payable to subsidiaries <sup>(#)</sup>	-	-	38,821	38,694
Subsidiaries	-	-	52,659	49,833
Other payables	9,766	8,850	-	-
	<u>9,766</u>	<u>8,850</u>	<u>91,480</u>	<u>88,527</u>
	<u>37,778</u>	<u>38,722</u>	<u>95,453</u>	<u>93,910</u>
<b>Total trade and other payables</b>	<b><u>37,778</u></b>	<b><u>38,722</u></b>	<b><u>817,917</u></b>	<b><u>798,317</u></b>

(#) The loans are unsecured, bear fixed interest ranging from 3.61% to 7.50% (31 December 2021: 3.61% to 7.50%) per annum and are repayable on demand. The carrying amount is a reasonable approximation of fair value (Level 2).

### 18. Other non-financial liabilities, current

	<u>Group</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Security deposits from tenants	<u>48,256</u>	<u>48,179</u>

The Group typically collects security deposits from tenants for new leases, which may be (1) subject to adjustment upon renewal or variation of the leasing terms and conditions agreed by the parties and (2) refundable upon expiry of lease agreement subject to no rental in arrears.



## Lippo Malls Indonesia Retail Trust

### 19. Net asset value per unit attributable to Unitholders

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u>	31 December <u>2021</u>	30 June <u>2022</u>	31 December <u>2021</u>
<b>Numerator</b>				
Net assets attributable to Unitholders at end of period/year (\$'000)	<u>673,887</u>	<u>728,018</u>	<u>484,041</u>	<u>563,113</u>
Net tangible assets attributable to Unitholders at end of period/year (\$'000)	<u>659,037</u>	<u>709,423</u>	<u>484,041</u>	<u>563,113</u>
<b>Denominator</b>				
Units in issue (Note 20)	<u>7,696,809,979</u>	<u>7,673,336,012</u>	<u>7,696,809,979</u>	<u>7,673,336,012</u>

	<u>Group</u>		<u>Trust</u>	
	30 June <u>2022</u>	31 December <u>2021</u>	30 June <u>2022</u>	31 December <u>2021</u>
Net asset value (NAV) per unit attributable to Unitholders (in cents)	<u>8.76</u>	<u>9.49</u>	<u>6.29</u>	<u>7.34</u>
Net tangible assets (NTA) per unit attributable to Unitholders (in cents)	<u>8.56</u>	<u>9.25</u>	<u>6.29</u>	<u>7.34</u>

### 20. Units in issue

#### 20A. Units in issue

	<u>Group and Trust</u>	
	30 June <u>2022</u>	31 December <u>2021</u>
At beginning of period/year	7,673,336,012	2,926,795,018
Manager's management fees settled in units	23,473,967	39,067,261
Issuance of rights units	-	4,682,872,029
Issuance of new units for acquisition fee	-	24,601,704
At end of period/year	<u>7,696,809,979</u>	<u>7,673,336,012</u>

A total of 4,682,872,029 new units were issued on 21 January 2021 at an issue price of S\$0.06 per unit, pursuant to a renounceable and non-underwritten rights issue, to raise gross proceeds, amounting to \$281.0 million.

## Lippo Malls Indonesia Retail Trust

### 20. Units in issue (cont'd)

#### 20B. Details of changes in issued and issuable units

	<u>Group and Trust</u>	
	30 June <u>2022</u>	31 December <u>2021</u>
Issued units at end of period/year	<u>7,696,809,979</u>	<u>7,673,336,012</u>

The Trust does not hold any treasury units and there is no subsidiary holding as at end of the current financial period and at end of the corresponding period of the immediate preceding financial year.

### 21. Perpetual securities

The perpetual securities are classified as equity instruments and recorded in equity in the statement of financial position.

	<u>Group and Trust</u>	
	30 June <u>2022</u> \$'000	31 December <u>2021</u> \$'000
At beginning of period/year	259,453	263,618
Amount reserved for distribution to perpetual securities holders	8,423	17,526
Distributions to perpetual securities holders	<u>(8,444)</u>	<u>(21,691)</u>
At end of period/year	<u>259,432</u>	<u>259,453</u>

In 2016 and 2017, the Trust issued perpetual securities of \$140.0 million and \$120.0 million, respectively, with the first reset date on 27 September 2021 and 19 December 2022, respectively, and subsequent reset occurring every five years thereafter.

The distributions on the \$140.0 million and \$120.0 million perpetual securities are payable semi-annually on a discretionary basis and are non-cumulative. The perpetual securities of \$140.0 million are payable on 27 March and 27 September each year and the perpetual securities of \$120.0 million are payable on 19 June and 19 December each year.

On 27 September 2021, the distribution rate applicable to \$140.0 million perpetual securities has been reset. The distribution rate applicable to the Perpetual Securities in respect of the period from the First Reset Date (being 27 September 2021) to the immediately following reset date (being 27 September 2026) shall be 6.4751%.

## Lippo Malls Indonesia Retail Trust

### 22. Related party relationships and transactions

FRS 24 *Related Party Disclosures* requires the Group to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is PT Lippo Karawaci Tbk.

### 22A. Related party transactions

There are transactions and arrangements between the Trust and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these condensed interim financial statements are not disclosed as related party transactions and balances below.

	<u>Group</u>		<u>Group</u>	
	Second quarter ended 30 June		Half year quarter ended 30 June	
	<u>2022</u> \$'000	<u>2021</u> \$'000	<u>2022</u> \$'000	<u>2021</u> \$'000
<b>Manager</b>				
Manager's management fees expense	2,638	2,546	5,138	4,850
Manager's acquisition fees	-	-	-	1,653
<b>Trustee</b>				
Trustee's fees expense	115	115	229	231
<b>Property manager</b>				
Property manager fees expense	1,781	1,231	3,498	2,332
<b>Affiliates of Sponsor <sup>(1)</sup></b>				
Rental revenue and service charge <sup>(2) (3) (4)</sup>	13,562	14,794	27,061	26,643
Acquisition of Lippo Mall Puri	-	-	-	330,647

(1) The affiliates of the Sponsor are PT First Media Tbk, Yayasan Universitas Pelita Harapan, PT Bank National Nobu, PT Matahari Putra Prima Tbk, PT Gratia Prima Indonesia, PT Matahari Graha Fantasi, PT Maxx Coffee Prima, PT Maxx Food Pasifik, PT Matahari Department Store Tbk, PT Cinemaxx Global Pasifik, PT Internux, PT Sky Parking Utama, PT Solusi Ecommerce Global, PT Visionet Internasional, PT Grahaputra Mandirikharisma, PT Prima Cipta Lestari, PT Prima Wira Utama and PT Link Net. The affiliates of the Sponsor are entities that either have common shareholders with the Sponsor, or in which the Sponsor has an interest.

(2) The amount also includes revenue from Lippo Mall Kuta under Sponsor Lessees with PT Kencana Agung Pratama, PT Kridakarya Anugerah Utama and PT Trimulia Kencana Abdi.

(3) The amount also includes revenue from Lippo Plaza Jogja under Sponsor Lessees with PT Andhikarya Sukses Pratama, PT Manunggal Megah Serasi and PT Mulia Cipta Sarana Sukses.

(4) The amount also includes top-up revenue from Lippo Plaza Puri under the net property income guarantee agreement with PT Mandiri Cipta Gemilang.

## Lippo Malls Indonesia Retail Trust

### 23. Financial ratios

	<u>Group</u>		<u>Trust</u>	
	Half year ended 30 June		Half year ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Expenses to average net assets ratio – excluding performance related fee <sup>(1)</sup>	0.74%	0.98%	1.06%	1.09%
Expenses to average net assets ratio – including performance related fee <sup>(1)</sup>	1.29%	1.65%	1.59%	1.68%
Portfolio turnover ratio <sup>(2)</sup>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust excluding any property related expenses, borrowing costs, foreign exchange losses/(gains), tax deducted at source and costs associated with purchase of investments.

(2) Turnover ratio means the number of times per year that a dollar of asset is reinvested. It is calculated based on the lesser of purchases or sales of underlying investments of a scheme expressed as a percentage of daily average net asset value.

### 24. Changes and adoption of financial reporting standards

The same accounting policies and methods of computation used in the latest audited annual financial statements have been applied.

The adoption of the new revised accounting policies has not resulted in any substantial changes to the LMIR Trust's accounting policies nor any significant impact on these financial statements.

Supplementary Financial Disclosures Required by the Mainboard Rules  
Appendix 7.2

1. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business**

**Financial Position as of 30 June 2022 vs 31 December 2021**

Investment properties

As at 30 June 2022, the carrying amounts of the investment properties were based on the internal assessment performed by the Manager and adjusted certain properties with tenure of land under the BOT schemes due to shorten remaining tenure.

Intangible assets

Refer to NTA 11 of the interim financial statements, the decrease was mainly due to amortisation for the period.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$38.0 million (31 December 2021: \$38.8 million) and other receivables of \$8.4 million (31 December 2021: \$10.2 million) as at 30 June 2022.

Trade receivables (before taking into account of allowance for impairment) was \$49.9 million (31 December 2021: \$50.9 million), of which \$10.0 million (31 December 2021: \$11.4 million) was due from related party tenants and \$39.9 million (31 December 2021: \$39.4 million) was due from non-related party tenants. Decrease in trade receivables before allowance for impairment was mainly due to collection of trade receivables.

Subsequent to the period ended 30 June 2022, \$9.7 million of trade receivables were collected, of which \$4.2 million was from related party tenants and \$5.5 million was from non-related party tenants.

At the date of this announcement, the Sponsor, PT Lippo Karawaci Tbk, has fulfilled its payment obligations to LMIR Trust under its master lease agreements and the NPI guarantee for Lippo Mall Puri and since the listing of LMIR Trust, there has been no incidence of non-payment or default from any rental payment from the Sponsor.

Cash and cash equivalents

The Group generated net positive cash flow from operating activities amounted to \$59.0 million in 1H 2022. The Group incurred \$6.1 million for asset enhancement initiative expenditure including \$3.9 million and \$0.7 million spent for Gajah Mada Plaza and Plaza Semanggi. Net cash flows used in financing activities were \$54.9 million which included payment of interest expenses of \$29.0 million, distribution to unitholders of \$13.8 million and distribution to perpetual security holders of \$8.4 million in 1H 2022. Cash and cash equivalents of the Group was \$120.1 million as at 30 June 2022 (31 December 2021: \$122.1 million).

Derivative financial instruments

The movements in derivative financial assets (current and non-current) and derivative financial liabilities (current and non-current) were mainly due to the fair value changes in the cross currency swap contracts, interest rate swap contracts as well as currency option contracts.

Trade and other payables

Decrease in trade and other payables as of 30 June 2022 was mainly due to payment to outside parties and accrued expenses during the period.

Unitholders' fund

The decrease in unitholders' fund was mainly due to the loss for the period as well as payment of distribution declared for 4Q 2021 and 1Q 2022.

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**SUPPLEMENTARY FINANCIAL DISCLOSURES REQUIRED BY THE MAINBOARD RULES APPENDIX 7.2**

**1. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd)**

	Group					
	2Q 2022 \$'000	2Q 2021 \$'000	Variance % Favourable/ (Unfavourable)	1H 2022 \$'000	1H 2021 \$'000	Variance % Favourable/ (Unfavourable)
<b>Statement of Total Return</b>						
Rental revenue	30,195	29,584	2.1%	60,691	56,066	8.2%
Car park revenue	1,521	1,464	3.9%	2,826	2,672	5.8%
Service charge and utilities recovery	19,598	18,139	8.0%	38,291	33,609	13.9%
Other rental income	396	463	(14.5%)	805	911	(11.6%)
<b>Gross revenue</b>	<b>51,710</b>	<b>49,650</b>	<b>4.1%</b>	<b>102,613</b>	<b>93,258</b>	<b>10.0%</b>
Land rental expense	(372)	(361)	(3.0%)	(724)	(740)	2.2%
Property management fees	(1,781)	(1,231)	(44.7%)	(3,498)	(2,332)	(50.0%)
Legal and professional fees	(445)	(361)	(23.3%)	(874)	(822)	(6.3%)
Depreciation of plant and equipment	(627)	(684)	8.3%	(1,359)	(1,402)	3.1%
Net reversal/(allowance) for impairment on trade receivables	1,780	(819)	NM	31	(1,764)	NM
Property operating and maintenance expenses	(15,553)	(14,298)	(8.8%)	(30,139)	(28,432)	(6.0%)
Other property operating expenses	(110)	(91)	(20.9%)	(181)	(178)	(1.7%)
<b>Property operating expenses</b>	<b>(17,108)</b>	<b>(17,845)</b>	<b>4.1%</b>	<b>(36,744)</b>	<b>(35,670)</b>	<b>(3.0%)</b>
<b>Net property income</b>	<b>34,602</b>	<b>31,805</b>	<b>8.8%</b>	<b>65,869</b>	<b>57,588</b>	<b>14.4%</b>
Interest income	407	1,039	(60.8%)	702	1,264	(44.5%)
Other losses	-	(5)	NM	-	(13)	NM
Manager's management fees	(2,638)	(2,546)	(3.6%)	(5,138)	(4,850)	(5.9%)
Trustee's fees	(115)	(115)	0.0%	(229)	(231)	0.9%
Finance costs	(14,616)	(15,530)	5.9%	(28,948)	(29,693)	2.5%
Other expenses	(92)	(1,068)	91.4%	(809)	(1,879)	56.9%
<b>Net income</b>	<b>17,548</b>	<b>13,580</b>	<b>29.2%</b>	<b>31,447</b>	<b>22,186</b>	<b>41.7%</b>
Decrease in fair value of investment properties	(4,998)	(30,480)	83.6%	(4,998)	(30,480)	83.6%
Realised (losses)/gains on derivative financial instruments	(323)	(180)	(79.4%)	(323)	663	NM
Increase/(decrease) in fair value of derivative financial instruments	9,032	4,243	NM	(2,815)	9,035	NM
Realised foreign exchange losses	(925)	(31)	NM	(1,463)	(39)	NM
Unrealised foreign exchange losses	(14,325)	(1,216)	NM	(15,724)	(9,614)	(63.6%)
Amortisation of intangible assets	(1,770)	(1,962)	9.8%	(3,531)	(3,473)	(1.7%)
<b>Total return/(loss) for the period before tax</b>	<b>4,239</b>	<b>(16,046)</b>	<b>NM</b>	<b>2,593</b>	<b>(11,722)</b>	<b>NM</b>
Income tax expense	(6,349)	(5,304)	(19.7%)	(12,528)	(10,766)	(16.4%)
<b>Total loss for the period</b>	<b>(2,110)</b>	<b>(21,350)</b>	<b>90.1%</b>	<b>(9,935)</b>	<b>(22,488)</b>	<b>55.8%</b>
<b>Other comprehensive loss:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations, net of tax	(16,470)	375	NM	(23,212)	(16,376)	(41.7%)
<b>Total comprehensive loss</b>	<b>(18,580)</b>	<b>(20,975)</b>	<b>11.4%</b>	<b>(33,147)</b>	<b>(38,864)</b>	<b>14.7%</b>

1. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd)**

**Financial results 2Q 2022 vs 2Q 2021**

Rental revenue in 2Q 2022 increased to \$30.2 million from \$29.6 million in 2Q 2021. Lower rental discounts were extended to tenants in 2Q 2022 compared to 2Q 2021 in view of the stabilising Covid-19 situation in Indonesia. However, the increase was partially offset by (i) the expiry of the master lease at Lippo Mall Kuta which resulted in \$0.9 million lower contribution in 2Q 2022, and (ii) lost of rental income due to lower occupancy.

Service charge and utilities recovery in 2Q 2022 increased by \$1.5 million or 8.0% as compared to 2Q 2021. Higher service charge and utilities recovery was mainly due to higher usage of utilities as a result of longer operating hours.

Property management fee in 2Q 2022 increased by \$0.6 million was mainly due to (i) higher revenue and NPI compared to 2Q 2021, and (ii) under accrual of such fee in 2Q 2021.

Net reversal of allowance for impairment loss on trade receivables recorded in 2Q 2022 was mainly due to successful collection from a tenant as opposed to net allowance for impairment loss on trade receivables of \$0.8 million in 2Q 2021. In 2Q 2021, LMIR Trust generally set aside allowance to account for potential defaults or non-collection of receivables arising from third party tenants whose credit profiles were deteriorated due to the impact of Covid-19 pandemic and delay in rental payment were experienced.

Interest income in 2Q 2022 decreased by \$0.6 million mainly due to lower fixed deposit placement in 2Q 2022.

Finance costs in 2Q 2022 decreased by \$0.9 million from 2Q 2021. The decrease was mainly due to a savings of \$1.4 million as a result of certain interest rate swap contracts that expired in February and March 2022 and were not extended. This was partially offset by higher interest expenses totalling \$0.5 million in 2Q 2022 as a result of higher interest rates on term loans and bonds.

Other expenses in 2Q 2022 decreased by \$1.0 million mainly due to reversal of allowance for impairment of other receivables of \$1.0 million for the period due to collection of the receivables.

Fair value of investment properties decreased by \$5.0 million in 2Q 2022, based on the assessment performed by the Manager. Fair value of investment properties decreased by \$30.5 million in 2Q 2021. This was due to decrease in fair value of investment properties as at 30 June 2021, based on the assessment performed by the Manager as well as a write-off of acquisition cost related to the acquisition of Puri in January 2021.

The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. The decrease in fair value of derivative financial instruments of \$9.0 million in 2Q 2022 was mainly due to changes in the market observable inputs, including forward rates and interest rate curves, used in the valuation model. The change in fair value of derivative financial instrument was a non-cash item and does not affect the amount of distribution to unitholders.

Higher realised foreign exchange adjustment losses in 2Q 2022 is mainly due to higher proportion of cash repatriation from Indonesia by way of redemption of redeemable preference shares ("RPS"), which are mainly denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates when the RPS were issued since 2007. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate has resulted in realised foreign exchange adjustment losses.

Unrealised foreign exchange loss is mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$450.0 million in aggregate where USD strengthened against SGD in the period under review.

Income tax expenses increased by \$1.0 million in 2Q 2022 compared to 2Q 2021 was mainly due to absence of deferred tax credit recorded in 2Q 2021 which was giving rise from the decrease in fair value of investment properties in 2Q 2021.

Exchange differences on translating foreign operations related to foreign exchange differences arising from translating items denominated in Indonesia Rupiah ("IDR") in the statement of financial position of the respective Indonesian subsidiaries, into Singapore Dollar ("SGD") using the period end exchange rate. A translation loss of \$16.5 million was recorded in 2Q 2022 due to weakening of IDR against SGD since 31 March 2022.



1. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business (cont'd)**

**Financial results 1H 2022 vs 1H 2021**

Rental revenue in 1H 2022 increased to \$60.7 million from \$56.1 million in 1H 2021. Lower rental discounts were extended to tenants in 1H 2022 compared to 1H 2021 in view of the stabilising Covid-19 situation in Indonesia. The increase was also attributable to the full half year contribution from Puri in 1H 2022 versus 1H 2021 (acquired on 27 January 2021), which contributed an additional \$1.3 million rental revenue. However, the increases were partially offset by (i) the expiry of the master lease at Lippo Mall Kuta which resulted in \$1.8 million lower contribution in 1H 2022 and (ii) lost of rental income due to lower occupancy.

Service charge and utilities recovery in 1H 2022 increased by \$4.7 million or 13.9%. Lower discount was extended to tenants in 1H 2022 as opposed to 1H 2021 due to relatively longer operating hours in 1H 2022. Higher service charge and utilities recovery was mainly due to higher usage of utilities as a result of longer operating hours. Service charge and utilities recovery in 1H 2022 also included \$2.0 million higher contribution from Puri which was acquired on 27 January 2021.

Property management fee in 1H 2022 increased by \$1.2 million was mainly due to (i) higher revenue and NPI compared to 1H 2021, and (ii) under accrual of such fee in 1H 2021.

Net reversal of allowance for impairment loss on trade receivables recorded in 1H 2022 was mainly due to successful collection from tenants as opposed to net allowance for impairment loss on trade receivables of \$1.8 million in 1H 2021. In 1H 2021, additional allowance was set aside to account for potential default or non-collection of receivables arising from third party tenants whose credit profiles were deteriorated due to the impact of Covid-19 pandemic and delay in rental payment were experienced.

Interest income in 1H 2022 decreased by \$0.6 million was mainly due to lower fixed deposit placement during the period.

Finance costs in 1H 2022 decreased by \$0.7 million from 1H 2021. The decrease was mainly due to (i) certain interest rate swap (IRS) contracts that expired in February and March 2022 and were not extended, which gave rise to a savings of \$2.6 million of interest expense; and (ii) decrease of \$1.1 million interest expenses in 1H 2022 as a result of repayment of \$175.0 million CIMB term loan, \$40.0 million CIMB revolving facility and \$4.0 million BNP revolving facility in 4Q 2021. This was partially offset by (i) \$1.0 million higher interest expenses as a result of higher interest rates of term loan and bond; and (ii) \$2.0 million higher interest as a US\$200 million bond was issued in February 2021.

Other expenses in 1H 2022 decreased by \$1.1 million was mainly due to reversal of allowance for impairment of other receivables of \$1.0 million in 1H 2022 due to collection of the receivables.

Fair value of investment properties decreased by \$5.0 million in 1H 2022, based on the assessment performed by the Manager. Fair value of investment properties decreased by \$30.5 million in 1H 2021. This was due to decrease in fair value of investment properties as at 30 June 2021, based on the assessment performed by the Manager as well as a write-off of acquisition cost related to the acquisition of Puri in January 2021.

The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. The decrease in fair value of derivative financial instruments of \$2.8 million in 1H 2022 compared to an increase in such fair value of \$9.0 million was mainly due to changes in the market observable inputs, including forward rates and interest rate curves, used in the valuation model. The change in fair value of derivative financial instrument was a non-cash item and does not affect the amount of distribution to unitholders.

Higher realised foreign exchange adjustment losses in 1H 2022 is mainly due to higher proportion of cash repatriation from Indonesia by way of redemption of redeemable preference shares ("RPS"), which are mainly denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates when the RPS were issued since 2007. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate has resulted in realised foreign exchange adjustment losses.

Unrealised foreign exchange loss is mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$450.0 million in aggregate where USD strengthened against SGD since 31 December 2021.

Exchange differences on translating foreign operations relates to foreign exchange differences arising from translating items denominated in IDR in the statement of financial position of the respective Indonesian subsidiaries, into SGD using the period end exchange rate. A translation loss of \$23.2 million was recorded in 1H 2022 due to weakening of IDR against SGD since 31 December 2021.

**2. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

Not applicable.

**3. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Despite the recent surge in Covid-19 infections from the Omicron subvariants, most of South East Asian's governments are taking more reasonable measures instead of the extreme restrictions seen in the last two years. Similarly, Indonesia has taken precautionary steps to monitor the spread of the Omicron subvariants and at the same time, continue on its recovery trajectory with easing of Covid-19 restrictions. All of LMIR Trust's malls remain operational with all health protocols in place to protect the safety of its shoppers, staff and tenants.

Indonesia's annual inflation rate accelerated to a five-year high of 4.35% in June 2022 as compared to 3.55% in May 2022, exceeding Bank Indonesia's target range of 2% to 4% this year. Annual core inflation rate also accelerated to a 25-month high of 2.63% from 2.58% in May. Data showed the rise in inflation was primarily driven by rising prices of chilli, shallots, eggs, as well as transportation tariffs amid rising fuel prices. Moving forward, Bank Indonesia will focus more on the core inflation rate to determine the pace of its post-pandemic policy normalisation.<sup>[1]</sup>

According to the latest Retail Sales Survey in June 2022, Real Sales Index ("RSI") rose significantly by 15.4% year-on-year to a level of 229.1, on the back of food, beverages, tobacco, clothing, spare parts and accessories. However, on a monthly basis, RSI declined 2.1% from a level of 234.1 in May 2022, primarily held back by food, beverages and tobacco as well as culture and recreational goods despite improving sales of spare parts and accessories and automotive fuel. In terms of prices, retailers predict milder inflationary pressures in August and November 2022, with the 3 and 6-month Price Expectations Index decreasing from 141.7 and 137.5 to 127.5 and 132.1 respectively in line with expectations of fewer distribution constraints.<sup>[2]</sup>

[1] 1 July 2022, Business Times – Indonesia's inflation hits 5-year high, above central bank target

[2] 11 July 2022, Bank Indonesia – Retail Sales Survey June 2022: Retailers predict stronger sales performance

**4. Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2022 to 30 June 2022.
Distribution Type:	Capital distribution.
Distribution Rate:	Capital distribution of 0.09 cents per unit.
Par value of units:	NA
Tax rate:	NA

**(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2021 to 30 June 2021.
Distribution Type:	Capital distribution.
Distribution Rate:	Capital distribution of 0.09 cents per unit.
Par value of units:	NA
Tax rate:	NA

**(c) Date payable:** 31 August 2022

**(d) Record date:** 17 August 2022

**5. If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**6. Interested Person Transactions Mandate**

LMIR Trust is not required to obtain a general mandate from the Unitholders for Interested Party Transactions.

**7. Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of LMIRT Management Ltd do hereby confirm that, to the best of their knowledge, nothing has come to their attention in which may render these interim financial results to be false or misleading in any material aspect.

**8. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD OF  
LMIRT MANAGEMENT LIMITED  
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Mr Liew Chee Seng James  
Executive Director and Chief Executive Officer  
8 August 2022