



LIPPO MALLS INDONESIA RETAIL TRUST
2020 FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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LIPPO MALLS INDONESIA RETAIL TRUST

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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 31 December 2020, LMIR Trust's property portfolio comprises 21 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia. LMIR Trust successfully divested Pejaten Village and Binjai Supermall in July and August 2020, respectively.

The ongoing Covid-19 pandemic has created much uncertainty with LMIR Trust's retail malls and retail spaces closing at the end of March and gradually reopening from mid May with the last two malls reopening in early July 2020. After reopening, the malls have been operating with shorter hours. This has affected LMIR Trust's financial performance and has made it necessary for the Trust to deviate from its stated policy of distributing at least 90% of its tax-exempted income. A more modest and prudent distribution strategy was adopted in light of the challenging circumstances and uncertainties in the near future. 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 Manager's discretion.

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.

LMIR Trust's ability to make distributions to Perpetual securities holders and Unitholders is also affected by the terms and conditions of the Trust's existing indebtedness. Under the US\$250.0 million 7.25% Guarantee Senior Notes ("US\$ Notes"), issued in June 2019 and due in 2024, LMIR Trust is restricted to make any distributions (in the form of perpetual coupons or dividends) unless (i) its aggregate leverage is below the MAS gearing limit as prescribed under the Property Funds Appendix (currently 50%) and (ii) the aggregate of distributable income less any distributions made to Perpetual securities holders and Unitholders since the issuance of the US\$ Notes, is greater than zero. If such aggregate number is zero, LMIR Trust is only permitted to make distributions of up to US\$5.0 million for the remaining life of the US\$ Notes. Any further distributions, beyond this US\$5.0 million limit, to either Perpetual securities holders or Unitholders is subject to (i) US\$ Noteholders' consent or (ii) new equity injection, such as the recently completed rights issuance in conjunction with the Lippo Mall Puri acquisition transaction. Such restrictions on distributions is a typical feature in high yield USD Bond issuance and is not specific or unique to LMIR Trust.

As LMIR Trust's distributable income for 3Q2020 was zero and all retained distributable income had already been utilised for 2Q 2020, LMIR Trust faced restrictions, under the terms of the US\$ Notes, on the amount of distributions it could make, including dividends and perpetual coupons. LMIR Trust declared a S\$2.0 million dividend to Unitholder for 3Q 2020, being the balance permitted distributions from the US\$5.0 million limit. In January 2021, LMIR Trust issued 4,682,872,029 units ("Rights Units") to raise S\$281.0 million to partially fund the acquisition of Lippo Mall Puri, which unlocked the distribution restriction under the US\$250.0 million US\$ Notes. The Rights Units, upon allotment and issue, rank pari passu in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue prior to the Rights Issue as well as all distributions thereafter.

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Summary of Lippo Malls Indonesia Retail Trust Group Results

Group Performance						
Note	4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rental income	13,822	39,527	(65.0%)	78,290	155,259	(49.6%)
Carpark income	1,114	4,307	(74.1%)	5,020	18,203	(72.4%)
Other rental income	553	1,008	(45.1%)	2,033	3,415	(40.5%)
Service charge and utilities recovery	11,863	24,731	(52.0%)	63,192	96,124	(34.3%)
Gross revenue	27,352	69,573	(60.7%)	148,535	273,001	(45.6%)
Net Property Income	10,627	47,596	(77.7%)	76,357	176,205	(56.7%)
Amount available for distribution :						
- Amount attributable for the period	-	16,694	NM	3,249	68,250	(95.2%)
Add back: retention sum from prior periods	-	-	NM	3,400	-	NM
- Distribution to Unitholders	-	16,694	NM	6,649	68,250	(90.3%)
- Perpetual securities holders	6,620	4,466	48.2%	17,769	17,720	0.3%
Distributable Amount for the period/year	6,620	21,160	(68.7%)	24,418	85,970	(71.6%)
Distribution to Unitholders	3,042	15,094	(79.8%)	11,740	64,850	(81.9%)
Distribution per Unit (cents)	0.04	0.52	(92.3%)	0.34	2.23	(84.8%)

Note A: The portfolio performance in IDR terms is as follows:

Group Performance						
	4Q 2020 IDR'million	4Q 2019 IDR'million	Variance % Favourable/ (Unfavourable)	FY 2020 IDR'million	FY 2019 IDR'million	Variance % Favourable/ (Unfavourable)
Gross rental income	154,540	401,527	(61.5%)	832,378	1,602,944	(48.1%)
Carpark income	12,304	43,679	(71.8%)	53,373	187,934	(71.6%)
Other rental income	6,054	10,270	(41.1%)	21,615	35,258	(38.7%)
Service charge and utilities recovery	132,165	251,283	(47.4%)	671,856	992,415	(32.3%)
Gross Revenue	305,063	706,759	(56.8%)	1,579,222	2,818,551	(44.0%)
Net Property Income	120,718	484,104	(75.1%)	811,826	1,819,197	(55.4%)

Exchange rate (IDR to SGD)

10,631.98	10,324.32	(3.0%)
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Note B:

The dividend declared for 4Q 2020 is capital distribution. The computation of DPU declared for the period from 1 October 2020 to 31 December 2020 is based on 7,609,667,047 units in issue as of the record date comprising of:

- (i) 2,926,795,018 units in issue as at 31 December 2020; and
- (ii) 4,682,872,029 units issued in January 2021 in connection with the Rights Issue.

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1 (a) (i) Statement of Total Return

Note	Group					
	4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
1	27,352	69,573	(60.7%)	148,535	273,001	(45.6%)
2	(16,725)	(21,977)	23.9%	(72,178)	(96,796)	25.4%
Net Property Income	10,627	47,596	(77.7%)	76,357	176,205	(56.7%)
Interest income	697	868	(19.7%)	2,374	2,013	17.9%
Other losses	(1,578)	-	NM	(3,467)	-	NM
Manager's management fees	(1,456)	(3,233)	55.0%	(7,548)	(12,217)	38.2%
Trustee's fees	(103)	(78)	(32.1%)	(436)	(428)	(1.9%)
Financial costs	(12,770)	(11,449)	(11.5%)	(47,954)	(41,377)	(15.9%)
Other expenses	(1,315)	(4,662)	71.8%	(2,492)	(6,617)	62.3%
Net (loss)/income before the undernoted	(5,898)	29,042	NM	16,834	117,579	(85.7%)
Decrease in fair value of investment properties held for divestment and investment properties	(15,594)	(65,329)	76.1%	(212,105)	(65,329)	NM
Realised (losses)/gains on derivative financial instruments	(178)	-	NM	495	(1,242)	NM
Decrease in fair values of derivative financial instruments	(9,242)	(13,951)	33.8%	(5,916)	(11,067)	46.5%
Realised foreign exchange adjustment	(6,732)	(851)	NM	(11,024)	(3,119)	NM
Unrealised foreign exchange adjustment	11,680	6,210	88.1%	5,628	5,965	(5.6%)
Amortisation of intangible assets	(531)	(1,611)	67.0%	(2,197)	(3,335)	34.1%
Total (Loss)/Return For The Period/Year Before Income Tax	(26,495)	(46,490)	43.0%	(208,285)	39,452	NM
Income tax expense	(4,376)	1,877	NM	(21,920)	(25,952)	15.5%
Total (Loss)/Return For The Period/Year After Income Tax	(30,871)	(44,613)	30.8%	(230,205)	13,500	NM
Other comprehensive return/(loss) Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	34,715	(21,607)	NM	(42,251)	52,796	NM
Total Comprehensive Return/(Loss)	3,844	(66,220)	NM	(272,456)	66,296	NM

Total (Loss)/Return For The Period/Year After Income Tax attributable to:

Unitholders	(37,491)	(49,079)	23.6%	(247,974)	(4,220)	NM
Perpetual securities holders	6,620	4,466	48.2%	17,769	17,720	0.3%
	(30,871)	(44,613)	30.8%	(230,205)	13,500	NM

Total Comprehensive Income/(Loss) attributable to:

Unitholders	(2,776)	(70,686)	96.1%	(290,225)	48,576	NM
Perpetual securities holders	6,620	4,466	48.2%	17,769	17,720	0.3%
	3,844	(66,220)	NM	(272,456)	66,296	NM

1 (a) (ii) Statement of Distribution

Total (loss)/return for the period/year after tax before distribution

Add: Net adjustments	(30,871)	(44,613)	30.8%	(230,205)	13,500	NM
	30,871	61,307	(49.6%)	233,454	54,750	NM

Income available for distribution to Unitholders

	-	16,694	NM	3,249	68,250	(95.2%)
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Add back: retention sum from prior periods

	-	-	NM	3,400	-	NM
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Amount available for distribution to Unitholders

	-	16,694	NM	6,649	68,250	(90.3%)
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Distribution to Unitholders:

Total interim distribution paid in the year ended 31 December	-	-	NM	8,698	49,756	(82.5%)
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Total return for distribution to Unitholders for the quarter ended 31 December paid after year-end

	3,042	15,094	(79.8%)	3,042	15,094	(79.8%)
	3,042	15,094	(79.8%)	11,740	64,850	(81.9%)

Unitholders' distribution

- As distribution from operations	-	11,325	NM	-	43,112	NM
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- As distribution of Unitholders' capital contribution	3,042	3,769	(19.3%)	11,740	21,738	(46.0%)
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	3,042	15,094	(79.8%)	11,740	64,850	(81.9%)
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(Note A) Net adjustments:

Decrease in fair value of investment properties held for divestment and investment properties net of deferred tax
 Manager's fee payable in the form of units
 Depreciation of plant and equipment
 Unrealised loss on hedging contracts
 Unrealised foreign exchange gain
 Amortisation of intangible assets
 Amount reserved for distribution to perpetual securities holders
 Others

9

Group					
4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
13,710	53,563	(74.4%)	211,194	53,563	NM
-	1,904	NM	2,629	7,048	(62.7%)
728	954	(23.7%)	3,233	3,422	(5.5%)
9,242	13,951	(33.8%)	5,916	11,067	(46.5%)
(11,680)	(6,210)	(88.1%)	(5,628)	(5,965)	5.6%
531	1,611	(67.0%)	2,197	3,335	(34.1%)
(6,620)	(4,466)	48.2%	(17,769)	(17,720)	0.3%
24,960	-	NM	31,682	-	NM
30,871	61,307	(49.6%)	233,454	54,750	NM

Footnotes:

1 Gross revenue consists of:

Gross rental income
 Carpark income
 Other rental income
 Service charge and utilities recovery
Gross revenue

Group					
4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
13,822	39,527	(65.0%)	78,290	155,259	(49.6%)
1,114	4,307	(74.1%)	5,020	18,203	(72.4%)
553	1,008	(45.1%)	2,033	3,415	(40.5%)
11,863	24,731	(52.0%)	63,192	96,124	(34.3%)
27,352	69,573	(60.7%)	148,535	273,001	(45.6%)

2 Property operating expenses consists of:

Land rental expense
 Property management fees
 Legal and professional fees
 Depreciation of plant and equipment
 Net allowance for impairment loss on trade receivables
 Property operating and maintenance expenses
 Other property operating expenses
Property operating expenses

Group					
4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
(350)	(448)	21.9%	(1,496)	(1,734)	13.7%
(667)	(1,989)	66.5%	(4,098)	(7,927)	48.3%
(447)	(624)	28.4%	(1,799)	(1,993)	9.7%
(728)	(954)	23.7%	(3,233)	(3,422)	5.5%
(2,736)	(230)	NM	(4,376)	(25)	NM
(11,690)	(19,450)	39.9%	(56,738)	(80,451)	29.5%
(107)	1,718	NM	(438)	(1,244)	64.8%
(16,725)	(21,977)	23.9%	(72,178)	(96,796)	25.4%

Other property operating expenses in 4Q 2019 included a one-off reversal of expenses which was subsequently capitalised.

3 Other losses mainly refer to provision made against other receivables as well as written-off certain expenses upon divestments during FY2020.

4 Manager's management fees comprises base fee, performance fees, divestment fees and authorised investment fees.

5 Finance costs consists of:

Interest expense
 Amortisation of borrowing cost
 Issuance and commitment fees
Finance costs

Group					
4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
(10,259)	(10,755)	4.6%	(42,900)	(37,485)	(14.4%)
(810)	(694)	(16.7%)	(3,353)	(3,892)	13.8%
(1,701)	-	NM	(1,701)	-	NM
(12,770)	(11,449)	(11.5%)	(47,954)	(41,377)	(15.9%)

Issuance and commitment fees are for an undrawn committed term loan facilities.

6 Other expenses comprise bank charges, professional fees, investor relation and listing expenses, security agent fees, valuation expenses and one-off flood mitigating expenses incurred in FY2019.

7 Income tax expense consists of:

Income tax
 Withholding tax
 Deferred tax
Income tax expense

Group					
4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
(3,172)	(7,511)	57.8%	(15,597)	(27,963)	44.2%
(3,087)	(2,378)	(29.8%)	(7,233)	(9,755)	25.9%
1,883	11,766	(84.0%)	910	11,766	(92.3%)
(4,376)	1,877	NM	(21,920)	(25,952)	15.5%

NM - not meaningful

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Footnotes: (cont'd)

- 8 This relates to exchange differences arising from translating items denominated in Indonesian Rupiah in the balance sheet of the respective Indonesian subsidiaries, principally the investment properties, into Singapore Dollar using the period end exchange rate.

A translation loss of S\$42.3 million was recorded in FY2020 due to weakening of Indonesian Rupiah against Singapore Dollar since the end of FY2019.

The "Translation differences relating to financial statements of foreign subsidiaries" are recorded in the Statements of Changes in Unitholders' Funds and do not affect the calculation of the Distributable Income and Distribution Per Unit ("DPU").

- 9 Represents a non-accounting adjustment to arrive at NIL income available for distribution for 3Q 2020 and 4Q 2020.

1 (b) (i) Statement of Financial Position

	Note	Group		Trust	
		31-Dec-20 S\$'000	31-Dec-19 S\$'000	31-Dec-20 S\$'000	31-Dec-19 S\$'000
Current Assets					
Cash and cash equivalents		108,923	109,726	30,711	5,312
Trade and other receivables	1	43,863	50,465	175,628	214,490
Derivative financial instrument, current	2	442	-	442	-
Investment properties held for divestment	3	-	124,086	-	-
Other assets		13,047	15,967	1,379	949
Total Current Assets		166,275	300,244	208,160	220,751
Non-current Assets					
Investment properties	4	1,459,360	1,696,813	-	-
Investments in subsidiaries	5	-	-	1,238,919	1,463,831
Intangible assets	6	3,326	5,694	-	-
Plant and equipment		7,637	10,255	-	-
Total Non-current Assets		1,470,323	1,712,762	1,238,919	1,463,831
Total Assets		1,636,598	2,013,006	1,447,079	1,684,582
Current Liabilities					
Unsecured borrowings	7	218,590	74,815	218,590	-
Trade and other payables		33,729	47,547	398,977	482,270
Current tax payable		3,749	2,128	208	150
Security deposits	8	41,483	47,706	-	-
Derivative financial instrument, current	2	4,511	-	4,511	-
Other financial liabilities, current		43	43	-	-
Total Current Liabilities		302,105	172,239	622,286	482,420
Non-current Liabilities					
Unsecured borrowings	7	457,542	634,610	133,559	306,966
Deferred tax liabilities		7,861	11,475	-	-
Deferred income	8	79,550	103,910	-	-
Derivative financial instrument, non-current	2	15,518	13,671	15,518	13,671
Other financial liabilities, non-current		1,075	1,156	-	-
Total Non-current Liabilities		561,546	764,822	149,077	320,637
Total Liabilities		863,651	937,061	771,363	803,057
Net Assets		772,947	1,075,945	675,716	881,525
Represented by:					
Unitholders' funds		509,329	816,298	412,098	621,878
Perpetual securities		263,618	259,647	263,618	259,647
Net assets attributable to unitholders and perpetual securities holders		772,947	1,075,945	675,716	881,525

Footnotes:

- 1 Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$27.3 million (31 December 2019: S\$26.3 million), and other receivables of S\$16.6 million (31 December 2019: S\$24.2 million).

Trade receivables (before taking into account of allowance for doubtful debts) are S\$35.6 million (31 December 2019: S\$30.4 million), of which S\$8.7 million (31 December 2019: S\$11.2 million) are due from related party tenants and S\$26.9 million (31 December 2019: S\$19.2 million) are due from non-related party tenants. Due to the outbreak of Covid-19 pandemic in Indonesia, LMIR Trust has faced some delays in collections of rental and service charge receivables from tenants, consequently resulting in the increase in trade receivables balances.

Subsequent to the end of FY2020, S\$8.2 million of trade receivables were collected, of which S\$5.1 million was from related party tenants and S\$3.1 million was from non-related party tenants.

The Manager wishes to state that 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 since the listing of LMIR Trust, there has been no incidence of non-payment or default from any rental payment from the Sponsor.

- 2 The movements in derivative financial asset (current) and derivative financial liabilities (current and non-current) are mainly due to the fair value changes in the cross currency swap contracts as well as currency options and interest rate swap contracts.

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1 (b) (i) Statement of Financial Position (cont'd)

Footnotes (cont'd):

- 3 On 30 December 2019, the Group had entered into a conditional sale and purchase agreement ("CSPA") to divest Pejaten Village and Binjai Supermall for a total consideration of Rp1,280.7 billion (S\$124.1 million). In view of the operational disruptions in Indonesia arising from the Covid-19 pandemic, and its effect on the valuation of the assets in the country, the parties to the CSPA had negotiated and entered into a Supplemental & Amendment Agreement ("SAA") to amend the Pejaten Village and Binjai Supermall CSPA for the divestment to proceed. The revised total sales consideration was Rp1,152.6 billion (S\$113.2 million). Pejaten Village and Binjai Supermall were divested on 30 July 2020 and 3 August 2020, respectively.
- 4 The Group conducts valuation of LMIR Trust's portfolio annually. The outbreak of the Covid-19 pandemic in March 2020 in Indonesia brought about market uncertainties when the retail malls were closed temporary from end March to mid June 2020. Given the gradual resumption of mall operations, ability to engage with tenants with respect to sales alongside monitoring of shopper traffic and their associated behaviour since re-opening, the Group recorded a decrease of fair value amounting to S\$212.1 million.
- The carrying value of the properties are stated at the independent valuation as at 31 December 2020 in the financial statements in IDR and translated into SGD using the respective exchange rate as at the end of each period.
- 5 Management has assessed that there are indicators of impairment for those subsidiaries with shortfalls between the cost of investment in subsidiaries and the recoverable amount of the investments mainly due to the decrease in fair value of the investment properties the subsidiaries hold. Based on the above assessment, management had made net allowance of impairment loss of S\$170.3 million (2019: S\$31.5 million) in the Trust's financial statement as at 31 December 2020.
- 6 Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in Lippo Mall Kuta ("Kuta"), Lippo Plaza Kendari ("Kendari") and Lippo Plaza Jogja ("Jogja").
- 7 In 2019, LMIR Trust had S\$75.0 million 4.10% EMTN due in June 2020 ("the Note"), established by its wholly owned subsidiary, LMIRT Capital Pte Ltd ("LMIRT Capital"). This was fully repaid using internal cash upon maturity. The Trust also drew-down S\$40.0 million and S\$4.0 million from its uncommitted revolving credit facilities in March 2020 and June 2020 respectively.
- 8 Security deposit and deferred income refers to security deposits from tenants and advance payment received from certain tenants. The decrease in security deposit and deferred income is mainly due to the divestment of Pejaten Village and Binjai Supermall during FY2020, which resulted in decreases of S\$3.7 million and S\$6.5 million respectively.

1 (b) (ii) Borrowings and Debt Securities

Unsecured borrowings:

Amount payable within one year

Less: Unamortised transaction costs for unsecured borrowings

Amount payable after one year

Less: Unamortised transaction costs for unsecured borrowings

Total borrowings net of unamortised transaction costs

Group	
31-Dec-20 S\$'000	31-Dec-19 S\$'000
219,000	75,000
(410)	(185)
466,287	646,725
(8,745)	(12,115)
676,132	709,425

Financial covenants

Gearing ratio

Interest coverage ratio (times)

Group	
31-Dec-20	31-Dec-19
41.9%	35.9%
1.8	4.7

Details of borrowings:

Current borrowings

S\$75.0 million EMTN (the Note)

S\$350.0 million term loan (Facility B)

Uncommitted revolving credit facility

Uncommitted revolving credit facility

Non-current borrowings

S\$135.0 million term loan (Facility A)

S\$135.0 million term loan (Facility B)

US\$250.0 million Guarantee Senior Notes

Total borrowings

Note

Group			
Maturity	Interest rate	31-Dec-20 S\$'000	31-Dec-19 S\$'000
June 2020	4.10%	-	75,000
August 2021	3.15% plus SOR *	175,000	175,000
Jan 2021	3.75% plus SOR *	4,000	-
Jan 2021	3.75% plus SOR *	40,000	-
November 2022	3.05% plus SOR *	67,500	67,500
November 2023	3.25% plus SOR *	67,500	67,500
June 2024	7.25%	331,287	336,725
		685,287	721,725

* SOR refers to SGD Swap Offer Rate.

Footnotes:

- 1 The Note has been fully repaid using internal cash upon maturity in June 2020.
- 2 Facility A of the Term Loan Facility up to S\$350.0 million dated 22 August 2016 amounting to S\$175.0 million was fully repaid in June 2019. Facility B of the Term Loan Facility up to S\$350.0 million dated 22 August 2016 amounting to S\$175.0 million was fully repaid on 24 February 2021 subsequent to the year end.
- 3 The uncommitted revolving credit facilities are on monthly rolling basis and was fully repaid in February 2021 subsequent to the year end.
- 4 Cross currency swap agreements were entered to swap the proceeds of the US\$250.0 million Notes into Singapore Dollars with a weighted average fixed interest ratio of 6.71% per annum.

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1 (c) Statement of Cash Flows

Operating activities

Total (loss)/return for the period/year before tax

Adjustments for

- Manager's fee payable in units
- Interest income
- Amortisation of borrowing costs
- Interest expense and other related cost
- Decrease in fair value of investment properties held for divestment and investment properties
- Depreciation of plant and equipment
- Loss on disposal of plant and equipment
- Amortisation of intangible assets
- Unrealised foreign exchange gain
- Decrease in fair value of derivative financial instrument

Operating income before working capital changes

Changes in working capital:

Trade and other receivables

Other assets

Trade and other payables

Security deposits

Net cash from operating activities before income tax

Income tax paid

Cash flows (used in)/from operating activities

Investing activities

Divestment of investment properties held for divestment

Capital expenditures on investment properties and investment properties held for divestment

Purchase of plant and equipment

Interest received

Cash flows (used in)/from investing activities

Financing activities

Repayment of bank borrowings

Proceeds from bond issuance

Proceeds from bank borrowings

Increase/(decrease) in other financial liabilities

Deferred income

Interest paid

Distribution to unitholders

Distribution to perpetual securities holders

Cash restricted in use for bank facilities

Cash flows used in financing activities

Net (decrease)/increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period/year

Effect of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period/year

Cash and cash equivalents in Statement of Cash Flows:

Cash and cash equivalents per Statement of Cash Flows

Add: Cash restricted in use for bank facilities

Cash and cash equivalents in Statement of Financial Position

Group	
4Q 2020 S\$'000	4Q 2019 S\$'000
(26,495)	(46,490)
-	1,904
(697)	(868)
810	694
11,960	10,755
15,594	65,329
728	954
2	-
531	1,611
(11,680)	(6,210)
9,242	13,951
(5)	41,630
1,514	(13,731)
213	2,112
260	8,660
(1,133)	62
849	38,733
(6,356)	(14,537)
(5,507)	24,196
-	-
(727)	(7,717)
(607)	(1,448)
697	868
(637)	(8,297)
-	-
-	-
-	-
30	(143)
4,377	8,958
(11,960)	(10,755)
(2,049)	(16,196)
-	(3,971)
-	-
(9,602)	(22,107)
(15,746)	(6,208)
120,279	112,323
1,610	(350)
106,143	105,765

106,143	105,765
2,780	3,961
108,923	109,726

Group	
FY 2020 S\$'000	FY 2019 S\$'000
(208,285)	39,452
2,629	7,048
(2,374)	(2,013)
3,353	3,892
44,601	37,485
212,105	65,329
3,233	3,422
148	-
2,197	3,335
(5,628)	(5,965)
5,916	11,067
57,895	163,052
5,245	(10,809)
2,617	6,381
2,021	11,051
(4,923)	6,581
62,855	176,256
(23,913)	(39,471)
38,942	136,785
108,152	-
(10,497)	(16,218)
(1,897)	(2,794)
2,374	2,013
98,132	(16,999)
(75,000)	(295,000)
-	333,056
44,000	-
(80)	(68)
(21,868)	11,964
(44,601)	(37,485)
(23,792)	(58,441)
(13,798)	(17,720)
1,181	3,416
(133,958)	(60,278)
3,116	59,508
105,765	45,299
(2,738)	958
106,143	105,765

106,143	105,765
2,780	3,961
108,923	109,726

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1 (d) (i) Statements of Changes in Unitholders' Funds

Total Unitholders' Funds at beginning of the period

Operations

Total (loss)/return for the period

Less: Amount accrued for distribution to perpetual securities holders

Net (decrease)/increase in net assets resulting from operations attributed to unitholders

Unitholders' contributions

Distribution to unitholders

Foreign currency translation reserve

Translation differences relating to financial statements of foreign subsidiaries

Total Unitholders' Funds

Perpetual securities

Balance at the beginning of the period

Amount accrued for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

Total

Group		Trust	
4Q 2020 S\$'000	4Q 2019 S\$'000	4Q 2020 S\$'000	4Q 2019 S\$'000
514,154	903,180	550,933	679,348
(30,871)	(44,613)	(130,166)	(36,808)
(6,620)	(4,466)	(6,620)	(4,466)
(37,491)	(49,079)	(136,786)	(41,274)
(2,049)	(16,196)	(2,049)	(16,196)
34,715	(21,607)	-	-
509,329	816,298	412,098	621,878
256,998	259,152	256,998	259,152
6,620	4,466	6,620	4,466
-	(3,971)	-	(3,971)
263,618	259,647	263,618	259,647
772,947	1,075,945	675,716	881,525

Total Unitholders' Funds at beginning of the year

Operations

Total (loss)/return for the year

Less: Amount reserved for distribution to perpetual securities holders

Net decrease in net assets resulting from operations attributed to unitholders

Unitholders' contributions

Manager's management fees settled in units

Distribution to unitholders

Foreign currency translation reserve

Translation differences relating to financial statements of foreign subsidiaries

Total Unitholders' Funds

Perpetual securities

Balance at the beginning of the year

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the year

Total

Group		Trust	
FY 2020 S\$'000	FY 2019 S\$'000	FY 2020 S\$'000	FY 2019 S\$'000
816,298	819,564	621,878	709,435
(230,205)	13,500	(175,267)	(17,995)
(17,769)	(17,720)	(17,769)	(17,720)
(247,974)	(4,220)	(193,036)	(35,715)
7,048	6,599	7,048	6,599
(23,792)	(58,441)	(23,792)	(58,441)
(42,251)	52,796	-	-
509,329	816,298	412,098	621,878
259,647	259,647	259,647	259,647
17,769	17,720	17,769	17,720
(13,798)	(17,720)	(13,798)	(17,720)
263,618	259,647	263,618	259,647
772,947	1,075,945	675,716	881,525

1 (d) (ii) Details of Any Change in the Issued and Issuable Units

Issued units at the beginning and at the end of the period

Issuance of rights units on 21 January 2021

Issued units as of the Record Date

4Q 2020	4Q 2019
2,926,795,018	2,894,902,627
4,682,872,029	-
7,609,667,047	2,894,902,627

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

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

Issued units at the end of the year

31-Dec-20	31-Dec-19
2,926,795,018	2,894,902,627

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- 1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

- 1 (d) (v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

- 3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The accounting policies and method of computation applied in the financial statement for the current financial year are consistent with those applied in the audited financial statements for the year ended 31 December 2019.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

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.

- 6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the Financial Period/Year

	Note	Group			
		4Q 2020	4Q 2019	FY 2020	FY 2019
Weighted average number of units in issue		2,926,795,018	2,894,902,627	2,919,998,278	2,886,663,345
Earnings per unit in cents (EPU)	(1)	(1.28)	(1.70)	(8.49)	(0.15)
Adjusted Earnings per unit in cents (Adjusted EPU)	(2)	(0.81)	0.15	(1.26)	1.71
Number of units in issue		2,926,795,018	2,894,902,627	2,926,795,018	2,894,902,627
Number of units entitled to the DPU	(3)	7,609,667,047	2,894,902,627	-	2,894,902,627
Distribution per unit in cents (DPU)	(3)	0.04	0.52	0.34	2.23

Footnotes:

- (1) In computing the quarterly EPU, the weighted average number of units for the end of the period is used. In addition, notwithstanding the rights issue of 4,682,872,029 units in January 2021, the EPU for Q4 2019 and FY2019 were not restated because the number of outstanding units used in calculating EPU for all periods before the rights issue were not affected as there was no bonus element in the rights issue.
- (2) Adjusted earnings exclude changes in the fair value of investment properties (net of deferred tax).
- (3) The number of units used to compute the FY2020 DPU are as follows:
- (i) 2,926,795,018 units used to compute the DPU for the period from 1 January 2020 to 30 September 2020; and
- (ii) 7,609,667,047 units used to compute the DPU for the period from 1 October 2020 to 31 December 2020.

- 7 Net Assets Value ("NAV") and Net Tangible Assets ("NTA") Per Unit Based on Units Issued at the End of the Year

	Group		Trust	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net Assets Value per unit in cents (NAV)	17.40	28.20	14.08	21.48
Net Tangible Assets per unit in cents (NTA)	17.29	28.00	14.08	21.48

LIPPO MALLS INDONESIA RETAIL TRUST
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8 Review of the Performance

Statement of Total Return

	Group					
	4Q 2020 S\$'000	4Q 2019 S\$'000	Variance % Favourable/ (Unfavourable)	FY 2020 S\$'000	FY 2019 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rental income	13,822	39,527	(65.0%)	78,290	155,259	(49.6%)
Carpark income	1,114	4,307	(74.1%)	5,020	18,203	(72.4%)
Other rental income	553	1,008	(45.1%)	2,033	3,415	(40.5%)
Service charge and utilities recovery	11,863	24,731	(52.0%)	63,192	96,124	(34.3%)
Gross revenue	27,352	69,573	(60.7%)	148,535	273,001	(45.6%)
Land rental expense	(350)	(448)	21.9%	(1,496)	(1,734)	13.7%
Property management fees	(667)	(1,989)	66.5%	(4,098)	(7,927)	48.3%
Legal and professional fees	(447)	(624)	28.4%	(1,799)	(1,993)	9.7%
Depreciation of plant and equipment	(728)	(954)	23.7%	(3,233)	(3,422)	5.5%
Net allowance for impairment loss on trade receivables	(2,736)	(230)	NM	(4,376)	(25)	NM
Property operating and maintenance expenses	(11,690)	(19,450)	39.9%	(56,738)	(80,451)	29.5%
Other property operating expenses	(107)	1,718	NM	(438)	(1,244)	64.8%
Property operating expenses	(16,725)	(21,977)	23.9%	(72,178)	(96,796)	25.4%
Net Property Income	10,627	47,596	(77.7%)	76,357	176,205	(56.7%)
Interest income	697	868	(19.7%)	2,374	2,013	17.9%
Other losses	(1,578)	-	NM	(3,467)	-	NM
Manager's management fees	(1,456)	(3,233)	55.0%	(7,548)	(12,217)	38.2%
Trustee's fees	(103)	(78)	(32.1%)	(436)	(428)	(1.9%)
Financial costs	(12,770)	(11,449)	(11.5%)	(47,954)	(41,377)	(15.9%)
Other expenses	(1,315)	(4,662)	71.8%	(2,492)	(6,617)	62.3%
Net (loss)/income before the undernoted	(5,898)	29,042	NM	16,834	117,579	(85.7%)
Decrease in fair value of investment properties held for divestment and investment properties	(15,594)	(65,329)	76.1%	(212,105)	(65,329)	NM
Realised (losses)/gains on derivative financial instruments	(178)	-	NM	495	(1,242)	NM
Decrease in fair values of derivative financial instruments	(9,242)	(13,951)	33.8%	(5,916)	(11,067)	46.5%
Realised foreign exchange adjustment	(6,732)	(851)	NM	(11,024)	(3,119)	NM
Unrealised foreign exchange adjustment	11,680	6,210	88.1%	5,628	5,965	(5.6%)
Amortisation of intangible assets	(531)	(1,611)	67.0%	(2,197)	(3,335)	34.1%
Total (Loss)/Return For The Period/Year Before Tax	(26,495)	(46,490)	43.0%	(208,285)	39,452	NM
Income tax expense	(4,376)	1,877	NM	(21,920)	(25,952)	15.5%
Total (Loss)/Return For The Period/Year After Tax	(30,871)	(44,613)	30.8%	(230,205)	13,500	NM
Amount attributable for the period/year:						
- Unitholders	-	16,694	NM	3,249	68,250	NM
- Perpetual securities holders	6,620	4,466	48.2%	17,769	17,720	0.3%
	6,620	21,160	(68.7%)	21,018	85,970	(75.6%)
Add back: retention sum from prior periods/year	-	-	NM	3,400	-	NM
Total distribution to Unitholders/ Perpetual securities holders	6,620	21,160	(68.7%)	24,418	85,970	(71.6%)
Distribution to Unitholders						
- as distributions from operations	-	11,325	NM	-	43,112	NM
- as return of capital	3,042	3,769	(19.3%)	11,740	21,738	(46.0%)
Total Unitholders' distribution	3,042	15,094	(79.8%)	11,740	64,850	(81.9%)
Distribution per Unit (cents)	0.04	0.52	(92.3%)	0.34	2.23	(84.8%)

4Q 2020 vs 4Q 2019

Decrease in gross rental income of S\$25.7 million or 65.0% from 4Q 2019 was mainly due to discounts given to tenants as a result of shorter mall opening hours due to Covid-19. 4Q 2020 also included additional relief adjustments for 2H 2020 given to selected key tenants, including both related and non-related party tenants, to support their business recovery.

Decrease in gross rental income was also due to the expiry of master leases in Lippo Mall Kemang on 16 December 2019 which resulted in a decrease of S\$2.7 million for 4Q 2020, as well as the divestment of Pejaten Village and Binjai Supermall on 30 July 2020 and 3 August 2020 respectively which resulted in a decrease of S\$2.9 million in 4Q 2020.

Decrease in car park income of S\$3.2 million or 74.1% from 4Q 2019 was mainly due to the expiry of the master lease of car park in Lippo Mall Kemang on 16 December 2019 which resulted in a decrease of S\$2.1 million. The decrease was also due to reduced vehicle traffic compared to 4Q 2019.

Decrease in service charge and utilities recovery by S\$12.9 million or 52.0% was mainly due to discounts given to the tenants and the shorter mall opening hours. 4Q 2020 also included additional relief adjustments for 2H 2020 given to selected key tenants, including both related and non-related party tenants, to support their business recovery.

8 Review of the Performance (cont'd)

4Q 2020 vs 4Q 2019 (cont'd)

The decrease in property management fee of S\$1.3 million or 66.5% was due to the lower revenue and lower net property income in 4Q 2020.

The increase in net allowance for impairment loss on trade receivables of S\$2.5 million as LMIR Trust set aside a higher level of provisioning to account for potential defaults or non-collections of rental and service charge receivables arose from tenants affected by the slowdown in business due to impact of Covid-19.

Decrease in property operating and maintenance expenses of S\$7.8 million or 39.9% from 4Q 2019 was mainly due to the lower consumption of utilities as well as the cautious cost management adopted especially for non-critical repair and maintenance and other outsourced services due to the shorter operating hours after the malls reopened.

Other property operating expenses in 4Q 2019 included a one-off reversal of expenses which was subsequently capitalised.

Other losses mainly refer to one-off provision made against other receivables which was not present in FY2020.

Manager's management fees decreased by S\$1.8 million or 55.0% as a result of lower net property income and lower deposited assets.

Increase in financial expenses of S\$1.3 million or 11.5% from 4Q 2019 is due to issuance and commitment fees for an undrawn committed term loan facility amounting to S\$1.7 million, it is partially offset by the savings of interest on S\$75 million EMTN repaid in 2Q 2020.

Higher other expenses in 4Q 2019 was due to a one-off flood-mitigating expenses amounting to S\$2.2 million as well as certain project related fees written off in 4Q 2019.

The Group conducted a full valuation as of 31 December 2020 in addition to the desktop valuation performed as of 31 July 2020. Additional S\$15.6 million revaluation loss is recognised in 4Q 2020.

Higher realised foreign exchange adjustment losses in 4Q 2020 is mainly due to higher proportion of the 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.

Income tax expenses for 4Q 2020 was S\$4.4 million, in contrast to an income tax credit of S\$1.9 million in 4Q 2019. Comparing to 4Q 2019, income tax decreased by S\$4.3 million as a result of lower revenue and deferred tax decreased by S\$9.9 million, arising from changes in fair value of investment properties.

The Trust has various hedging contracts to mitigate its exposure on foreign currencies and interest rates movements. The unrealised gains/(losses) on derivatives is non-cash item and does not affect the amount of distribution to unitholders.

FY2020 vs FY2019

Decrease in gross rental income of S\$77.0 million or 49.6% from FY2019 was mainly due to the temporary closure of retail malls and retail spaces amid the Covid-19 outbreak to support the Indonesia government's objective to curb the spread of the virus. The malls and retail spaces closed at the end of March and reopened gradually. 13 retail malls and four retail spaces outside Greater Jakarta resumed operations on different dates since 13 May 2020. By 3 July 2020, all 21 retail malls and seven retail spaces have resumed operations albeit with shorter operating hours (8 hours compared to the usual 12 hours). During the mall closure, no rental was billed except to tenants in essential services (e.g. supermarket, pharmacies and clinics) and to tenants who elected to remain open (to provide delivery services) during the period and the billing is adjusted to the shorter mall opening hours.

Gross rental income has also been negatively affected by additional rental reliefs (over and above the discounted rental attributed to the shorter operating hours) given to selected key tenants, including both related and non-related party tenants, to support their business recovery.

The decrease in gross rental income is also due to the expiry of master leases in Lippo Mall Kemang on 16 December 2019 which resulted in a decreased of S\$9.4 million for FY2020 as well as the divestment of Pejaten Village and Binjai Supermall on 30 July 2020 and 3 August 2020 respectively which resulted in a S\$4.7 million drop in gross rental income in FY2020.

Decrease in carpark income of S\$13.2 million or 72.4% was mainly due to the expiry of master lease of car park in Lippo Mall Kemang on 16 December 2019 which resulted in a decrease of S\$8.1 million. The decrease was also due to the reduced vehicle traffic as a result of Covid-19 from March 2020 onwards.

Decrease in service charge and utilities recovery of S\$32.9 million or 34.3% in FY2020 was mainly due to the temporary closure of retail malls and retail spaces amid the Covid-19 outbreak. The malls closed since the end March 2020 and gradually reopening from mid May with the last two malls reopening in early July 2020. During the closure of the retail malls and retail spaces, service charge was billed at a 40% discount to the tenants. Utilities recovery income is substantially reduced too as a result of the temporary closure. Upon resumption of mall operations, service charge billings to tenants have been adjusted to the shorter mall opening hours. Service charge income has also been negatively affected by additional rental reliefs (over and above the discounted rental attributed to the shorter operating hours) given to selected key tenants to support their business recovery.

The decrease in property management fee of S\$3.8 million or 48.3% was due to lower revenue and lower net property income.

Higher net allowance for impairment loss on trade receivables of S\$4.4 million in FY2020 as LMIR Trust set aside a higher level of provisioning to account for potential defaults or non-collections of rental and service charge arose receivables from tenants affected by the slowdown in business due to impact of Covid-19.

Decrease in property operating and maintenance expenses of S\$23.7 million or 29.5% from FY 2019 was mainly due to the lower operating expenses from lower consumption of utilities and cautious cost management adopted especially for non-critical repair and maintenance and other outsourced services during the temporary closure of malls and shorter opening hours after the malls reopened.

Other losses mainly refer to provision made against other receivables as well as written-off certain expenses upon divestments during FY 2020, which was not present in FY2020.

Manager's management fees decreased by S\$4.7 million or 38.2% as a result of lower net property income and lower deposited assets.

Increase in financial expenses of S\$6.6 million or 15.9% from FY2019 was mainly due to higher all in cost of the US\$250.0 million bond issued in June 2019 and an issuance and commitment fees for an undrawn committed term facility in 4Q 2020. The effect is partially offset by the saving of interest expenses from the repayment of S\$75.0 million EMTN at end of June 2020.

8 Review of the Performance (cont'd)

FY2020 vs FY2019 (cont'd)

Higher other expenses in FY2019 included a one-off flood-mitigating expenses amounting to S\$2.2 million as well certain project related expenses written off which are not present in FY2020 financials.

Fair value of investment properties decreased by S\$212.1 million in FY2020 and it is mainly due to the outbreak of the Covid-19 pandemic.

Higher realised foreign exchange adjustment losses in FY2020 is mainly due to higher proportion of the 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.

Income tax expenses for FY2020 was S\$21.9 million or 15.5% lower than FY2019. It comprise the decrease of income tax of S\$12.4 million as a result of lower revenue, the decrease of withholding tax of S\$2.5 million is in line with the lower dividend declared by Indonesian subsidiaries in 2020. It is offset by the increase of deferred tax of S\$10.9 million arises from changes in fair value of investment properties and deferred tax charged in investment properties held for divestment.

The Trust has various hedging contracts to mitigate its exposure on foreign currencies and interest rates movements. The unrealised gains/(losses) on derivatives is non-cash item and does not affect the amount of distribution to unitholders.

9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Not applicable.

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

Indonesia's gross domestic product ("GDP") contracted 2.19% year-on-year in the fourth quarter of 2020 and 2.07% on a full-year basis. This was mainly due to a 2.63% decline in household spending and a 4.95% decline in investment driven by the Covid-19 pandemic.^[1] With its rising number of infected cases, the government has taken steps to enforce stringent measures to curb the spread of the virus in the country. In January 2021, it authorised and began efforts to vaccinate its vast population with an aim to vaccinate at least two thirds of its 270 million people.^[2]

The International Monetary Fund projects Indonesia's real GDP to expand by 4.8% in 2021 and 6% in 2022. On 5 October 2020, the Indonesian parliament also introduced a new Omnibus Law that would drive structural reforms in aid of boosting job and investment growth.

According to the latest Retail Sales Survey in December, on the back of increased demand during the Christmas and New Year festive period, retail sales achieved further improvements as the Real Sales Index ("RSI") increased by 4.8% MoM in December compared with a 1.2% contraction in November. Retailers reported gains in most commodity groups including household equipment and communication equipment posting the highest sales performance. Moving forward, RSI is expected to contract 1.8% MoM in line with the normalisation of demand after the festive period, coupled with the introduction of new public activity restrictions (PPKM) in Java and Bali. Despite a monthly decline, retailers expect retail sales to improve annually with a shallower contraction of 14.2% YoY in January compared with a contraction of 19.2% in December.

Significant Events Post 31 December 2020

On 27 January 2021, LMIR Trust, through its wholly-owned subsidiary, PT Puri Bintang Terang, completed the acquisition of Lippo Mall Puri. The purchase consideration for the acquisition was paid in cash, funded by S\$80.0 million term loan facilities, vendor financing of S\$40.0 million and proceeds from the S\$281.0 million Rights Issue.

On 3 February 2021, LMIR Trust, through its wholly-owned subsidiary, LMIRT Capital Pte. Ltd., successfully priced and allocated its second U.S. dollar bond of US\$200.0 million 7.50% 5-year Guaranteed Senior Notes (the "Notes"). The Notes will mature on 9 February 2026 and bear a fixed interest rate of 7.50% per annum payable semi-annually in arrears. The final order book of the offering was 5.5 times over-subscribed and stood at US\$1.1 billion from 109 investor accounts. Part of the proceeds from this new offering were utilised on 25 February 2021 to prepay S\$175.0 million of bank debt maturing in August 2021.

Outlook for FY2021

Due to the Covid-19 outbreak and following resumption of mall operations in mid-June, retail malls in LMIR Trust's portfolio operated initially on a shorter, eight-hour basis instead of the regular 12 hours, as part of efforts to support the gradual recovery of tenants' businesses. Rental and service charge billings to tenants have correspondingly been reduced by a minimum 33% to account for the shorter mall opening hours. In addition, certain retail malls, primarily in the core Central Jakarta area, are subject to a 50% capacity limit as well as ad-hoc restrictions, such as 25-50% dining-in capacity restrictions, imposed by the Government. Certain segments, in particular the cinema and kids' entertainment segments, faced significant challenges as consumers avoid such outlets due to fear of Covid-19 infection. In support of selected key tenants' (including both related and non-related party tenants) business recovery, the Manager has also granted additional rental and service charge reliefs to these tenants until 31 December 2020.

To assure and protect the health of customers, tenants, staff and suppliers, LMIR Trust's retail malls implemented various strict health measures. These measures helped boost the confidence of shoppers and visitor traffic has gradually recovered to above 50% of pre-Covid levels on a portfolio basis, with retail malls outside Greater Jakarta region exhibiting a stronger recovery trend due to lower reported cases of Covid-19 in those regions.

^[1] 6 February 2021, *The Jakarta Post* - Indonesia posts first annual GDP contraction since 1998

^[2] 13 January 2021, *AP News* - Indonesia starts mass COVID vaccinations over vast territory

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2020 FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months (Cont'd)

Outlook for FY2021 (Cont'd)

Following this gradually improving trend, since January 2021 and subject to local regulations, LMIR Trust's retail malls have started to operate longer operating hours between 10 to 11 hours. Correspondingly, rental and service charge discounts have been reduced to 25% with the aim of further reducing such discounts over the course 2021. The Manager expects the recovery from Covid-19 to be uneven across Indonesia. Tenants in certain retail segments will continue to face significant challenges and additional rental and service charge reliefs will need to be granted to such tenants in order to maintain occupancy and sustain their recovery.

Given the challenges above, a modest and prudent distribution strategy will be adopted, although such distribution will be reflective of improvements, if any, in LMIR Trust's financial performance as well as completion of the acquisition of Lippo Mall Puri, which comes with guaranteed NPI support from the Sponsor. On a longer term basis, this iconic premier lifestyle mall presents great potential for rental reversion growth and capital appreciation. It also repositions the Trust for sustainable growth trajectory.

With the completion of the acquisition of Lippo Mall Puri, and along with the rental guarantee extended by the vendor until 2024, the Trust expects a steady stream of income from this strategic asset but will nevertheless continue to adopt a cautious (though increasing) distribution policy given the uncertain environment and continued spread of Covid-19 in Indonesia. On a longer term basis, this iconic premier lifestyle mall presents great potential for rental reversion growth and capital appreciation. It also repositions the Trust for sustainable growth trajectory.

The Trust also initiated a number of fundraising activities during the year which have boosted its financial flexibility and ability to continue to pay dividends and perpetual coupons, as well as provided support for future growth opportunities such as the acquisition of Lippo Mall Puri, refinancing needs and general working capital purposes. These included the S\$80.0 million term loan facilities from BNP Paribas and CIMB Bank Berhad, Singapore Branch in January 2021 and the successful S\$281.0 million Rights Issue in the same month, as well as the well-received US\$200.0 million 7.50% 5-year Guaranteed Senior Notes issued in February 2021.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Fourth quarter distribution for the period from 1 October 2020 to 31 December 2020.
Distribution Type:	Capital distribution.
Distribution Rate:	Capital distribution of 0.04 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:	Fourth quarter distribution for the period from 1 October 2019 to 31 December 2019.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.39 cents per unit and capital distribution of 0.13 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 31 March 2021

(d) Record date: 9 March 2021

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

Not applicable.

13 Interested Person Transactions Mandate

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

14 A breakdown of sales as follows

	31-Dec-20 S\$'000	31-Dec-19 S\$'000	Changes %
Gross revenue reported for first half year	92,311	134,180	(31.2%)
Total (loss)/return after income tax for first half year	(8,196)	32,652	NM
Total (loss)/return after income tax but before changes in fair values of investment properties net of deferred tax for first half year	(8,196)	32,652	NM
Gross revenue reported for second half year	56,224	138,821	(59.5%)
Total loss after income tax for second half year	(222,009)	(19,152)	NM
Total (loss)/return after income tax but before changes in fair values of investment properties net of deferred tax for second half year	(10,814)	34,411	NM

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- 15 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	31-Dec-20 S\$'000	31-Dec-19 S\$'000
In respect of period:		
1 January to 31 March 2019 (paid)	-	16,079
1 April to 30 June 2019 (paid)	-	17,481
1 July to 30 September 2019 (paid)	-	16,196
1 October to 31 December 2019 (paid)	-	15,094
1 January to 31 March 2020 (paid)	3,512	-
1 April to 30 June 2020 (paid)	3,137	-
1 July to 30 September 2020 (paid)	2,049	-
1 October to 31 December 2020 (to be paid)	3,042	-
Total distribution to Unitholders	11,740	64,850

- 16 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, LMIRT Management Limited (the "Company"), as manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust"), wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of LMIR Trust for the financial year ended 31 December 2020.

- 17 **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.

- 18 **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
 1 March 2021