



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the third quarter and nine months ended 30 September 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 September 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 LMIRT 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

<u>Group Performance</u>						
	Third quarter ended 30 September		Variance Favourable/ (Unfavourable)	Nine months ended 30 September		Variance Favourable/ (Unfavourable)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
	\$'000	\$'000	%	\$'000	\$'000	%
Rental revenue	29,920	17,746	68.6%	90,611	73,812	22.8%
Car park revenue	1,409	734	92.0%	4,235	3,406	24.3%
Service charge and utilities recovery	20,009	12,048	66.1%	58,300	45,657	27.7%
Other rental income	392	365	7.4%	1,197	1,276	(6.2%)
Gross revenue (Note A)	<u>51,730</u>	<u>30,893</u>	67.4%	<u>154,343</u>	<u>124,151</u>	24.3%
Net property income	32,795	17,292	89.7%	98,664	74,880	31.8%
Amount available for distribution:						
Unitholders of the Trust	(6,041)	(7,518)	19.6%	4,028	(2,448)	NM
Perpetual securities holders	4,281	4,431	(3.4%)	12,704	13,245	(4.1%)
Distributable amount	<u>(1,760)</u>	<u>(3,087)</u>	43.0%	<u>16,732</u>	<u>10,797</u>	55.0%
Distribution to Unitholders (Note B)	<u>6,927</u>	<u>6,906</u>	0.3%	<u>20,781</u>	<u>19,951</u>	4.2%
Distribution per unit ("DPU") (in cents) (Note 9)	<u>0.0900</u>	<u>0.0900</u>	0.0%	<u>0.2700</u>	<u>0.2600</u>	3.8%

Lippo Malls Indonesia Retail Trust

Summary of results (cont'd)

Note A:

The portfolio performance in IDR terms is as follows:

Group Performance

	Third quarter <u>ended 30 September</u>		Variance Favourable/ (Unfavourable)	Nine months <u>ended 30 September</u>		Variance Favourable/ (Unfavourable)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
	IDR million	IDR million	%	IDR million	IDR million	%
Rental revenue	319,962	188,391	69.8%	961,796	789,069	21.9%
Car park revenue	15,067	7,784	93.6%	44,953	36,411	23.5%
Service charge and utilities recovery	213,885	128,006	67.1%	618,829	488,085	26.8%
Other rental income	4,193	3,881	8.0%	12,706	13,641	(6.9%)
Gross revenue	<u>553,107</u>	<u>328,062</u>	68.6%	<u>1,638,284</u>	<u>1,327,206</u>	23.4%
Net property income	350,681	183,501	91.1%	1,047,275	800,486	30.8%
Exchange rate (IDR to SGD)				10,614.56	10,690.25	0.7%

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 September 2022.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return

For the third quarter and nine months ended 30 September 2022

	<u>Note</u>	<u>Group</u>			
		<u>Third quarter</u>		<u>Nine months</u>	
		<u>ended 30 September</u>		<u>ended 30 September</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Gross revenue	3	51,730	30,893	154,343	124,151
Property operating expenses	4	(18,935)	(13,601)	(55,679)	(49,271)
Net property income		32,795	17,292	98,664	74,880
Interest income		407	-	1,109	1,264
Other income/(losses)		2,887	-	2,887	(13)
Manager's management fees	5	(2,606)	(1,971)	(7,744)	(6,821)
Trustee's fees		(116)	(118)	(345)	(349)
Finance costs	6	(17,075)	(15,375)	(46,023)	(45,068)
Other expenses		(1,115)	(2,146)	(1,924)	(4,025)
Net income/(loss)		15,177	(2,318)	46,624	19,868
Decrease in fair value of investment properties		-	-	(4,998)	(30,480)
Realised (losses)/gains on derivative financial instruments		(5)	3,110	(328)	3,773
Increase in fair value of derivative financial instruments		2,875	4,704	60	13,739
Realised foreign exchange losses	7	(9,542)	(257)	(11,005)	(296)
Unrealised foreign exchange (losses)/gains	7	(16,134)	304	(31,858)	(9,310)
Amortisation of intangible assets	11	(1,682)	(1,987)	(5,213)	(5,460)
Total (loss)/return for the period before tax		(9,311)	3,556	(6,718)	(8,166)
Income tax expense	8	(8,116)	(4,267)	(20,644)	(15,033)
Total loss for the period		(17,427)	(711)	(27,362)	(23,199)
Other comprehensive return					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations, net of tax		26,953	29,079	3,741	12,703
Total comprehensive return/(loss) for the period		9,526	28,368	(23,621)	(10,496)
Total loss for the period attributable to:					
Unitholders of the Trust		(21,708)	(5,142)	(40,066)	(36,444)
Perpetual securities holders		4,281	4,431	12,704	13,245
		<u>(17,427)</u>	<u>(711)</u>	<u>(27,362)</u>	<u>(23,199)</u>
Total comprehensive return/(loss) attributable to:					
Unitholders of the Trust		5,245	23,937	(36,325)	(23,741)
Perpetual securities holders		4,281	4,431	12,704	13,245
		<u>9,526</u>	<u>28,368</u>	<u>(23,621)</u>	<u>(10,496)</u>
		<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Earnings per unit					
Basic and diluted	9	(0.28)	(0.07)	(0.52)	(0.50)

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 third quarter and nine months ended 30 September 2022

	<u>Group</u>			
	Third quarter		Nine months	
	ended 30 September		ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Total loss for the period	(17,427)	(711)	(27,362)	(23,199)
Add: Net adjustments (Note A below)	11,386	(6,807)	31,390	20,751
Amount available for distribution to Unitholders	(6,041)	(7,518)	4,028	(2,448)
Unitholders' distribution:				
- As distribution from operations	-	-	-	-
- As distribution of Unitholders' capital contribution	6,927	6,906	20,781	19,951
	<u>6,927</u>	<u>6,906</u>	<u>20,781</u>	<u>19,951</u>
Note A – Net adjustments				
Decrease in fair value of investment properties, net of deferred tax	-	-	4,998	29,646
Manager's management fees payable in units	-	-	-	1,272
Depreciation of plant and equipment	726	645	2,085	2,047
Increase in fair value of derivative financial instruments	(2,875)	(4,704)	(60)	(13,739)
Unrealised foreign exchange losses/(gains)	16,134	(304)	31,858	9,310
Amortisation of intangible assets	1,682	1,987	5,213	5,460
Amount reserved for distribution to perpetual securities holders	(4,281)	(4,431)	(12,704)	(13,245)
	<u>11,386</u>	<u>(6,807)</u>	<u>31,390</u>	<u>20,751</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 September 2022

		<u>Group</u>		<u>Trust</u>	
	<u>Note</u>	30 September <u>2022</u> \$'000	31 December <u>2021</u> \$'000	30 September <u>2022</u> \$'000	31 December <u>2021</u> \$'000
<u>Non-current assets</u>					
Plant and equipment		6,972	6,836	-	-
Investment properties	10	1,786,488	1,788,915	-	-
Intangible assets	11	13,300	18,595	-	-
Investments in subsidiaries		-	-	1,479,520	1,534,790
Derivative financial instruments		7,343	-	7,343	-
Total non-current assets		1,814,103	1,814,346	1,486,863	1,534,790
<u>Current assets</u>					
Trade and other receivables	12	48,383	49,023	166,685	208,484
Other non-financial assets	13	44,963	43,364	95	64
Cash and cash equivalents	14	106,702	122,104	39,365	31,275
Total current assets		200,048	214,491	206,145	239,823
Total assets		2,014,151	2,028,837	1,693,008	1,774,613
<u>Non-current liabilities</u>					
Deferred tax liabilities		8,199	8,199	-	-
Other payables	17	-	-	743,700	704,407
Other financial liabilities	15	794,059	778,510	67,154	73,533
Other non-financial liabilities	16	85,613	84,025	-	-
Derivative financial instruments		23,379	12,628	23,379	12,628
Total non-current liabilities		911,250	883,362	834,233	790,568
<u>Current liabilities</u>					
Income tax payable		6,455	3,114	-	32
Trade and other payables	17	40,977	38,722	94,618	93,910
Other financial liabilities	15	74,675	67,646	74,223	67,194
Other non-financial liabilities	18	49,401	48,179	-	-
Derivative financial instruments		45	343	45	343
Total current liabilities		171,553	158,004	168,886	161,479
Total liabilities		1,082,803	1,041,366	1,003,119	952,047
Net assets		931,348	987,471	689,889	822,566
Represented by:					
Unitholders' funds		672,205	728,018	430,746	563,113
Perpetual securities	21	259,143	259,453	259,143	259,453
Net assets		931,348	987,471	689,889	822,566
Net asset value per unit attributable to Unitholders (in cents)					
	19	8.73	9.49	5.60	7.34

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 third quarter and nine months ended 30 September 2022

	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Group				
Unitholders' funds				
At beginning of period	673,887	733,149	728,018	509,329
Operations				
Total loss for the period	(17,427)	(711)	(27,362)	(23,199)
Less: Amount reserved for distribution to perpetual securities holders	(4,281)	(4,431)	(12,704)	(13,245)
Net decrease in net assets resulting from operations attributed to Unitholders	(21,708)	(5,142)	(40,066)	(36,444)
Unitholders' contributions				
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)	(6,906)	(20,760)	(16,087)
Total net assets before movements in foreign currency translation reserve and perpetual securities	<u>645,252</u>	<u>721,101</u>	<u>668,464</u>	<u>737,477</u>
Foreign currency translation reserve*				
Net movement in other comprehensive return	<u>26,953</u>	<u>29,079</u>	<u>3,741</u>	<u>12,703</u>
At end of period	<u>672,205</u>	<u>750,180</u>	<u>672,205</u>	<u>750,180</u>
Perpetual securities				
At beginning of period	259,432	259,652	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,281	4,431	12,704	13,245
Distributions to perpetual securities holders	(4,570)	(4,940)	(13,014)	(17,720)
At end of period	<u>259,143</u>	<u>259,143</u>	<u>259,143</u>	<u>259,143</u>
Net assets	<u>931,348</u>	<u>1,009,323</u>	<u>931,348</u>	<u>1,009,323</u>

* 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 third quarter and nine months ended 30 September 2022

	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Trust</u>				
Unitholders' funds				
At beginning of period	484,041	638,009	563,113	412,098
Operations				
Total loss for the period	(42,087)	(10,655)	(100,175)	(47,428)
Less: Amount reserved for distribution to perpetual securities holders	(4,281)	(4,431)	(12,704)	(13,245)
Net decrease in net assets resulting from operations attributed to Unitholders	(46,368)	(15,086)	(112,879)	(60,673)
Unitholders' contributions				
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)	(6,906)	(20,760)	(16,087)
At end of period	<u>430,746</u>	<u>616,017</u>	<u>430,746</u>	<u>616,017</u>
Perpetual securities				
At beginning of period	259,432	259,652	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,281	4,431	12,704	13,245
Distributions to perpetual securities holders	(4,570)	(4,940)	(13,014)	(17,720)
At end of period	<u>259,143</u>	<u>259,143</u>	<u>259,143</u>	<u>259,143</u>
Net assets	<u>689,889</u>	<u>875,160</u>	<u>689,889</u>	<u>875,160</u>

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 third quarter and nine months ended 30 September 2022

	<u>Group</u>			
	Third quarter		Nine months	
	ended 30 September		ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>				
Total (loss)/return for the period before tax	(9,311)	3,556	(6,718)	(8,166)
Adjustments for:				
Interest income	(407)	-	(1,109)	(1,264)
Interest expense and other related costs	15,407	14,032	41,410	41,018
Amortisation of borrowing costs	1,668	1,343	4,613	4,050
Depreciation of plant and equipment	726	645	2,085	2,047
Amortisation of intangible assets	1,682	1,987	5,213	5,460
Net (reversal)/allowance for impairment loss on trade and other receivables	(246)	(1,343)	(1,280)	420
Decrease in fair value of investment properties	-	-	4,998	30,480
Fair value gains on derivative financial instruments	(2,875)	(4,704)	(60)	(13,739)
Gain on repurchase of Guaranteed Senior Notes	(2,887)	-	(2,887)	-
Unrealised foreign exchange losses/(gains)	16,134	(304)	31,858	9,310
Manager's management fees payable in units	-	-	-	1,272
Operating cash flows before changes in working capital	19,891	15,212	78,123	70,888
Trade and other receivables	(2,182)	3,147	2,071	(2,662)
Other non-financial assets	(2,979)	(850)	(1,458)	(32,443)
Trade and other payables	7,569	(1,389)	13,797	1,514
Other non-financial liabilities, current	652	(692)	1,378	6,513
Net cash flows from operations before tax	22,951	15,428	93,911	43,810
Income tax paid	(5,350)	(6,108)	(17,303)	(16,939)
Net cash flows from operating activities	17,601	9,320	76,608	26,871
<u>Cash flows from investing activities</u>				
Acquisition of investment properties	-	-	-	(349,112)
Capital expenditure on investment properties	(2,182)	(4,361)	(8,248)	(9,103)
Purchase of plant and equipment	(1,228)	(315)	(2,241)	(670)
Interest received	414	-	1,101	1,264
Proceeds from disposal of plant and equipment	-	1	-	1
Net cash flows used in investing activities	(2,996)	(4,675)	(9,388)	(357,620)

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 third quarter and nine months ended 30 September 2022**

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from financing activities</u>				
Proceeds from bank borrowings	-	7,000	-	117,000
Proceeds from vendor financing	-	-	-	40,000
Repayment of bank borrowings	-	-	-	(219,000)
Repayment of vendor financing	-	(10,000)	-	(40,000)
Proceeds from bond issuance	-	-	-	263,207
Transaction costs on bond issuance	-	-	-	(4,078)
Other financial liabilities, current	(2)	26	(205)	(123)
Other non-financial liabilities, non-current	4,268	(4,686)	1,852	(4,377)
Interest paid	(11,789)	(14,032)	(40,766)	(41,018)
Proceeds from rights issue	-	-	-	280,972
Issue expenses paid in relation to rights issue	-	-	-	(4,575)
Distributions to unitholders	(6,927)	(6,906)	(20,760)	(16,087)
Distributions to perpetual security holders	(4,570)	(4,940)	(13,014)	(17,720)
Cash restricted in use for bank facilities	(655)	-	(1,710)	568
Repurchase of Guaranteed Senior Note	(9,650)	-	(9,650)	-
Net cash flows (used in)/from financing activities	<u>(29,325)</u>	<u>(33,538)</u>	<u>(84,253)</u>	<u>354,769</u>
Net (decrease)/increase in cash and cash equivalents	(14,720)	(28,893)	(17,033)	24,020
Cash and cash equivalents at beginning of period	116,785	158,442	119,881	106,143
Effect of exchange rate fluctuations on cash held	704	1,471	(79)	857
Cash and cash equivalents at end of period	<u>102,769</u>	<u>131,020</u>	<u>102,769</u>	<u>131,020</u>
Cash and cash equivalents per statement of cash flows	102,769	131,020	102,769	131,020
Add: Cash restricted in use for bank facilities	3,933	2,212	3,933	2,212
Cash and cash equivalents per statements of financial position (Note 14)	<u>106,702</u>	<u>133,232</u>	<u>106,702</u>	<u>133,232</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 September 2022

Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 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	77,840	8.4	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	15,572	1.7	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	76,517	8.2	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	66,759	7.2	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	30,121	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 September 2022

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
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	54,613	5.9	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	46,660	5.0	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	201,996	21.7	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	57,044	6.1	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	70,867	7.7	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 September 2022

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
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	25,813	2.8	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	54,298	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	22,578	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 Sumatra Province, Indonesia	14 November 2012	49,511	Strata title constructed on HGB title common land, expires on 1 September 2039	70,485	7.6	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 September 2022

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
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	206,795	22.2	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	21,604	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	77,518	8.3	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	50,918	5.5	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	32,529	3.5	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 September 2022

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
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	46,415	5.0	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	36,217	3.9	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	353,915	38.0	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 September 2022

Indonesia retail spaces

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 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	9,925	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	11,349	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	13,873	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	11,730	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 September 2022

Indonesia retail spaces (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2022 \$'000	Percentage of net assets at 30 September 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
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	15,309	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	20,186	2.2	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	7,042	0.8	7,064	0.7
Investment properties					1,786,488	191.8	1,788,915	181.1
Other net liabilities					(855,140)	(91.8)	(801,444)	(81.1)
Net asset value					931,348	100.0	987,471	100.0

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>Third quarter</u> <u>ended 30 September</u>		<u>Nine months</u> <u>ended 30 September</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Rental revenue	29,920	17,746	90,611	73,812
Car park revenue	1,409	734	4,235	3,406
Service charge and utilities recovery	20,009	12,048	58,300	45,657
Other rental income	392	365	1,197	1,276
	<u>51,730</u>	<u>30,893</u>	<u>154,343</u>	<u>124,151</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>Third quarter</u> <u>ended 30 September</u>		<u>Nine months</u> <u>ended 30 September</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Land rental expense	364	274	1,088	1,014
Property management fees	1,776	1,776	5,274	4,108
Legal and professional fees	384	372	1,258	1,194
Depreciation of plant and equipment	726	645	2,085	2,047
Net (reversal)/allowance for impairment of trade receivables	(236)	(1,343)	(267)	421
Property operating and maintenance expenses	15,803	11,837	45,942	40,269
Other property operating expenses	118	40	299	218
	<u>18,935</u>	<u>13,601</u>	<u>55,679</u>	<u>49,271</u>

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Base fee	1,244	1,279	3,712	3,804
Performance fee	1,312	692	3,947	2,996
Authorised investment fee	50	-	85	21
	<u>2,606</u>	<u>1,971</u>	<u>7,744</u>	<u>6,821</u>

6. Finance costs

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Interest expense	15,396	14,010	41,313	40,762
Amortisation of borrowing costs	1,668	1,343	4,613	4,050
Issuance and commitment fees	11	22	97	256
	<u>17,075</u>	<u>15,375</u>	<u>46,023</u>	<u>45,068</u>

7. Foreign exchange losses/(gains)

Realised foreign exchange movements mainly relate to redemption of redeemable preference shares ("RPS"), which are mainly denominated in Indonesian Rupiah ("IDR") and recorded in the financial statements of LMIR Trust at historical SGD/IDR exchange rates when the RPS are issued, and recorded at the prevailing SGD/IDR exchange rates when the RPS are redeemed.

Unrealised foreign exchange movements mainly relate to revaluation of USD Guaranteed Senior Notes amounting to US\$440.6 million (31 December 2021: US\$450.0 million) in aggregate.

Lippo Malls Indonesia Retail Trust

8. Income tax

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Current tax				
Singapore income tax	-	-	2	-
Foreign income tax	5,239	3,142	15,673	12,574
Withholding tax	2,877	1,125	4,969	3,293
	<u>8,116</u>	<u>4,267</u>	<u>20,644</u>	<u>15,867</u>
Deferred tax				
Deferred tax benefit	-	-	-	(834)
	<u>8,116</u>	<u>4,267</u>	<u>20,644</u>	<u>15,033</u>

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>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Total loss after tax	(17,427)	(711)	(27,362)	(23,199)
Less: Amount reserved for distribution to perpetual securities holders	<u>(4,281)</u>	<u>(4,431)</u>	<u>(12,704)</u>	<u>(13,245)</u>
Total loss attributable to Unitholders	<u>(21,708)</u>	<u>(5,142)</u>	<u>(40,066)</u>	<u>(36,444)</u>
Denominator				
Weighted average number of units	<u>7,696,809,979</u>	<u>7,673,336,012</u>	<u>7,689,329,264</u>	<u>7,309,745,134</u>
EPU (in cents) ⁽¹⁾	<u>(0.28)</u>	<u>(0.07)</u>	<u>(0.52)</u>	<u>(0.50)</u>
Adjusted EPU (in cents) ⁽²⁾	<u>(0.28)</u>	<u>(0.07)</u>	<u>(0.46)</u>	<u>(0.08)</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).

Lippo Malls Indonesia Retail Trust

9B. Distribution per unit

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

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Distribution to Unitholders	6,927	6,906	20,781	19,951
Denominator				
Number of units in issue (note 20)	7,696,809,979	7,673,336,012	7,696,809,979	7,673,336,012
DPU (in cents)	0.0900	0.0900	0.2700	0.2600

10. Investment properties

	<u>Group</u>	
	30 September	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
At valuation		
At beginning of period/year	1,788,915	1,459,360
Acquisition of investment property	-	328,092
Enhancement expenditure capitalised	8,248	15,930
	<u>1,797,163</u>	<u>1,803,382</u>
Changes in fair value included in profit or loss	(4,998)	(31,382)
Foreign exchange adjustments	<u>(5,677)</u>	<u>16,915</u>
At end of period/year	<u>1,786,488</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 investment properties as at 30 September 2022 were based on internal 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 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. Management is of the view that the fair value of the investment properties as at 30 September 2022 has not materially changed from 30 June 2022 valuation which was performed by the Manager.

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 September 2022 but may change significantly after the reporting date.

Lippo Malls Indonesia Retail Trust

11. Intangible assets

	<u>Group</u>	
	30 September <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Cost		
At beginning of period/year	67,319	44,407
Additions	-	22,673
Foreign exchange adjustments	(106)	239
At end of period/year	<u>67,213</u>	<u>67,319</u>
Accumulated amortisation		
At beginning of period/year	48,724	41,081
Amortisation for the period/year	5,213	7,570
Foreign exchange adjustments	(24)	73
At end of period/year	<u>53,913</u>	<u>48,724</u>
Carrying value		
At beginning of period/year	<u>18,595</u>	<u>3,326</u>
At end of period/year	<u>13,300</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 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
Outside parties	37,830	39,412	-	-
Related parties	13,581	11,444	-	-
Less: Allowance for impairment				
Outside parties	(10,940)	(11,583)	-	-
Related parties	(812)	(469)	-	-
	<u>39,659</u>	<u>38,804</u>	<u>-</u>	<u>-</u>
Other receivables				
Subsidiaries	-	-	166,655	208,437
Related parties	676	977	-	-
Other receivables	8,561	10,758	30	47
Less: Allowance for impairment				
Outside parties	(513)	(1,516)	-	-
	<u>8,724</u>	<u>10,219</u>	<u>166,685</u>	<u>208,484</u>
	<u>48,383</u>	<u>49,023</u>	<u>166,685</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.

Trade receivables from related parties as at 30 September 2022 included invoiced rental, advance rental and security deposits to a related party amounting to \$4.5 million, arising from a 127 months lease agreement for a space in a retail mall between the Group and the related party that provide healthcare services, signed during the period under review.

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

	<u>Group</u>		<u>Trust</u>	
	30 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
At beginning of period/year	(12,052)	(8,293)	-	-
Reversal of allowance no longer required	1,423	3,892	-	-
Charge to profit or loss	(1,156)	(7,570)	-	-
Foreign exchange adjustments	33	(81)	-	-
At end of period/year	<u>(11,752)</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 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
At beginning of period/year	(1,516)	(1,516)	-	-
Reversal of allowance no longer required	1,013	-	-	-
Foreign exchange adjustments	(10)	-	-	-
At end of period/year	<u>(513)</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 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Current	25,684	24,261	152	135
1 to 30 days past due	3,145	2,966	60	80
31 to 60 days past due	1,910	717	58	28
Over 61 days past due	<u>10,444</u>	<u>12,585</u>	<u>1,317</u>	<u>1,545</u>
12-month ECL	41,183	40,529	1,587	1,788
Lifetime ECL	<u>10,228</u>	<u>10,327</u>	<u>10,165</u>	<u>10,264</u>
	<u>51,411</u>	<u>50,856</u>	<u>11,752</u>	<u>12,052</u>

Subsequent to 30 September 2022, \$11.2 million of trade receivables were collected, of which \$7.1 million (including \$4.5 million trade receivables relating to the 127 months leasing agreement for a space in a retail mall signed during the period under review) was from related party tenants and \$4.1 million was from non-related party tenants.

13. Other non-financial assets

	<u>Group</u>		<u>Trust</u>	
	30 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Prepayments	2,870	2,819	95	64
Prepaid tax	<u>42,093</u>	<u>40,545</u>	<u>-</u>	<u>-</u>
	<u>44,963</u>	<u>43,364</u>	<u>95</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 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	102,769	119,881	37,575	30,054
Cash pledged for bank facilities	3,933	2,223	1,790	1,221
	<u>106,702</u>	<u>122,104</u>	<u>39,365</u>	<u>31,275</u>

15. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	30 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	177,500	184,500	67,500	74,500
Less: Unamortised transaction costs	(2,647)	(4,159)	(346)	(967)
	<u>174,853</u>	<u>180,341</u>	<u>67,154</u>	<u>73,533</u>
Financial instruments with fixed interest rates				
Senior notes (unsecured)*	627,898	609,569	-	-
Less: Unamortised transaction costs	(9,057)	(11,970)	-	-
	618,841	597,599	-	-
Finance leases	365	570	-	-
	<u>794,059</u>	<u>778,510</u>	<u>67,154</u>	<u>73,533</u>
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	74,500	67,500	74,500	67,500
Less: Unamortised transaction costs	(277)	(306)	(277)	(306)
	<u>74,223</u>	<u>67,194</u>	<u>74,223</u>	<u>67,194</u>
Financial instruments with fixed interest rates				
Finance leases	452	452	-	-
	<u>74,675</u>	<u>67,646</u>	<u>74,223</u>	<u>67,194</u>
	<u>868,734</u>	<u>846,156</u>	<u>141,377</u>	<u>140,727</u>
Due within 2 to 5 years	794,059	778,476	67,154	73,533
Due after 5 years	-	34	-	-
	<u>794,059</u>	<u>778,510</u>	<u>67,154</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 September <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Current borrowings					
\$67.5 million term loan (Facility A)	1	November 2022	3.05% + SOR*	67,500	67,500
Committed revolving loan facility	2	August 2023	2.10% + SORA#	7,000	7,000
Non-current borrowings					
\$67.5 million term loan (Facility B)	1	November 2023	3.25% + SOR*	67,500	67,500
\$60.0 million term loan (Facility A1)	3	January 2024	3.15% + SOR*	60,000	60,000
\$20.0 million term loan (Facility A2)	3	January 2026	3.57% + SOR*	20,000	20,000
\$30.0 million term loan (Facility B1)	3	January 2024	3.15% + SOR*	22,500	22,500
\$10.0 million term loan (Facility B2)	3	January 2026	3.57% + SOR*	7,500	7,500
US\$250.0 million Guaranteed Senior Notes	4	June 2024	7.25%	356,274	338,649
US\$200.0 million Guaranteed Senior Notes	5	February 2026	7.50%	271,624	270,920
				<u>879,898</u>	<u>861,569</u>

* 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 21 October 2022, the Group refinanced Facility A amounting to \$67.5 million due in November 2022 with a bridging loan (Bridging Facility A), maturing in November 2023 at interest rate of 2.5% plus 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.
- 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.

In October 2022, the Group restructured the interest rates of Facility A1 and Facility B1 to 3.5% plus SORA per annum and, Facility A2 and Facility B2 to 3.92% plus SORA per annum.

- 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.

In September 2022, the Trust has repurchased US\$9.4 million of US\$200.0 million outstanding notes from open market with a total cost to \$9.65 million at a gain of \$2.89 million using internal funding.

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 September	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Total gross borrowings and deferred payments	879,898	861,569
Total deposited property	<u>2,014,151</u>	<u>2,028,837</u>
Aggregated leverage ratio (%)	<u>43.7%</u>	<u>42.5%</u>
Interest coverage ratio (times) ⁽¹⁾	<u>2.0</u>	<u>1.6</u>

⁽¹⁾ 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 2.3 (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 September	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Advance payments by tenants	<u>85,613</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 September	31 December	30 September	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Other payables, non-current				
Loan payable to subsidiaries ^(#)	-	-	743,700	704,407
Trade payables, current				
Outside parties and accrued liabilities	27,728	29,164	6,234	5,383
Related parties	2,007	708	-	-
	<u>29,735</u>	<u>29,872</u>	<u>6,234</u>	<u>5,383</u>
Other payables, current				
Loan payable to subsidiaries ^(#)	-	-	45,500	38,694
Subsidiaries	-	-	42,884	49,833
Other payables	11,242	8,850	-	-
	<u>11,242</u>	<u>8,850</u>	<u>88,384</u>	<u>88,527</u>
	<u>40,977</u>	<u>38,722</u>	<u>94,618</u>	<u>93,910</u>
Total trade and other payables	<u>40,977</u>	<u>38,722</u>	<u>838,318</u>	<u>798,317</u>

^(#) 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 with a fixed term of repayment. The carrying amount is a reasonable approximation of fair value (Level 2).

18. Other non-financial liabilities, current

	<u>Group</u>	
	30 September	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Security deposits from tenants	<u>49,401</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 September <u>2022</u>	31 December <u>2021</u>	30 September <u>2022</u>	31 December <u>2021</u>
Numerator				
Net assets attributable to Unitholders at end of period/year (\$'000)	<u>672,205</u>	<u>728,018</u>	<u>430,746</u>	<u>563,113</u>
Net tangible assets attributable to Unitholders at end of period/year (\$'000)	<u>658,905</u>	<u>709,423</u>	<u>430,746</u>	<u>563,113</u>
Denominator				
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 September <u>2022</u>	31 December <u>2021</u>	30 September <u>2022</u>	31 December <u>2021</u>
Net asset value (NAV) per unit attributable to Unitholders (in cents)	<u>8.73</u>	<u>9.49</u>	<u>5.60</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>5.60</u>	<u>7.34</u>

20. Units in issue

20A. Units in issue

	<u>Group and Trust</u>	
	30 September <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 September <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 September <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	12,704	17,526
Distributions to perpetual securities holders	<u>(13,014)</u>	<u>(21,691)</u>
At end of period/year	<u>259,143</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> Third quarter ended 30 September		<u>Group</u> Nine months ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Manager				
Manager's management fees expense	2,606	1,971	7,744	6,821
Manager's acquisition fees	-	-	-	1,653
Trustee				
Trustee's fees expense	116	118	345	349
Property manager				
Property manager fees expense	1,776	1,776	5,274	4,108
Affiliates of Sponsor ⁽¹⁾				
Rental revenue and service charge ^{(2) (3) (4)}	12,081	9,049	39,142	35,692
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, PT Link Net, and PT Rumah Sakit Siloam Hospital Sumsel. 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>	
	Nine months		Nine months	
	ended 30 September		ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾	0.85%	1.18%	1.08%	1.11%
Expenses to average net assets ratio – including performance related fee ⁽¹⁾	1.40%	1.63%	1.77%	1.63%
Portfolio turnover ratio ⁽²⁾	-	-	-	-

⁽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 September 2022 vs 31 December 2021

Investment properties

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

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 \$39.7 million (31 December 2021: \$38.8 million) and other receivables (net of allowance for impairment) of \$8.7 million (31 December 2021: \$10.2 million) as at 30 September 2022.

Trade receivables (before taking into account of allowance for impairment) was \$51.4 million (31 December 2021: \$50.9 million), of which \$13.6 million (31 December 2021: \$11.4 million) was due from related party tenants and \$37.8 million (31 December 2021: \$39.4 million) was due from non-related party tenants. Trade receivables from related parties as at 30 September 2022 included invoiced rental, advance rental and security deposits to a related party amounting to \$4.5 million, arising from a 127 months lease agreement for a space in a retail mall between the Group and the related party that provide healthcare services, signed during the period under review.

Subsequent to the period ended 30 September 2022, \$11.2 million of trade receivables were collected, of which \$7.1 million was from related party tenants and \$4.1 million was from non-related party tenants.

At the date of this announcement, the Sponsor, PT Lippo Karawaci Tbk and its group of companies, have 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 related payment from the Sponsor and its group of companies.

Cash and cash equivalents

The Group generated net positive cash flow from operating activities amounted to \$76.6 million for the nine months ended 30 September 2022 ("9M2022"). The Group incurred \$8.2 million for asset enhancement initiative expenditure including \$4.6 million, \$0.9 million and \$0.7 million spent for Gajah Mada Plaza, Lippo Mall Puri and Plaza Semanggi respectively. Net cash flows used in financing activities amounting to \$84.3 million which included payment of interest expenses of \$40.8 million, distribution to unitholders of \$20.8 million, distribution to perpetual security holders of \$13.0 million and repurchased part of US\$200.0 million Guaranteed Senior Note from open market amounting to \$9.7 million in 9M2022. Cash and cash equivalents of the Group was \$106.7 million as at 30 September 2022 (31 December 2021: \$122.1 million).

Other financial liabilities

The Group repurchased US\$9.4 million of US\$200.0 million Guaranteed Senior Note from open market with a total cost of \$9.7 million at a gain of \$2.9 million for the period ended 30 September 2022.

Derivative financial instruments

The movements in derivative financial assets (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

Increase in trade and other payables as of 30 September 2022 was mainly increase in 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, 1Q 2022 and 2Q 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					
	3Q 2022 \$'000	3Q 2021 \$'000	Variance % Favourable/ (Unfavourable)	YTD 2022 \$'000	YTD 2021 \$'000	Variance % Favourable/ (Unfavourable)
Statement of Total Return						
Rental revenue	29,920	17,746	68.6%	90,611	73,812	22.8%
Car park revenue	1,409	734	92.0%	4,235	3,406	24.3%
Service charge and utilities recovery	20,009	12,048	66.1%	58,300	45,657	27.7%
Other rental income	392	365	7.4%	1,197	1,276	(6.2%)
Gross revenue	51,730	30,893	67.4%	154,343	124,151	24.3%
Land rental expense	(364)	(274)	(32.8%)	(1,088)	(1,014)	(7.3%)
Property management fees	(1,776)	(1,776)	0.0%	(5,274)	(4,108)	(28.4%)
Legal and professional fees	(384)	(372)	(3.2%)	(1,258)	(1,194)	(5.4%)
Depreciation of plant and equipment	(726)	(645)	(12.6%)	(2,085)	(2,047)	(1.9%)
Net reversal/(allowance) for impairment on trade receivables	236	1,343	(82.4%)	267	(421)	NM
Property operating and maintenance expenses	(15,803)	(11,837)	(33.5%)	(45,942)	(40,269)	(14.1%)
Other property operating expenses	(118)	(40)	NM	(299)	(218)	(37.2%)
Property operating expenses	(18,935)	(13,601)	(39.2%)	(55,679)	(49,271)	(13.0%)
Net property income	32,795	17,292	89.7%	98,664	74,880	31.8%
Interest income	407	-	NM	1,109	1,264	(12.3%)
Other income/(losses)	2,887	-	NM	2,887	(13)	NM
Manager's management fees	(2,606)	(1,971)	(32.2%)	(7,744)	(6,821)	(13.5%)
Trustee's fees	(116)	(118)	1.7%	(345)	(349)	1.1%
Finance costs	(17,075)	(15,375)	(11.1%)	(46,023)	(45,068)	(2.1%)
Other expenses	(1,115)	(2,146)	48.0%	(1,924)	(4,025)	52.2%
Net income	15,177	(2,318)	NM	46,624	19,868	NM
Decrease in fair value of investment properties	-	-	-	(4,998)	(30,480)	83.6%
Realised (losses)/gains on derivative financial instruments	(5)	3,110	NM	(328)	3,773	NM
Increase in fair value of derivative financial instruments	2,875	4,704	(38.9%)	60	13,739	(99.6%)
Realised foreign exchange losses	(9,542)	(257)	NM	(11,005)	(296)	NM
Unrealised foreign exchange (losses)/gains	(16,134)	304	NM	(31,858)	(9,310)	NM
Amortisation of intangible assets	(1,682)	(1,987)	15.3%	(5,213)	(5,460)	4.5%
Total return/(loss) for the period before tax	(9,311)	3,556	NM	(6,718)	(8,166)	17.7%
Income tax expense	(8,116)	(4,267)	(90.2%)	(20,644)	(15,033)	(37.3%)
Total loss for the period	(17,427)	(711)	NM	(27,362)	(23,199)	(17.9%)
Other comprehensive return:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations, net of tax	26,953	29,079	(7.3%)	3,741	12,703	(70.6%)
Total comprehensive return/(loss) for the period	9,526	28,368	(66.4%)	(23,621)	(10,496)	NM

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 3Q 2022 vs 3Q 2021

Rental revenue in 3Q 2022 increased by \$12.2 million or 68.6% as compared to 3Q 2021 despite a marginal drop in the portfolio occupancy to 80.4% as at 30 September 2022 compared to 81.1% a year ago. The increase was mainly attributable to relatively lower rental revenue reported in 3Q 2021 where no rental were billed to certain tenants as a result of Malls' temporary closure (due to Covid-19) in the first part of the quarter, and rental reliefs granted to tenants when the Malls reopened gradually in the second part of the quarter. In 3Q 2022, amidst the stabilising Covid-19 situation in Indonesia, the local government relaxed restriction on operations and the Group only granted rental reliefs to certain tenants whose operations continued to be affected by Covid-19.

Service charge and utilities recovery in 3Q 2022 increased by \$8.0 million or 66.1% as compared to 3Q 2021. Higher service charge and utilities recovery was mainly due to higher usage of utilities upon a much relaxed operating environment in 3Q 2022. During 3Q 2021, due to the Malls' temporary closure in the first part of the quarter and operation restrictions imposed in the second part of the quarter, discounts on service charges were given to tenants and lower utility consumption were reported.

Net reversal of allowance for impairment loss on trade receivables recorded in 3Q 2022 was lower at \$0.2 million compared to \$1.3 million in 3Q 2021 mainly due to continued improvement in collection from tenants.

Property operating and maintenance expenses increased by \$4.0 million and was mainly due to longer operating hours in 3Q 2022.

Included in other income/(losses) account is other income arises from a gain of \$2.9 million from the repurchases of Guaranteed Senior Notes in 3Q 2022. During 3Q 2022, the Group repurchased US\$9.4 million (face value) or 4.7% of US\$200.0 million Guaranteed Senior Notes from the open market.

Finance costs in 3Q 2022 increased by \$1.7 million from 3Q 2021. The increase was mainly due to higher interest expenses as a result of higher interest rates of term loans and a Guaranteed Senior Note with cross currency arrangement that swap the currency into SGD with a floating interest rate.

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 \$1.8 million in 3Q 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 losses at \$9.5 million in 3Q 2022 compared to \$0.3 million in 3Q 2021 was mainly due to increase in redemption of redeemable preference shares ("RPS") from \$9.3 million in 3Q 2021 to \$58.3 million in 3Q 2022, which were denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates at range from SGD/IDR 6,207.56 to 10,585.31 when the RPS were issued in years 2007, 2015, 2017 and 2021 respectively. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the period under review has resulted in realised foreign exchange losses. The increase in redemption of RPS in 3Q 2022 was mainly due to higher repatriation of funds from Indonesia when the exchange rate SGD/IDR was more favourable.

Unrealised foreign exchange loss was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$440.6 million (3Q 2021: \$450.0 million) in aggregate where USD strengthened against SGD in the period under review.

Income tax expenses increased by \$3.8 million in 3Q 2022 compared to 3Q 2021 mainly due to increase in income tax on revenue of \$2.1 million in 3Q 2022 and \$1.7 million of withholding tax on dividend and interest on loans extended by Singapore subsidiaries to Indonesian subsidiaries paid in 3Q 2022.

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 gain of \$27.0 million was recorded in 3Q 2022 due to strengthening of IDR against SGD compared to 2Q 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 YTD 2022 vs YTD 2021

Rental revenue in YTD 2022 increased by \$16.8 million or 22.8% as compared to YTD 2021 despite decrease in the portfolio average occupancy during the period under review. The increase was mainly attributable to relatively lower rental revenue reported in YTD 2021 where the Group granted various rental reliefs to tenants from time to time as a result of restrictions imposed on operations due to the Covid-19 pandemic. During YTD 2022, the Group has substantially reduced rental reliefs granted to tenants as the Covid-19 situation in Indonesia stabilized and restrictions were gradually lifted.

Service charge and utilities recovery in YTD 2022 increased by \$12.6 million or 27.7%. Lower discount was extended to tenants in YTD 2022 as opposed to YTD 2021 where restrictions on operation were gradually lifted. 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 YTD 2022 increased by \$1.2 million was mainly due to higher revenue and NPI compared to YTD 2021.

Net reversal of allowance for impairment loss on trade receivables recorded in YTD 2022 was mainly due to improvement in collection from tenants as opposed to net allowance for impairment loss on trade receivables of \$0.4 million in YTD 2021. In YTD 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.

Property operating and maintenance expenses increased by \$5.7 million and was mainly due to longer operating hours in YTD 2022.

Included in other income/(losses) account is other income arises from a gain of \$2.9 million from the repurchases of Guaranteed Senior Notes in YTD 2022. During YTD 2022, the Group repurchased US\$9.4 million (face value) or 4.7% of US\$200.0 million Guaranteed Senior Notes from the open market.

Finance costs in YTD 2022 increased by \$1.0 million from YTD 2021. The increase was mainly due to higher interest expenses as a result of higher interest rates of term loans and a Guaranteed Senior Note with cross currency arrangement that swap the currency into SGD with a floating interest rate; and this was partially offset by the expired of interest rate swap contract in YTD 2021.

Other expenses in YTD 2022 decreased by \$2.1 million was mainly due to reversal of allowance for impairment of other receivables in YTD 2022 due to collection of the receivables.

Fair value of investment properties decreased by \$5.0 million in YTD 2022 compared to \$30.5 million in YTD 2021, based on the assessment performed by the Manager. The assessment performed in YTD 2021 included written off of acquisition cost related to 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 increase in fair value of derivative financial instruments of \$0.06 million in YTD 2022 and \$13.7 million in YTD 2021 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 losses at \$11.0 million in YTD 2022 compared to \$0.3 million in YTD 2021 was mainly due to increase in redemption of redeemable preference shares ("RPS") from \$9.3 million in YTD 2021 to \$98.5 million in YTD 2022, which were denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates at range from SGD/IDR 6,207.56 to 10,585.31 when the RPS were issued in years 2007, 2015, 2017 and 2021 respectively. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the current period under review has resulted in realised foreign exchange losses. The increase in redemption of RPS in YTD 2022 was mainly due to higher repatriation of funds from Indonesia when the exchange rate SGD/IDR was more favourable.

Unrealised foreign exchange loss was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$440.6 million (YTD 2021: \$450.0 million) in aggregate where USD strengthened against SGD since 31 December 2021.

Income tax expenses increased by \$5.6 million in YTD 2022 compared to YTD 2021 was mainly due to (i) increase in income tax on revenue of \$3.1 million in YTD 2022; and (ii) \$1.7 million of withholding tax on dividend and interest on loans by Singapore subsidiaries to Indonesian subsidiaries paid in YTD 2022 and (iii) absence of \$0.8 million deferred tax credit recorded in YTD 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 lower translation gain of \$3.7 million was recorded in YTD 2022 compared to a gain of \$12.7 million that of YTD 2021 was mainly due to weakening of IDR against SGD compared to 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

Bank Indonesia ("BI") increased its benchmark interest rate to 4.75% in October 2022, a first consecutive half-point increase since 2016, in an effort to combat rising inflation and strengthen the rupiah's stability. With the rate hike, BI aims to bring down inflation to its target range by the second half of 2023, while ensuring the rupiah reflects its fundamental value against the US dollar^[1]. Bolstered by strong commodity exports, the Indonesian economy is expected to improve from the impact of the Covid-19 pandemic and that the 2022 gross domestic product growth will be biased towards the upper end of its 4.5% to 5.3% forecast range^[2].

Annual inflation rate in September 2022 accelerated to a seven-year high of 5.95%, up from 4.69% in August 2022, largely due to higher transportation costs following the fuel price hike. The annual core inflation rate, which excludes government-controlled prices and volatile food prices, also accelerated to a three-year high of 3.21% from 3.04% in August. The inflation rate exceeds BI's target range of 2% to 4% for the fourth consecutive month, and is projected to peak at slightly above 6% by year end^[3].

According to the latest Retail Sales Survey in September 2022, Real Sales Index ("RSI") rose 5.5% year-on-year, to a level of 200.0, owing to increasing sales of food, beverages and tobacco, coupled with improving sales of other household equipment as well as information and communication equipment. On a monthly basis, retail sales grew 0.8% in August 2022, primarily boosted by improving sales of food, beverages and tobacco as well as sales of spare parts and accessories. Retailers anticipate stable inflationary pressures in November 2022 and milder pressures in February 2023, with the three-month Price Expectations Index ("PEI") remaining relatively stable at 135.4 from 135.3 while the six-month PEI is expected to decrease to 138.7 from 144.7 [4].

In the context of improving operating conditions, there are challenges that may impede the Trust's recovery, including the current geopolitical tensions, inflationary pressures, interest rate volatility and the impact of volatility on the foreign exchange. Nevertheless, the Trust remains prudent with its capital management and has entered into various hedging contracts to mitigate its exposure to fluctuating foreign currencies, as well as restructured its loan interest rates to the Singapore Overnight Rate Average ("SORA") interest rate benchmark.

[1] 20 October 2022, *Business Times* – Indonesia central bank raises benchmark interest rate by 50 bps to 4.75% as expected

[2] 22 September 2022, *Business Times* – Indonesia central bank raises rates by 50 bps to head off inflation risks

[3] 3 October 2022, *Business Times* – Indonesia inflation hits new 7-year high after fuel price hike

[4] 11 October 2022, *Bank Indonesia* – Retail Sales Survey September 2022: Retail sales predicted to increase

4. Distributions

(a) Current financial period

Any distributions declared for the current financial period:

Name of distribution:

Distribution Type:

Distribution Rate:

Par value of units:

Tax rate:

Yes

Third quarter distribution for the period from 1 July 2022 to 30 September 2022.

Capital distribution.

Capital distribution of 0.0900 cents per unit.

NA

NA

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period:

Name of distribution:

Distribution Type:

Distribution Rate:

Par value of units:

Tax rate:

Yes

Third quarter distribution for the period from 1 July 2021 to 30 September 2021.

Capital distribution.

Capital distribution of 0.0900 cents per unit.

NA

NA

(c) Date payable:

1 December 2022

(d) Record date:

17 November 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
9 November 2022