



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the second quarter and half year ended 30 June 2021

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. LMIR Trust completed the acquisition of Lippo Mall Puri in January 2021. As at 30 June 2021, 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

Group Performance

| | <u>Second quarter ended 30 June</u> | | <u>Variance Favourable/ (Unfavourable)</u> % | <u>Half year ended 30 June</u> | | <u>Variance Favourable/ (Unfavourable)</u> % |
|--|-------------------------------------|-----------------------|---|--------------------------------|-----------------------|---|
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | | <u>2021</u> \$'000 | <u>2020</u> \$'000 | |
| Rental revenue | 29,584 | 12,627 | NM | 56,066 | 49,196 | 14.0% |
| Car park revenue | 1,464 | 471 | NM | 2,672 | 2,935 | (9.0%) |
| Service charge and utilities recovery | 18,139 | 13,925 | 30.3% | 33,609 | 39,213 | (14.3%) |
| Other rental income | 463 | 360 | 28.6% | 911 | 967 | (5.8%) |
| Gross revenue (Note A) | 49,650 | 27,383 | 81.3% | 93,258 | 92,311 | 1.0% |
| Net property income | 31,805 | 12,823 | NM | 57,588 | 52,584 | 9.5% |
| Amount available for distribution: | | | | | | |
| Amount attributable for the period | 4,742 | (11,303) | NM | 5,070 | 3,249 | 56.0% |
| Add back: retention sum from prior periods | – | 14,440 | NM | – | 3,400 | NM |
| Unitholders of the Trust | 4,742 | 3,137 | 51.2% | 5,070 | 6,649 | (23.7%) |
| Perpetual securities holders | 4,445 | 4,418 | 0.6% | 8,814 | 8,787 | 0.3% |
| Amount available for distribution for the period | 9,187 | 7,555 | 21.6% | 13,884 | 15,436 | (10.1%) |
| Distribution to Unitholders (Note B) | 6,906 | 3,137 | NM | 13,045 | 6,649 | 96.2% |
| Distribution per unit (“DPU”) (in cents) (note 9) | 0.09 | 0.11 | (18.2%) | 0.17 | 0.23 | (26.1%) |

Lippo Malls Indonesia Retail Trust

Summary of results (cont'd)

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

| | Group Performance | | | | | |
|---------------------------------------|---------------------------------|---------------------|--|----------------------------|---------------------|--|
| | Second quarter ended 30 June | | Variance Favourable/ (Unfavourable) % | Half year ended 30 June | | Variance Favourable/ (Unfavourable) % |
| | 2021 IDR'million | 2020 IDR'million | | 2021 IDR'million | 2020 IDR'million | |
| Rental revenue | 319,375 | 141,559 | NM | 600,678 | 513,809 | 16.9% |
| Car park revenue | 15,795 | 5,571 | NM | 28,627 | 30,653 | (6.6%) |
| Service charge and utilities recovery | 195,750 | 152,128 | 28.7% | 360,079 | 409,545 | (12.1%) |
| Other rental income | 5,001 | 3,920 | 27.6% | 9,760 | 10,099 | (3.4%) |
| Gross revenue | 535,921 | 303,178 | 76.8% | 999,144 | 964,106 | 3.6% |
| Net property income | 343,107 | 144,451 | NM | 616,985 | 549,194 | 12.3% |
| Exchange rate (IDR to SGD) | | | | 10,713.77 | 10,444.12 | (2.6%) |

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 from this strategic asset. Coupled with the improvement in the operations of the retail malls from 3Q 2020, the Trust has declared \$6.9 million dividend for the quarter ended 30 June 2021.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return For the second quarter and half year ended 30 June 2021

| | Note | <u>Group</u> | | | |
|---|------|---|-----------------------|------------------------------------|-----------------------|
| | | <u>Second quarter ended 30 June</u> | | <u>Half year ended 30 June</u> | |
| | | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Gross revenue | 3 | 49,650 | 27,383 | 93,258 | 92,311 |
| Property operating expenses | 4 | <u>(17,845)</u> | <u>(14,560)</u> | <u>(35,670)</u> | <u>(39,727)</u> |
| Net property income | | 31,805 | 12,823 | 57,588 | 52,584 |
| Interest income | | 1,039 | 421 | 1,264 | 1,175 |
| Other losses | | (5) | – | (13) | – |
| Manager's management fees | 5 | (2,546) | (1,191) | (4,850) | (3,979) |
| Trustee's fees | | (115) | (119) | (231) | (229) |
| Finance costs | 6 | (15,530) | (12,138) | (29,693) | (23,851) |
| Other expenses | | <u>(1,068)</u> | <u>(1,094)</u> | <u>(1,879)</u> | <u>(1,828)</u> |
| Net income/(loss) | | 13,580 | (1,298) | 22,186 | 23,872 |
| Decrease in fair value of investment properties held for divestment | | – | (15,526) | – | (15,526) |
| Decrease in fair value of investment properties | | (30,480) | – | (30,480) | – |
| Realised (losses)/gains on derivative financial instruments | | (180) | 199 | 663 | 199 |
| Increase/(decrease) in fair value of derivative financial instruments | | 4,243 | (6,015) | 9,035 | 8,851 |
| Realised foreign exchange losses | | (31) | (2,214) | (39) | (3,296) |
| Unrealised foreign exchange (losses)/gains | 7 | (1,216) | 21,351 | (9,614) | (9,891) |
| Amortisation of intangible assets | 11 | <u>(1,962)</u> | <u>(544)</u> | <u>(3,473)</u> | <u>(1,118)</u> |
| Total (loss)/return for the period before tax | | (16,046) | (4,047) | (11,722) | 3,091 |
| Income tax expense | 8 | <u>(5,304)</u> | <u>(3,627)</u> | <u>(10,766)</u> | <u>(11,287)</u> |
| Total loss for the period | | (21,350) | (7,674) | (22,488) | (8,196) |
| Other comprehensive (loss)/return | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating foreign operations, net of tax | | <u>375</u> | <u>187,911</u> | <u>(16,376)</u> | <u>23,939</u> |
| Total comprehensive (loss)/return | | (20,975) | 180,237 | (38,864) | 15,743 |
| Total loss for the period attributable to: | | | | | |
| Unitholders of the Trust | | (25,795) | (12,092) | (31,302) | (16,983) |
| Perpetual securities holders | | <u>4,445</u> | <u>4,418</u> | <u>8,814</u> | <u>8,787</u> |
| | | <u>(21,350)</u> | <u>(7,674)</u> | <u>(22,488)</u> | <u>(8,196)</u> |

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return (cont'd) For the second quarter and half year ended 30 June 2021

| | <u>Note</u> | <u>Group</u> | | | |
|--|-------------|---|-----------------------|------------------------------------|-----------------------|
| | | <u>Second quarter ended 30 June</u> | | <u>Half year ended 30 June</u> | |
| | | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Total comprehensive (loss)/ return attributable to: | | | | | |
| Unitholders of the Trust | | (25,420) | 175,819 | (47,678) | 6,956 |
| Perpetual securities holders | | 4,445 | 4,418 | 8,814 | 8,787 |
| | | <u>(20,975)</u> | <u>180,237</u> | <u>(38,864)</u> | <u>15,743</u> |
| | | <u>Cents</u> | <u>Cents</u> | <u>Cents</u> | <u>Cents</u> |
| Earnings per unit | | | | | |
| Basic and diluted | 9 | (0.34) | (0.41) | (0.44) | (0.58) |

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Lippo Malls Indonesia Retail Trust

Condensed interim statements of distribution For the second quarter and half year ended 30 June 2021

| | <u>Group</u> | | | |
|---|---|-----------------------|------------------------------------|-----------------------|
| | <u>Second quarter ended 30 June</u> | | <u>Half year ended 30 June</u> | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Total loss for the period | (21,350) | (7,674) | (22,488) | (8,196) |
| Add: Net adjustments (Note A below) | 28,256 | 10,811 | 35,533 | 14,845 |
| Amount available for distribution to Unitholders | 6,906 | 3,137 | 13,045 | 6,649 |
| Unitholders' distribution: | | | | |
| - As distribution from operations | - | - | - | - |
| - As distribution of Unitholders' capital contribution | 6,906 | 3,137 | 13,045 | 6,649 |
| | 6,906 | 3,137 | 13,045 | 6,649 |

Note A – Net adjustments

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Decrease in fair value of investment properties held for divestment, net of deferred tax | - | 14,237 | - | 14,237 |
| Decrease in fair value of investment properties, net of deferred tax | 29,646 | - | 29,646 | - |
| Manager's management fees payable in units | 1,272 | 513 | 1,272 | 2,103 |
| Depreciation of plant and equipment | 684 | 831 | 1,402 | 1,734 |
| (Increase)/decrease in fair value of derivative financial instruments | (4,243) | 6,015 | (9,035) | (8,851) |
| Unrealised foreign exchange losses/(gains) | 1,216 | (21,351) | 9,614 | 9,891 |
| Amortisation of intangible assets | 1,962 | 544 | 3,473 | 1,118 |
| Amount reserved for distribution to perpetual securities holders | (4,445) | (4,418) | (8,814) | (8,787) |
| Retention sum from prior periods* | - | 14,440 | - | 3,400 |
| Other adjustments# | 2,164 | - | 7,975 | - |
| | 28,256 | 10,811 | 35,533 | 14,845 |

* The Trust had retained distributable income of \$3.4 million from 2019 and \$11.0 million from first quarter of 2020. The Trust opted to utilise the retained sum from prior periods amounting to \$14.4 million to set off the net loss incurred in second quarter of 2020 and distribute the residual amount of \$3.1 million to Unitholders.

Other adjustments represent the amount of additional distribution declared on top of the distributable income available for the period.

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of financial position As at 30 June 2021

| | Note | Group | | Trust | |
|--|------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Non-current assets | | | | | |
| Plant and equipment | | 6,526 | 7,637 | – | – |
| Investment properties | 10 | 1,745,402 | 1,459,360 | – | – |
| Intangible assets | 11 | 22,196 | 3,326 | – | – |
| Investments in subsidiaries | | – | – | 1,576,111 | 1,238,919 |
| Total non-current assets | | 1,774,124 | 1,470,323 | 1,576,111 | 1,238,919 |
| Current assets | | | | | |
| Trade and other receivables | 12 | 47,533 | 43,863 | 185,001 | 177,070 |
| Other non-financial assets | | 44,277 | 13,047 | 62 | 1,379 |
| Cash and cash equivalents | 13 | 160,654 | 108,923 | 66,690 | 30,711 |
| Derivative financial instruments | | – | 442 | – | 442 |
| Total current assets | | 252,464 | 166,275 | 251,753 | 209,602 |
| Total assets | | 2,026,588 | 1,636,598 | 1,827,864 | 1,448,521 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 7,027 | 7,861 | – | – |
| Other financial liabilities | 14 | 832,953 | 458,208 | 133,855 | 133,559 |
| Other non-financial liabilities | | 79,209 | 79,550 | – | – |
| Derivative financial instruments | | 7,323 | 15,518 | 7,323 | 15,518 |
| Total non-current liabilities | | 926,512 | 561,137 | 141,178 | 149,077 |
| Current liabilities | | | | | |
| Income tax payable | | 4,518 | 3,749 | 32 | 208 |
| Trade and other payables | 15 | 40,784 | 33,729 | 785,764 | 400,419 |
| Other financial liabilities | 14 | 10,452 | 219,042 | – | 218,590 |
| Other non-financial liabilities | | 48,292 | 41,483 | – | – |
| Derivative financial instruments | | 3,229 | 4,511 | 3,229 | 4,511 |
| Total current liabilities | | 107,275 | 302,514 | 789,025 | 623,728 |
| Total liabilities | | 1,033,787 | 863,651 | 930,203 | 772,805 |
| Net assets | | 992,801 | 772,947 | 897,661 | 675,716 |
| Represented by: | | | | | |
| Unitholders' funds | | 733,149 | 509,329 | 638,009 | 412,098 |
| Perpetual securities | 18 | 259,652 | 263,618 | 259,652 | 263,618 |
| Net assets | | 992,801 | 772,947 | 897,661 | 675,716 |
| Net asset value per unit attributable to Unitholders (in cents) | | | | | |
| | 16 | 9.55 | 17.40 | 8.31 | 14.08 |

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of changes in unitholders' funds For the second quarter and half year ended 30 June 2021

| | Second quarter ended 30 June | | Half year ended 30 June | |
|--|---------------------------------|------------------|----------------------------|------------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Group | | | | |
| Unitholders' funds | | | | |
| At beginning of period | 764,708 | 643,758 | 509,329 | 816,298 |
| Operations | | | | |
| Total loss for the period | (21,350) | (7,674) | (22,488) | (8,196) |
| Less: Amount reserved for distribution to perpetual securities holders | (4,445) | (8,787) | (8,814) | (8,787) |
| Net decrease in net assets resulting from operations attributed to Unitholders | (25,795) | (16,461) | (31,302) | (16,983) |
| Unitholders' contributions | | | | |
| Issuance of rights units | – | – | 276,397 | – |
| Manager's management fees settled in units | – | – | 2,629 | 7,048 |
| Manager's acquisition fees settled in units | – | – | 1,653 | – |
| Changes in net assets resulting from creation of units | – | – | 280,679 | 7,048 |
| Distributions | (6,139) | (3,512) | (9,181) | (18,606) |
| Total net assets before movements in foreign currency translation reserve and perpetual securities | 732,774 | 623,785 | 749,525 | 787,757 |
| Foreign currency translation reserve* | | | | |
| Net movement in other comprehensive return/(loss) | 375 | 187,911 | (16,376) | 23,939 |
| At end of period | 733,149 | 811,696 | 733,149 | 811,696 |
| Perpetual securities | | | | |
| At beginning of period | 259,156 | 254,760 | 263,618 | 259,647 |
| Amount reserved for distribution to perpetual securities holders | 4,445 | 8,787 | 8,814 | 8,787 |
| Distribution to perpetual securities holders | (3,949) | (3,970) | (12,780) | (8,857) |
| At end of period | 259,652 | 259,577 | 259,652 | 259,577 |
| Net assets | 992,801 | 1,071,273 | 992,801 | 1,071,273 |

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

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of changes in unitholders' funds (cont'd) For the second quarter and half year ended 30 June 2021

| | Second quarter ended 30 June | | Half year ended 30 June | |
|--|---------------------------------|-----------------------|----------------------------|-----------------------|
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Trust | | | | |
| Unitholders' funds | | | | |
| At beginning of period | 665,091 | 571,035 | 412,098 | 621,878 |
| Operations | | | | |
| Total (loss)/return for the period | (16,498) | 19,220 | (36,773) | (23,577) |
| Less: Amount reserved for distribution to perpetual securities holders | (4,445) | (8,787) | (8,814) | (8,787) |
| Net (decrease)/increase in net assets resulting from operations attributed to Unitholders | (20,943) | 10,433 | (45,587) | (32,364) |
| Unitholders' contributions | | | | |
| Issuance of rights units | – | – | 276,397 | – |
| Manager's management fees settled in units | – | – | 2,629 | 7,048 |
| Manager's acquisition fees settled in units | – | – | 1,653 | – |
| Changes in net assets resulting from creation of units | – | – | 280,679 | 7,048 |
| Distributions | (6,139) | (3,512) | (9,181) | (18,606) |
| At end of period | <u>638,009</u> | <u>577,956</u> | <u>638,009</u> | <u>577,956</u> |
| Perpetual securities | | | | |
| At beginning of period | 259,156 | 254,760 | 263,618 | 259,647 |
| Amount reserved for distribution to perpetual securities holders | 4,445 | 8,787 | 8,814 | 8,787 |
| Distribution to perpetual securities holders | (3,949) | (3,970) | (12,780) | (8,857) |
| At end of period | <u>259,652</u> | <u>259,577</u> | <u>259,652</u> | <u>259,577</u> |
| Net assets | <u>897,661</u> | <u>837,533</u> | <u>897,661</u> | <u>837,533</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 second quarter and half year ended 30 June 2021

| | <u>Group</u> | | | |
|---|---|-----------------------|------------------------------------|-----------------------|
| | <u>Second quarter ended 30 June</u> | | <u>Half year ended 30 June</u> | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| <u>Cash flows from operating activities</u> | | | | |
| Total (loss)/return for the period before tax | (16,046) | (4,047) | (11,722) | 3,091 |
| Adjustments for: | | | | |
| Interest income | (1,039) | (421) | (1,264) | (1,175) |
| Interest expense and other related costs | 14,267 | 11,279 | 26,986 | 22,111 |
| Amortisation of borrowing costs | 1,263 | 859 | 2,707 | 1,740 |
| Depreciation of plant and equipment | 684 | 831 | 1,402 | 1,734 |
| Amortisation of intangible assets | 1,962 | 544 | 3,473 | 1,118 |
| Decrease in fair value of investment properties held for divestment | – | 15,526 | – | 15,526 |
| Decrease in fair value of investment properties | 30,480 | – | 30,480 | – |
| Fair value (gains)/losses on derivative financial instruments | (4,243) | 6,015 | (9,035) | (8,851) |
| Unrealised foreign exchange losses/(gains) | 1,216 | (21,351) | 9,614 | 9,891 |
| Manager's management fees payable in units | 1,272 | 513 | 1,272 | 2,103 |
| Operating cash flows before changes in working capital | 29,816 | 9,748 | 53,913 | 47,288 |
| Trade and other receivables | (4,811) | (12,979) | (4,046) | (470) |
| Other non-financial assets | 42 | 135 | (31,593) | 1,483 |
| Trade and other payables | (3,580) | (16,745) | 2,903 | (1,754) |
| Other non-financial liabilities, current | 234 | 9,593 | 7,205 | 1,665 |
| Net cash flows from operations before tax | 21,701 | (10,248) | 28,382 | 48,212 |
| Income tax paid | (6,291) | (3,813) | (10,831) | (9,758) |
| Net cash flows from/(used in) operating activities | 15,410 | (14,061) | 17,551 | 38,454 |
| <u>Cash flows from investing activities</u> | | | | |
| Acquisition of investment properties | – | – | (349,112) | – |
| Capital expenditure on investment properties | (2,378) | (3,881) | (4,742) | (7,865) |
| Purchase of plant and equipment | (177) | (296) | (355) | (1,022) |
| Interest received | 1,039 | 421 | 1,264 | 1,175 |
| Net cash flows used in investing activities | (1,516) | (3,756) | (352,945) | (7,712) |

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

Lippo Malls Indonesia Retail Trust

Condensed interim statement of cash flows (cont'd) For the second quarter and half year ended 30 June 2021

| | <u>Group</u> | | | |
|---|---|-------------------------|------------------------------------|------------------------|
| | <u>Second quarter ended 30 June</u> | | <u>Half year ended 30 June</u> | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| <u>Cash flows from financing activities</u> | | | | |
| Repayment of notes issued under EMTN | – | (75,000) | – | (75,000) |
| Repayment of bank borrowings | – | – | (219,000) | – |
| Repayment of vendor financing | (30,000) | – | (30,000) | – |
| Issue expenses paid in relation to rights issue | – | – | (4,575) | – |
| Proceeds from bond issuance | – | – | 263,207 | – |
| Transaction costs on bond issuance | – | – | (4,078) | – |
| Proceeds from bank borrowings | 30,000 | 4,000 | 110,000 | 44,000 |
| Proceeds from vendor financing | – | – | 40,000 | – |
| Other financial liabilities, current | 25 | 30 | (149) | (140) |
| Other financial liabilities, non-current | (1,168) | (365) | 309 | (13,765) |
| Interest paid | (14,267) | (11,279) | (26,986) | (22,111) |
| Proceeds from rights issue | – | – | 280,972 | – |
| Distributions to unitholders | (6,139) | (3,512) | (9,181) | (18,606) |
| Distributions to perpetual security holders | (3,949) | (3,970) | (12,780) | (8,857) |
| Cash restricted in use for bank facilities | (991) | – | 568 | – |
| Net cash flows (used in)/from financing activities | <u>(26,489)</u> | <u>(90,096)</u> | <u>388,307</u> | <u>(94,479)</u> |
| Net (decrease)/increase in cash and cash equivalents | <u>(12,595)</u> | <u>(107,913)</u> | <u>52,913</u> | <u>(63,737)</u> |
| Cash and cash equivalents at beginning of period | 170,998 | 141,709 | 106,143 | 105,765 |
| Effect of exchange rate fluctuations on cash held | 39 | 9,571 | (614) | 1,339 |
| Cash and cash equivalents at end of period | <u>158,442</u> | <u>43,367</u> | <u>158,442</u> | <u>43,367</u> |
| Cash and cash equivalents per statement of cash flows | 158,442 | 43,367 | 158,442 | 43,367 |
| Add: Cash restricted in use for bank facilities | 2,212 | 3,961 | 2,212 | 3,961 |
| Cash and cash equivalents per statements of financial position | <u>160,654</u> | <u>47,328</u> | <u>160,654</u> | <u>47,328</u> |

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio As at 30 June 2021

Indonesia retail malls Group

| <u>Description of property</u> | <u>Location</u> | <u>Acquisition date</u> | <u>Gross floor area in sqm</u> | <u>Tenure of land</u> | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|----------------------------------|--|-------------------------|--------------------------------|---|--|---|--|---|
| 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 | 64,584 | 6.5 | 65,902 | 8.5 |
| 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 | 22,550 | 2.3 | 22,736 | 2.9 |
| 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 | 82,561 | 8.3 | 83,239 | 10.8 |
| 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 | 39,604 | HGB title, expires on 5 May 2023 | 66,030 | 6.7 | 66,572 | 8.6 |
| 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 | 30,475 | 3.1 | 30,725 | 4.0 |

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd)

As at 30 June 2021

Indonesia retail malls (cont'd)

Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|-------------------------|---|------------------|-------------------------|---|--|---|--|---|
| 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 | 55,014 | 5.5 | 55,466 | 7.2 |
| 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 | 46,255 | 4.7 | 49,688 | 6.4 |
| 8. Sun Plaza | Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia | 31 March 2008 | 167,000 | HGB title, expires on 24 November 2032 | 192,675 | 19.4 | 191,937 | 24.8 |
| 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 | 58,315 | 5.9 | 63,101 | 8.2 |
| 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 | 85,729 | 8.6 | 86,433 | 11.2 |

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 June 2021

Indonesia retail malls (cont'd) Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|--------------------------------|---|------------------|-------------------------|---|--|---|--|---|
| 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 | 25,439 | 2.6 | 25,648 | 3.3 |
| 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 | 52,407 | 5.3 | 52,837 | 6.8 |
| 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 | 24,358 | 2.5 | 24,558 | 3.2 |
| 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 | 50,000 | Strata title constructed on HGB title common land, expires on 1 September 2039 | 64,204 | 6.5 | 64,731 | 8.4 |

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 June 2021

Indonesia retail malls (cont'd) Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|-------------------------|--|------------------|-------------------------|--|--|---|--|---|
| 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 | 210,689 | 21.2 | 212,419 | 27.5 |
| 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 | 21,692 | 2.2 | 21,870 | 2.8 |
| 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 | 66,347 | 6.7 | 66,892 | 8.7 |
| 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 | 65,132 | 6.6 | 65,666 | 8.5 |
| 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 | 31,754 | 3.2 | 32,015 | 4.1 |
| 20. Lippo Plaza Jogja | Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia | 22 December 2017 | 66,098 | HGB title, expires on 27 December 2043 | 47,911 | 4.8 | 48,304 | 6.2 |

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 June 2021

Indonesia retail malls (cont'd) Group

| <u>Description of property</u> | <u>Location</u> | <u>Acquisition date</u> | <u>Gross floor area in sqm</u> | <u>Tenure of land</u> | <u>Carrying value at 30 June 2021</u> \$'000 | <u>Percentage of net assets at 30 June 2021</u> % | <u>Fair value at 31 December 2020</u> \$'000 | <u>Percentage of net assets at 31 December 2020</u> % |
|--------------------------------|---|-------------------------|--------------------------------|---------------------------------------|---|--|---|--|
| 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 | 34,889 | 3.5 | 35,175 | 4.6 |
| 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 | 306,159 | 30.8 | – | – |

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 June 2021

Indonesia retail spaces Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|---------------------------------|--|------------------|-------------------------|---|--|---|--|---|
| 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 | 9,935 | 1.0 | 10,016 | 1.3 |
| 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 | 10,172 | 1.0 | 12,728 | 1.6 |
| 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 | 13,720 | 1.4 | 13,832 | 1.8 |
| 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 | 12,170 | 1.2 | 12,270 | 1.6 |

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 June 2021

Indonesia retail spaces (cont'd) Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 30 June 2021 \$'000 | Percentage of net assets at 30 June 2021 % | Fair value at 31 December 2020 \$'000 | Percentage of net assets at 31 December 2020 % |
|-----------------------------|--|------------------|-------------------------|---|--|---|--|---|
| 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 | 16,000 | 1.6 | 16,132 | 2.1 |
| 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 | 16,094 | Strata title constructed on HGB title common land, expires on 9 February 2032 | 20,431 | 2.1 | 20,599 | 2.7 |
| 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 | 7,805 | 0.8 | 7,869 | 1.0 |
| Investment properties | | | | | 1,745,402 | 176.0 | 1,459,360 | 188.8 |
| Other net liabilities | | | | | (752,601) | (76.0) | (686,413) | (88.8) |
| Net asset value | | | | | 992,801 | 100.0 | 772,947 | 100.0 |

The accompanying notes form an integral part of these 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 is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The parent company of the Manager is PT Lippo Karawaci Tbk (the “Sponsor”), incorporated in Indonesia and the ultimate controlling Unitholder of the 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 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.

Lippo Malls Indonesia Retail Trust

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 the Institute of Singapore Chartered Accountants, and 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 2020.

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 2020.

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. Economic forecasts are continually changing and government support for businesses are evolving. These uncertainties have impacted the Group’s operations and may create questions regarding, *inter alia*, the valuation of investment properties and allowance for impairment of trade receivables. These uncertainties give rise to difficulties in making an accurate assessment by management of the future impact on the Group. It is, however, reasonably possible that the pandemic will have an adverse effect on the Group’s income and return for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic will last.

Lippo Malls Indonesia Retail Trust

3. Gross revenue

| | <u>Group</u> | | | |
|---------------------------------------|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Rental revenue | 29,584 | 12,627 | 56,066 | 49,196 |
| Car park revenue | 1,464 | 471 | 2,672 | 2,935 |
| Service charge and utilities recovery | 18,139 | 13,925 | 33,609 | 39,213 |
| Other rental income | 463 | 360 | 911 | 967 |
| | <u>49,650</u> | <u>27,383</u> | <u>93,258</u> | <u>92,311</u> |

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

4. Property operating expenses

| | <u>Group</u> | | | |
|---|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Land rental expense | 361 | 315 | 740 | 785 |
| Property management fees | 1,231 | 1,020 | 2,332 | 2,882 |
| Legal and professional fees | 361 | 493 | 822 | 902 |
| Depreciation of plant and equipment | 684 | 831 | 1,402 | 1,734 |
| Net allowance for impairment of trade receivables | 819 | 808 | 1,763 | 1,445 |
| Property operating and maintenance expenses | 14,298 | 10,999 | 28,432 | 31,765 |
| Other property operating expenses | 91 | 94 | 179 | 214 |
| | <u>17,845</u> | <u>14,560</u> | <u>35,670</u> | <u>39,727</u> |

5. Manager's management fees

| | <u>Group</u> | | | |
|---------------------------|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Base fee | 1,254 | 621 | 2,525 | 1,757 |
| Performance fee | 1,272 | 513 | 2,304 | 2,103 |
| Authorised investment fee | 20 | 57 | 21 | 119 |
| | <u>2,546</u> | <u>1,191</u> | <u>4,850</u> | <u>3,979</u> |

Lippo Malls Indonesia Retail Trust

6. Finance costs

| | <u>Group</u> | | | |
|---------------------------------|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Interest expense | 14,267 | 11,279 | 26,752 | 22,111 |
| Amortisation of borrowing costs | 1,263 | 859 | 2,707 | 1,740 |
| Issuance and commitment fees | — | — | 234 | — |
| | <u>15,530</u> | <u>12,138</u> | <u>29,693</u> | <u>23,851</u> |

7. Unrealised foreign exchange (losses)/gains

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

8. Income tax

| | <u>Group</u> | | | |
|----------------------|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Current tax | | | | |
| Foreign income tax | 5,015 | 2,636 | 9,432 | 9,299 |
| Withholding tax | 1,123 | 2,280 | 2,168 | 3,277 |
| | <u>6,138</u> | <u>4,916</u> | <u>11,600</u> | <u>12,576</u> |
| Deferred tax | | | | |
| Deferred tax benefit | (834) | (1,289) | (834) | (1,289) |
| | <u>5,304</u> | <u>3,627</u> | <u>10,766</u> | <u>11,287</u> |

Lippo Malls Indonesia Retail Trust

9. Earnings per unit

9A. Earnings per unit

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

| | <u>Group</u> | | | |
|--|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Numerator | | | | |
| Total loss after tax | (21,350) | (7,674) | (22,488) | (8,196) |
| Less: Amount reserved for distribution to perpetual securities holders | (4,445) | (4,418) | (8,814) | (8,787) |
| Total loss attributable to Unitholders | <u>(25,795)</u> | <u>(12,092)</u> | <u>(31,302)</u> | <u>(16,983)</u> |
| Denominator | | | | |
| Weighted average number of units | <u>7,673,336,012</u> | <u>2,926,795,018</u> | <u>7,124,936,512</u> | <u>2,913,126,850</u> |
| EPU (in cents) ⁽¹⁾ | <u>(0.34)</u> | <u>(0.41)</u> | <u>(0.44)</u> | <u>(0.58)</u> |
| Adjusted EPU (in cents) ⁽²⁾ | <u>0.05</u> | <u>0.07</u> | <u>(0.02)</u> | <u>(0.09)</u> |

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

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

9B. Distribution per unit

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

| | <u>Group</u> | | | |
|------------------------------------|---------------------------------|-----------------------|----------------------------|-----------------------|
| | Second quarter ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Numerator | | | | |
| Distribution to Unitholders | 6,906 | 3,137 | 13,045 | 6,649 |
| Denominator | | | | |
| Number of units in issue (note 17) | <u>7,673,336,012</u> | <u>2,926,795,018</u> | <u>7,673,336,012</u> | <u>2,926,795,018</u> |
| DPU (in cents) | <u>0.09</u> | <u>0.11</u> | <u>0.17</u> | <u>0.23</u> |

Lippo Malls Indonesia Retail Trust

10. Investment properties

| | <u>Group</u> | |
|--|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| At valuation | | |
| At beginning of period/year | 1,459,360 | 1,696,813 |
| Acquisition of investment property | 328,092 | – |
| Enhancement expenditure capitalised | 4,742 | 7,546 |
| | <u>1,792,194</u> | <u>1,704,359</u> |
| Changes in fair value included in profit or loss | (30,480) | (193,597) |
| Foreign exchange adjustments | (16,312) | (51,402) |
| At end of period/year | <u><u>1,745,402</u></u> | <u><u>1,459,360</u></u> |

The acquisition of investment property during the half year ended 30 June 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 2020. This information is also disclosed in the audited financial statements as at and for the year ended 31 December 2020.

The carrying amounts of the investment properties as at 30 June 2021 were based on the assessment by the Manager. The assessment took into consideration any changes in the assumptions and methodologies used in the valuation on 31 December 2020 and the information available at the date of the assessment. Significant unobservable inputs used in assessing the carrying amounts as at 30 June 2021 include: (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, a write-off of capital expenditures incurred during the period as well as a write-off of acquisition costs related to the acquisition of Lippo Mall Puri during the half year ended 30 June 2021.

Given that the potential impact of COVID-19 is constantly evolving, significant market uncertainty exists. Therefore, the carrying amounts of the investment properties assessed by the Manager were current as at 30 June 2021 but may change significantly after the reporting date.

Lippo Malls Indonesia Retail Trust

11. Intangible assets

| | <u>Group</u> | |
|---------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Cost | | |
| At beginning of period/year | 44,407 | 44,791 |
| Additions | 22,673 | – |
| Foreign exchange adjustments | (408) | (384) |
| At end of period/year | <u>66,672</u> | <u>44,407</u> |
| Accumulated amortisation | | |
| At beginning of period/year | 41,081 | 39,097 |
| Amortisation for the year | 3,473 | 2,197 |
| Foreign exchange adjustments | (78) | (213) |
| At end of period/year | <u>44,476</u> | <u>41,081</u> |
| Carrying value | | |
| At beginning of period/year | <u>3,326</u> | <u>5,694</u> |
| At end of period/year | <u>22,196</u> | <u>3,326</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, Lippo Plaza Jogja in 2017 and Lippo Mall Puri in 2021, respectively. The master leases range from 3 to 5 years.

12. Trade and other receivables

| | <u>Group</u> | | <u>Trust</u> | |
|--------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Trade receivables | | | | |
| Outside parties | 27,038 | 21,754 | 1,180 | 367 |
| Related parties | 22,089 | 13,799 | – | – |
| Less: Allowance for impairment | (9,987) | (8,293) | – | – |
| | <u>39,140</u> | <u>27,260</u> | <u>1,180</u> | <u>367</u> |
| Other receivables | | | | |
| Subsidiaries | – | – | 183,821 | 176,703 |
| Related parties | 422 | 4,653 | – | – |
| Other receivables | 9,487 | 13,466 | – | – |
| Less: Allowance for impairment | (1,516) | (1,516) | – | – |
| | <u>8,393</u> | <u>16,603</u> | <u>183,821</u> | <u>176,703</u> |
| | <u>47,533</u> | <u>43,863</u> | <u>185,001</u> | <u>177,070</u> |

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables (cont'd)

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

| | Group | | Trust | |
|------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| At beginning of period/year | (8,293) | (4,088) | – | – |
| Bad debts written back | 1,787 | 640 | – | – |
| Allowance utilised | – | 29 | – | – |
| Charge to profit or loss | (3,550) | (5,016) | – | – |
| Foreign exchange adjustments | 69 | 142 | – | – |
| At end of period/year | <u>(9,987)</u> | <u>(8,293)</u> | <u>–</u> | <u>–</u> |

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

| | Group | | Trust | |
|-----------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| At beginning of period/year | (1,516) | – | – | – |
| Charge to profit or loss | – | (1,516) | – | – |
| At end of period/year | <u>(1,516)</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 2020. The loss allowance for trade receivables was determined as follows:

| | Gross amount | | Loss allowance | |
|------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Current | 20,964 | 10,353 | 165 | 36 |
| 1 to 30 days past due | 5,397 | 2,842 | 146 | 59 |
| 31 to 60 days past due | 3,971 | 901 | 155 | 188 |
| Over 61 days past due | 18,795 | 21,457 | 9,521 | 8,010 |
| | <u>49,127</u> | <u>35,553</u> | <u>9,987</u> | <u>8,293</u> |

Subsequent to 30 June 2021, \$8.0 million of trade receivables were collected, of which \$4.7 million was from related party tenants and \$3.3 million was from non-related party tenants.

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13. Cash and cash equivalents

| | <u>Group</u> | | <u>Trust</u> | |
|----------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Not restricted in use | 158,442 | 106,143 | 65,469 | 27,931 |
| Cash pledged for bank facilities | 2,212 | 2,780 | 1,221 | 2,780 |
| | <u>160,654</u> | <u>108,923</u> | <u>66,690</u> | <u>30,711</u> |

14. Other financial liabilities

| | <u>Group</u> | | <u>Trust</u> | |
|---|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2021 \$'000 | 31 December 2020 \$'000 | 30 June 2021 \$'000 | 31 December 2020 \$'000 |
| Non-current | | | | |
| Financial instruments with floating interest rates | | | | |
| Bank loans (unsecured) | 245,000 | 135,000 | 135,000 | 135,000 |
| Less: Unamortised transaction costs | (4,981) | (1,441) | (1,145) | (1,441) |
| | <u>240,019</u> | <u>133,559</u> | <u>133,855</u> | <u>133,559</u> |
| Financial instruments with fixed interest rates | | | | |
| Senior notes (unsecured) | 605,440 | 331,287 | – | – |
| Less: Unamortised transaction costs | (13,023) | (7,304) | – | – |
| | 592,417 | 323,983 | – | – |
| Finance leases | 517 | 666 | – | – |
| | <u>832,953</u> | <u>458,208</u> | <u>133,855</u> | <u>133,559</u> |
| Current | | | | |
| Financial instruments with floating interest rates | | | | |
| Bank loans (unsecured) | – | 219,000 | – | 219,000 |
| Less: Unamortised transaction costs | – | (410) | – | (410) |
| | <u>–</u> | <u>218,590</u> | <u>–</u> | <u>218,590</u> |
| Financial instruments with fixed interest rates | | | | |
| Finance leases | 452 | 452 | – | – |
| Vendor financing | 10,000 | – | – | – |
| | <u>10,452</u> | <u>219,042</u> | <u>–</u> | <u>218,590</u> |
| | <u>843,405</u> | <u>677,250</u> | <u>133,855</u> | <u>352,149</u> |
| Due within 2 to 5 years | 832,919 | 458,174 | 133,855 | 133,559 |
| Due after 5 years | 34 | 34 | – | – |
| | <u>832,953</u> | <u>458,208</u> | <u>133,855</u> | <u>133,559</u> |

Lippo Malls Indonesia Retail Trust

14. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing cost)

| | | | <u>Group</u> | 30 June <u>2021</u> \$'000 | 31 December <u>2020</u> \$'000 |
|---|--------------|-----------------|----------------------|----------------------------------|--------------------------------------|
| | <u>Notes</u> | <u>Maturity</u> | <u>Interest rate</u> | | |
| Current borrowings | | | | | |
| \$350.0 million term loan (Facility B) | 1 | August 2021 | 3.15% + SOR * | – | 175,000 |
| Uncommitted revolving credit facility | 2 | January 2021 | 3.75% + SOR * | – | 4,000 |
| Uncommitted revolving credit facility | 2 | January 2021 | 3.75% + SOR * | – | 40,000 |
| \$40.0 million vendor financing | 3 | April 2022 | 3.65% | 10,000 | – |
| Non-current borrowings | | | | | |
| \$135.0 million term loan (Facility A) | | November 2022 | 3.05% + SOR * | 67,500 | 67,500 |
| \$135.0 million term loan (Facility B) | | November 2023 | 3.25% + SOR * | 67,500 | 67,500 |
| \$80.0 million term loan (Facility A1) | 4 | January 2024 | 3.15% + SOR * | 60,000 | – |
| \$80.0 million term loan (Facility A2) | 4 | January 2026 | 3.57% + SOR * | 20,000 | – |
| \$30.0 million term loan (Facility B1) | 4 | January 2024 | 3.15% + SOR * | 22,500 | – |
| \$30.0 million term loan (Facility B2) | 4 | January 2026 | 3.57% + SOR * | 7,500 | – |
| US\$250.0 million Guaranteed Senior Notes | 5 | June 2024 | 7.25% | 336,355 | 331,287 |
| US\$200.0 million Guaranteed Senior Notes | 6 | February 2026 | 7.50% | 269,085 | – |
| | | | | <u>860,440</u> | <u>685,287</u> |

* SOR refers to SGD Swap Offer Rate.

- Facility B of the term loan facility was fully repaid in February 2021.
- Both uncommitted revolving credit facilities amounting to \$40.0 million and \$4.0 million were fully repaid in February 2021.
- The Group drew down \$40.0 million vendor financing in January 2021, which is due in April 2022 and extendable by one year upon mutual consent. The effective interest rate is 4.06% per annum after taking into consideration the applicable withholding tax. \$30.0 million was repaid in 2Q 2021.
- On 6 January 2021, the Group obtained a term loan facility of up to \$120.0 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 A1 and B1 and 60 months for A2 and B2.

A1 and A2 were drawn down in January 2021; and B1 and B2 were drawn down in April 2021. The proceeds from B1 and B2 were used to repay the vendor financing.
- Cross currency swap agreements were entered into to swap the proceeds of 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 proceeds of US\$200.0 million Notes into SGD with a weighted average fixed interest rate of 6.65% plus 6-months SOR per annum.

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14. Other financial liabilities (cont'd)

Financial risk management

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

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

| | <u>Group</u> | |
|--|----------------------------------|--------------------------------------|
| | 30 June <u>2021</u> \$'000 | 31 December <u>2020</u> \$'000 |
| Total gross borrowings and deferred payments | 860,440 | 685,287 |
| Total deposited property | 2,026,588 | 1,636,598 |
| Aggregated leverage ratio (%) | <u>42.5%</u> | <u>41.9%</u> |
| Interest coverage ratio (times) | <u>1.7</u> | <u>1.8</u> |

15. Trade and other payables

| | <u>Group</u> | | <u>Trust</u> | |
|---|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| | 30 June <u>2021</u> \$'000 | 31 December <u>2020</u> \$'000 | 30 June <u>2021</u> \$'000 | 31 December <u>2020</u> \$'000 |
| Trade payables | | | | |
| Outside parties and accrued liabilities | 30,137 | 22,835 | 3,461 | 6,430 |
| Related parties | 772 | 1,036 | – | – |
| | <u>30,909</u> | <u>23,871</u> | <u>3,461</u> | <u>6,430</u> |
| Other payables | | | | |
| Loan payable to subsidiaries (#) | – | – | 633,970 | 358,888 |
| Subsidiaries | – | – | 148,333 | 35,101 |
| Other payables | 9,875 | 9,858 | – | – |
| | <u>9,875</u> | <u>9,858</u> | <u>782,303</u> | <u>393,989</u> |
| | <u>40,784</u> | <u>33,729</u> | <u>785,764</u> | <u>400,419</u> |

(#) The loans are unsecured, bear fixed interest ranging from 5.00% to 7.50% (31 December 2020: 5.00% to 7.25%) per annum and are repayable on demand. The carrying amount is a reasonable approximation of fair value (Level 2).

Lippo Malls Indonesia Retail Trust

16. Net asset value per unit attributable to Unitholders

| | <u>Group</u> | | <u>Trust</u> | |
|--|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| Numerator | | | | |
| Net assets attributable to Unitholders at end of period/year (\$'000) | 733,149 | 509,329 | 638,009 | 412,098 |
| Net tangible assets attributable to Unitholders at end of period/year (\$'000) | 710,953 | 506,003 | 638,009 | 412,098 |
| Denominator | | | | |
| Units in issue (note 17) | 7,673,336,012 | 2,926,795,018 | 7,673,336,012 | 2,926,795,018 |
| | <u>Group</u> | | <u>Trust</u> | |
| | 30 June 2021 | 31 December 2020 | 30 June 2021 | 31 December 2020 |
| Net asset value (NAV) per unit attributable to Unitholders (in cents) | 9.55 | 17.40 | 8.31 | 14.08 |
| Net tangible assets (NTA) per unit attributable to Unitholders (in cents) | 9.27 | 17.29 | 8.31 | 14.08 |

17. Units in issue

17A. Units in issue

| | <u>Group and Trust</u> | |
|--|------------------------|---------------------|
| | 30 June 2021 | 31 December 2020 |
| At beginning of period/year | 2,926,795,018 | 2,894,902,627 |
| Manager's management fees settled in units | 39,067,261 | 31,892,391 |
| Issuance of Rights Units | 4,682,872,029 | - |
| Issuance of new units for acquisition fee | 24,601,704 | - |
| At end of period/year | 7,673,336,012 | 2,926,795,018 |

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. 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 accrue for the period from 1 October 2020 to 31 December 2020 as well as all distributions thereafter.

Lippo Malls Indonesia Retail Trust

17. Units in issue (cont'd)

17B. Details of changes in issued and issuable units

| | <u>Group and Trust</u> | |
|---|--|--|
| | Second quarter ended 30 June <u>2021</u> | Second quarter ended 30 June <u>2020</u> |
| Issued units at beginning and end of period | <u>7,673,336,012</u> | <u>2,926,795,018</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.

18. Perpetual securities

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

| | <u>Group and Trust</u> | |
|--|----------------------------------|--------------------------------------|
| | 30 June <u>2021</u> \$'000 | 31 December <u>2020</u> \$'000 |
| At beginning of period/year | 263,618 | 259,647 |
| Amount reserved for distribution to perpetual securities holders | 8,814 | 17,769 |
| Distribution to perpetual securities holders | <u>(12,780)</u> | <u>(13,798)</u> |
| At end of period/year | <u>259,652</u> | <u>263,618</u> |

There has been no change in the key terms and conditions of the perpetual securities from the last audited financial year.

19. 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.

19A. 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.

Lippo Malls Indonesia Retail Trust

19. Related party relationships and transactions (cont'd)

19A. Related party transactions (cont'd)

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

| | <u>Group</u> | | | |
|--|---|-----------------------|--|-----------------------|
| | <u>Second quarter</u> <u>ended 30 June</u> | | <u>Half year</u> <u>ended 30 June</u> | |
| | <u>2021</u> \$'000 | <u>2020</u> \$'000 | <u>2021</u> \$'000 | <u>2020</u> \$'000 |
| Manager | | | | |
| Manager's management fees expense | 2,546 | 1,191 | 4,850 | 3,979 |
| Manager's acquisition fees (note 10) | – | – | 1,653 | – |
| Trustee | | | | |
| Trustee's fees expense | 115 | 119 | 231 | 229 |
| Property manager | | | | |
| Property manager fees expense | 1,231 | 1,020 | 2,332 | 2,882 |
| Affiliates of Sponsor ⁽¹⁾ | | | | |
| Rental revenue and service charge ⁽²⁾ | | | | |
| ^{(3) (4)} | 14,794 | 7,084 | 26,643 | 20,797 |
| Acquisition of Lippo Mall Puri | – | – | 330,647 | – |

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

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

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

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

Lippo Malls Indonesia Retail Trust

20. Financial ratios

| | <u>Group</u> | | <u>Trust</u> | |
|--|----------------------------|-------------|----------------------------|-------------|
| | Half year ended 30 June | | Half year ended 30 June | |
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾ | 0.53% | 0.37% | 0.54% | 0.40% |
| Expenses to average net assets ratio – including performance related fee ⁽¹⁾ | 0.79% | 0.56% | 0.83% | 0.64% |
| Portfolio turnover ratio ⁽²⁾ | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |

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

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

21. 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

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**

Statement of Financial Position

Investment properties

The increase in investment properties arises from the acquisition of Lippo Mall Puri ("Puri") in January 2021. It is offset by the decrease in fair value of investment properties based on the internal assessment by the Manager as well as a write off of acquisition cost related to the acquisition of Puri in January 2021.

Intangible assets

Refer to NTA 11 of the condensed interim financial statements, the increase is mainly from acquisition of Puri.

Investments in subsidiaries

The increase in investments in subsidiaries is due to the acquisition of Puri in January 2021.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of \$39.1 million (31 December 2020: \$27.3 million) and other receivables of \$8.4 million (31 December 2020: \$16.6 million).

Trade receivables (before taking into account of allowance for doubtful debts) are \$49.1 million (31 December 2020: \$35.5 million), of which \$22.1 million (31 December 2020: \$13.8 million) are due from related party tenants and \$27.0 million (31 December 2020: \$21.8 million) are due from non-related party tenants. The higher amount of receivables was mainly due to the higher dollar value of invoices issued to tenants following the reduction of rental and service charge discounts offered in FY 2020 and the larger number of tenants following the acquisition of Puri at the end of January 2021.

Subsequent to the end of 2Q 2021, \$8.0 million of trade receivables were collected, of which \$4.7 million was from related party tenants and \$3.3 million was from non-related party tenants.

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

Other non-financial assets

Increase in other non-financial assets is mainly due to refundable prepaid tax as a result of the acquisition of Puri.

Cash and cash equivalents

Cash and cash equivalents increased by \$51.7 million. The increase is mainly due to 1) the Trust raised \$281.0 million through a renounceable and non-underwritten rights issue in January 2021. Together with the bank financing of \$80.0 million and the vendor financing of \$40.0 million, the Trust completed the acquisition of Lippo Mall Puri ("Puri") with a total cost of \$390.3 million, leaving a net balance of \$10.7 million; 2) Upon completion of the acquisition, the vendor transferred the net balance of security deposit and advanced rental to the Trust amounting to \$15.7 million; 3) the Trust issued US\$200.0 million Guaranteed Senior Notes in February 2021. Together with the balance from the rights issue proceeds and internal cash, the Trust repaid \$175.0 million term loan facility and \$44.0 million revolving credit facilities ("RCF") and leaving a net balance of \$40.0 million as working capital. The increase is partially offset by the Trust payments to meet the Trust obligations amounting to \$14.7 million.

Derivative financial instruments

The movements in derivative financial assets (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 interest rate swap contracts.

Other financial liabilities

Increase in total borrowings is mainly due to the issuance of US\$200.0 million 7.50% Guaranteed Senior Notes in February which is due in 2026 and drawdown of \$80.0 million term loan facilities and \$40.0 million vendor financing to fund the acquisition of Puri. Part of the proceeds from US\$200.0 million Guaranteed Senior Notes were used to repay \$175.0 million term loan facility and \$44.0 million RCF. The Group has no refinancing needs until April 2022. In May 2021, the Group drawn down \$30.0 million term loan facilities and it was used to repay \$30.0 million vendor financing.

Trade and other payables

Increase in trade and other payables is mainly due to the accruals of interest payables for its borrowings.

Unitholders' funds

The increase in unitholders' fund is mainly due to the issuance of 4,682,872,029 Rights Units in January 2021 to raise \$281.0 million to partially fund the acquisition of Puri.

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

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

| | Group | | | | | |
|--|-------------------|-------------------|---|-------------------|-------------------|---|
| | 2Q 2021 \$'000 | 2Q 2020 \$'000 | Variance % Favourable/ (Unfavourable) | 1H 2021 \$'000 | 1H 2020 \$'000 | Variance % Favourable/ (Unfavourable) |
| Statement of Total Return | | | | | | |
| Rental revenue | 29,584 | 12,627 | NM | 56,066 | 49,196 | 14.0% |
| Car park revenue | 1,464 | 471 | NM | 2,672 | 2,935 | (9.0%) |
| Service charge and utilities recovery | 18,139 | 13,925 | 30.3% | 33,609 | 39,213 | (14.3%) |
| Other rental income | 463 | 360 | 28.6% | 911 | 967 | (5.8%) |
| Gross revenue | 49,650 | 27,383 | 81.3% | 93,258 | 92,311 | 1.0% |
| Land rental expense | 361 | 315 | (14.6%) | 740 | 785 | 5.7% |
| Property management fees | 1,231 | 1,020 | (20.7%) | 2,332 | 2,882 | 19.1% |
| Legal and professional fees | 361 | 493 | 26.8% | 822 | 902 | 8.9% |
| Depreciation of plant and equipment | 684 | 831 | 17.7% | 1,402 | 1,734 | 19.1% |
| Net allowance for impairment on trade receivables | 819 | 808 | (1.4%) | 1,763 | 1,445 | (22.0%) |
| Property operating and maintenance expenses | 14,298 | 10,999 | (30.0%) | 28,432 | 31,765 | 10.5% |
| Other property operating expenses | 91 | 94 | 3.2% | 179 | 214 | 16.4% |
| Property operating expenses | 17,845 | 14,560 | (22.6%) | 35,670 | 39,727 | 10.2% |
| Net property income | 31,805 | 12,823 | NM | 57,588 | 52,584 | 9.5% |
| Interest income | 1,039 | 421 | NM | 1,264 | 1,175 | 7.6% |
| Other losses | (5) | - | NM | (13) | - | NM |
| Manager's management fees | (2,546) | (1,191) | NM | (4,850) | (3,979) | (21.9%) |
| Trustee's fees | (115) | (119) | 3.4% | (231) | (229) | (0.9%) |
| Finance costs | (15,530) | (12,138) | (27.9%) | (29,693) | (23,851) | (24.5%) |
| Other expenses | (1,068) | (1,094) | 2.4% | (1,879) | (1,828) | (2.8%) |
| Net income/(loss) | 13,580 | (1,298) | NM | 22,186 | 23,872 | (7.1%) |
| Decrease in fair value of investment properties held for divestment | - | (15,526) | NM | - | (15,526) | NM |
| Decrease in fair value of investment properties | (30,480) | - | NM | (30,480) | - | NM |
| Realised (losses)/gains on derivative financial instruments | (180) | 199 | NM | 663 | 199 | NM |
| Increase/(decrease) in fair value of derivative financial instruments | 4,243 | (6,015) | NM | 9,035 | 8,851 | 2.1% |
| Realised foreign exchange losses | (31) | (2,214) | 98.6% | (39) | (3,296) | 98.8% |
| Unrealised foreign exchange (losses)/gains | (1,216) | 21,351 | NM | (9,614) | (9,891) | 2.8% |
| Amortisation of intangible assets | (1,962) | (544) | NM | (3,473) | (1,118) | NM |
| Total (loss)/return for the period before tax | (16,046) | (4,047) | NM | (11,722) | 3,091 | NM |
| Income tax expense | (5,304) | (3,627) | 46.2% | (10,766) | (11,287) | 4.6% |
| Total loss for the period | (21,350) | (7,674) | NM | (22,488) | (8,196) | NM |
| Total loss for the period attributable to: | | | | | | |
| - Unitholders of the Trust | 4,742 | 3,137 | 51.2% | 5,070 | 6,649 | (23.7%) |
| - Perpetual securities holders | 4,445 | 4,418 | 0.6% | 8,814 | 8,787 | 0.3% |
| Total distribution to Unitholders/ Perpetual securities holders | 9,187 | 7,555 | 21.6% | 13,884 | 15,436 | (10.1%) |
| Distribution to Unitholders | | | | | | |
| - as return of capital | 6,906 | 3,137 | NM | 13,045 | 6,649 | 96.2% |
| Total Unitholders' distribution | 6,906 | 3,137 | NM | 13,045 | 6,649 | 96.2% |
| Distribution per unit (cents) | 0.09 | 0.11 | (18.2%) | 0.17 | 0.23 | (26.1%) |

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)**

2Q 2021 vs 2Q 2020

Gross rental revenue increased to \$29.6 million from \$12.6 million in 2Q 2020. This was mainly due to lower discounts and rental relief given to tenants following a gradual recovery in the operating environment. During the malls' temporarily closure in 2Q 2020, no rental was billed to the tenants except to tenants in essential services and to tenants who elected to remain open to provide delivery services during the period and the billing was adjusted to the shortened mall opening hours. The increase is also due to contribution from Puri amounting to \$6.5 million which was acquired on 27 January 2021. The increase is partially offset by the loss of income amounting to \$1.3 million from Binjai Supermall and Pejaten Village which were divested in 3Q 2020.

Increase in car park revenue of \$1.0 million from 2Q 2020 was in line with the recovery of the shopper traffic.

Increase in service charge and utilities recovery of \$4.2 million or 30.3% was mainly due to lower discounts and rental relief given to tenants following a gradual recovery in the operating environment. During the malls' temporarily closure in 2Q 2020, utilities were on recovery basis and 40% discount were given to tenants considering the services provided and the shortened opening hours. The increase is also due to contribution from Puri amounting to \$3.0 million, which was acquired on 27 January 2021. The increase is partially offset by the loss of income amounting to \$1.2 million from Binjai Supermall and Pejaten Village which were divested in 3Q 2020.

Due to the uncertainties in the current operating environment, there may be timing difference in the recognition of the revenue and the actual granting and recording of additional rental and service charge discount to the tenants due to delays in negotiations between such tenants and asset owners.

The increase in property management fee of \$0.2 million or 20.7% was due to the higher revenue and higher net property income in 2Q 2021.

Increase in property operating and maintenance expenses of \$3.3 million or 30.0% from 2Q 2020 was mainly due to the higher consumption of utilities as a result of longer operating hours of the malls. The increase is also due to contribution from Puri amounting to \$1.3 million, which was acquired on 27 January 2021.

Increase in interest income of \$0.6 million or 148.0% from 2Q 2020 was mainly due to higher cash balance within the Group and placed as fixed deposit.

Other losses refer to write-off of certain expenses upon divestments of Pejaten Village and Binjai Supermall.

Increase in finance costs of \$3.4 million or 27.9% from 2Q 2020 is due to higher all in cost of the US\$200.0 million bond issued in February 2021, which was used to refinance \$175.0 million loan and \$44.0 million revolving credit facilities. The increase in finance expenses by \$1.1 million is also due to the additional loan of \$120.0 million the Trust drawdown to partially fund the Puri acquisition.

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

Lower realised foreign exchange adjustment losses in 2Q 2021 is mainly due to no cash repatriation from Indonesian subsidiaries during the period.

Amortisation of intangible assets increased by \$1.4 million in 2Q 2020. It is mainly due to the intangible assets recognised upon acquisition of Puri, relating to the net property income (NPI) guarantee up to December 2024.

Increase in income tax expenses for 2Q 2021 of \$1.7 million or 46.2% from 2Q 2020 was mainly due to the higher revenue generated in 2Q 2021, which is partially offset by the deferred tax benefit of \$834K as a result of decrease 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 a non-cash item and does not affect the amount of distribution to unitholders.

Exchange differences on translating foreign operations relates to exchange differences arising from translating items denominated in Indonesia Rupiah in the statement of financial position of the respective Indonesian subsidiaries, principally the investment properties, into Singapore Dollar ("SGD") using the period end exchange rate.

A translation loss of \$0.4 million was recorded in 2Q 2021 due to weakening of Indonesian Rupiah against SGD since the end of financial period of 2020.

The "net movement in other comprehensive (loss)/return" in relation to the foreign currency translation reserve are recorded in the condensed interim Statement of Changes in Unitholders' Funds and do not affect the calculation of the Distributable Income and Distribution per unit.

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)**

1H 2021 vs 1H 2020

Gross rental income increased to \$56.1 million from \$49.2 million a year ago in 1Q 2020 LMIR Trust's malls were fully operational and recorded \$36.6 million gross rental income. However, to support the Indonesia government's objective to curb the spread the Covid-19 virus, LMIR Trust closed all its retail malls and retail spaces at the end of March 2020 and reopened gradually from mid May to early July by region. During the closure of retail malls and spaces, no rental was billed except to tenants in essential services (i.e. supermarket, pharmacies and clinics) and to tenants who elected to remain open (to provide delivery services) during the period and the billing was adjusted to the shorter mall operating hours. Therefore, the Trust only recorded a gross rental income of \$12.6 million in 2Q 2020.

Gross rental income in 1H 2021 included \$12.4 million from Puri since 27 January 2021 offset by the loss of income from Binjai Supermall and Pejaten Village amounting to \$4.3 million in 1H 2020. On a like to like portfolio comparison, the malls' operations have shown a steady improvement in 1H 2021 with the reducing rental discount giving to tenants. The general rental discount offered to tenants was gradually reduced from 25% in January 2021 to 0% in June 2021. However, selected key tenants were offered additional discounts over and above the general discount to maintain occupancy and aid their business recoveries.

Service charge and utilities recovery decreased by \$5.6 million or 14.3% in 1H2021. During 1Q 2020 LMIR Trust's malls were on full operations and recorded \$25.3 million service charge and utilities recovery. Due to the temporary malls closures in 2Q 2020, service charge was billed at 40% discount given the shorter opening hours. Therefore, the Trust only recorded a service charge and utilities recovery income of \$13.9 million in 1H 2021 which also included \$4.6 million contribution from newly acquired mall Puri offset by loss of income from Binjai Supermall and Pejaten Village amounting to \$3.2 million.

Due to the uncertainties in the current operating environment, there may be timing difference in the recognition of the revenue and the actual granting and recording of additional rental and service charge discount to the tenants due to delays in negotiations between such tenants and asset owners.

The decrease in property management fee of \$0.6 million or 19.1% was due to the lower revenue and lower net property income in 1Q 2021. Property management fee in 1H 2020 included one off support from the Manager (reallocated from the Manager's base fee) amounting to \$0.6 million to mitigate the potential negative impact on the mall operation due to the mall closure.

The increase in net allowance for impairment loss on trade receivables of \$0.3 million is due to LMIR Trust setting aside a higher level of provisioning to account for potential defaults or non-collections of rental and service charge receivables from tenants affected by the slowdown in business due to impact of Covid-19.

Decrease in property operating and maintenance expenses of \$3.3 million or 10.5% from 1H 2020 was mainly due to the higher consumption of utilities in 1Q 2020 while all the malls were on full operation. Although all malls' operations have shown a steady improvement in 1H 2021, the Trust remains cautious on cost management for non-critical repair and maintenances and other outsourced services.

Other losses refer to write-off of certain expenses upon divestments of Pejaten Village and Binjai Supermall.

Increase in finance costs of \$5.8 million or 24.5% from 1H 2020 is due to higher all in cost of the US\$200.0 million bond issued in February 2021, which was used to refinance \$175.0 million loan and \$44.0 million revolving credit facilities. The increase in finance costs of \$1.9 million is also due to the additional \$120 million loan the Trust drawdown to partially fund the Puri acquisition in January 2021 and an one off cost amounting to \$0.3 million in relation to the written-off of unamortised cost when the \$175.0 million loan was repaid early in February 2021.

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

Lower realised foreign exchange adjustment losses in 1H 2021 is mainly due to no cash repatriation from Indonesian subsidiaries during the period.

Amortisation of intangible assets increased by \$2.4 million in 1H 2021. It is mainly due to the intangible assets recognised upon acquisition of Puri, relating to the net property income (NPI) guarantee up to December 2024.

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

Exchange differences on translating foreign operations relates to exchange differences arising from translating items denominated in Indonesia Rupiah in the statement of financial position of the respective Indonesian subsidiaries, principally the investment properties, into Singapore Dollar ("SGD") using the period end exchange rate.

A translation loss of \$16.4 million was recorded in 1H 2021 due to weakening of Indonesian Rupiah against SGD since the end of financial period of 2020.

The "net movement in other comprehensive (loss)/return" in relation to the foreign currency translation reserve are recorded in the condensed interim Statement of Changes in Unitholders' Funds and do not affect the calculation of the Distributable Income and Distribution per unit.

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

We refer to our announcements on 2 July 2021, 12 July 2021 and 21 July 2021, respectively, due to the rising Covid-19 cases in Indonesia, the government has imposed new emergency public activity restrictions, Pemberlakuan Pembatasan Kegiatan Masyarakat ("PPKM") Darurat, covering Java, Bali and certain provinces in Sumatra to contain the spread of the highly transmissible Delta variant.

The PPKM Darurat imposed in the affected areas in Indonesia, includes the shutdown of all malls, places of worship and parks, while restaurants can only provide takeaway and delivery services, grocery stores and supermarkets remain open but with restricted opening hours and capacity. As a result of the large-scale social restrictions, the Indonesian government has revised down its expected 2021 gross domestic product ("GDP") growth to 3.7% to 4.5% as compared to the previously expected growth of 4.5% to 5.3%^[1].

Indonesia's Consumer Price Index ("CPI") recorded a 0.32% deflation in June from a 0.32% inflation in May on a month-on-month ("MoM") basis while annually, CPI inflation stood at 1.33% year-on-year ("YoY") in June compared with 1.68% of the preceding month. Core inflation decelerated from 0.24% in May to 0.14% in June MoM. On a YoY basis, core inflation stood at 1.49% in June up from 1.37% in May due to the normalisation of demand after the Ramadan and Eid-ul-Fitr festive period. However, persistently low core inflation is also largely due to weaker domestic demand, exchange rate stability, maintained international commodity prices, house rentals when public activity had restarted, and policy consistency by Bank Indonesia to anchor inflation expenses. Moving forward, Bank Indonesia remains committed to maintaining price stability with the inflation target range set between 1% and 3% for 2021^[2].

Retail sales showed improvement in April, with the Retail Sales Index ("RSI") increasing to 17.3% MoM from 6.1% in March, according to the latest Retail Sales Survey in June. Retail sales had improved in response to a seasonal spike in demand during Ramadan, supported by various retail sales promotions. Retailers predicted the strong sales performance to persist through May as indicated by the RSI growth of 1.6% in April MoM, despite declining compared with conditions one month earlier. Slower sales growth was primarily expected to impact Food, Beverages and Tobacco as well as clothing^[3].

In compliance with the PPKM Darurat, as at the date of this announcement, 17 of the Trust's malls have been shut with only essential services operating while other retail outlets could only provide take-out or delivery services. During this lockdown period (which is currently scheduled to end on 2 August but may be extended by the government depending on the Covid-19 situation), the Trust will be extending rental waivers to tenants who are not permitted to operate, and extension of additional rental support and utilities and service charges discounts are being considered.

Since 2020, the Covid-19 pandemic has caused, and will continue to cause, disruptions to, and create uncertainty surrounding, the Trust's business. These uncertainties have impacted the Trust's operations and consequently the financial performance of the Trust, giving rise to difficulties in making an accurate assessment by the Manager of the future impact on the Trust. It is, however, reasonably likely that the pandemic will have an adverse effect on the Trust's income and return in near future, the extent of which will depend on how long the aftermath of the pandemic will last. Master leases with Lippo Mall Kuta and Lippo Plaza Kendari will also be expiring in December 2021 and June 2022, respectively. Given the continuing impact of Covid-19, the actual performance under the master leases areas is expected to fall short upon the expiration of the master lease agreements. Nevertheless, with sufficient financial resources to meet its near term financial obligations as and when they fall due (i.e. with only S\$67.5 million of bank debts due in November 2022), the Trust will remain cautious and prudent in implementing its operational and distribution strategies.

As at the date of this announcement, over 85% of the property manager's employees and 70% of tenants have been vaccinated and the Trust will continue to adhere to stringent safety measures in the malls to protect the safety of its employees, tenants, shoppers and contractors.

^[1] 5 July 2021, Reuters – Indonesia revises down 2021 GDP growth to 3.7%-4.5% - senior minister

^[2] 1 July 2021, Bank Indonesia – Food price corrections prompt CPI deflation in June 2021

^[3] 17 June 2021, Bank Indonesia – Retail Sales Survey – April 2021

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

4. Distributions

(a) Current financial period

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

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period: Yes
Name of distribution: Second quarter distribution for the period from 1 April 2020 to 30 June 2020.
Distribution Type: Capital distribution.
Distribution Rate: Capital distribution of 0.11 cents per unit.
Par value of units: NA
Tax rate: NA

(c) Date payable: 25 August 2021

(d) Record date: 3 August 2021

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
26 July 2021