



LIPPO MALLS INDONESIA RETAIL TRUST

Summary of results and condensed interim financial statements

For the first quarter ended 31 March 2022

Lippo Malls Indonesia Retail Trust

Condensed interim financial statements

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Lippo Malls Indonesia Retail Trust

Introduction

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

LMIR Trust was established with the principal investment objective of owning and investing on a long-term basis in a diversified portfolio of income-producing real estate in Indonesia that is primarily used for retail and/or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 31 March 2022, LMIR Trust’s property portfolio comprises 22 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

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

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

Lippo Malls Indonesia Retail Trust

Summary of results

	<u>Group Performance</u>		
	First quarter ended 31 March		Variance
	<u>2022</u>	<u>2021</u>	Favourable/ (Unfavourable)
	\$'000	\$'000	%
Rental revenue	30,496	26,482	15.2%
Car park revenue	1,305	1,208	8.0%
Service charge and utilities recovery	18,693	15,470	20.8%
Other rental income	409	448	(8.7%)
Gross revenue (Note A)	<u>50,903</u>	<u>43,608</u>	16.7%
Net property income	31,267	25,783	21.3%
Amount available for distribution:			
Unitholders of the Trust	3,726	328	NM
Perpetual securities holders	4,188	4,369	(4.1%)
Distributable amount	<u>7,914</u>	<u>4,697</u>	68.5%
Distribution to Unitholders (Note B)	<u>6,927</u>	<u>6,139</u>	12.8%
Distribution per unit ("DPU") (in cents) (Note 9)	<u>0.09</u>	<u>0.08</u>	12.5%

Lippo Malls Indonesia Retail Trust

Summary of results (cont'd)

Note A:

The portfolio performance in IDR terms is as follows:

	<u>Group Performance</u>		
	First quarter ended 31 March		Variance Favourable/ (Unfavourable)
	<u>2022</u> IDR million	<u>2021</u> IDR million	%
Rental revenue	323,325	281,303	14.9%
Car park revenue	13,836	12,832	7.8%
Service charge and utilities recovery	198,187	164,329	20.6%
Other rental income	4,336	4,759	(8.9%)
Gross revenue	<u>539,684</u>	<u>463,223</u>	16.5%
Net property income	331,500	273,878	21.0%
Exchange rate (IDR to SGD)	10,602.22	10,622.44	0.2%

Note B:

In January 2021, LMIR Trust issued 4,682,872,029 units ("Rights Units") to raise \$281.0 million to partially fund the acquisition of Lippo Mall Puri. With the completion of the acquisition of Lippo Mall Puri and the Net Property Income ("NPI") guarantee extended by the vendor until 2024, the Trust expects a steady stream of income and cashflow from this strategic asset. Although the financial performance of the Trust has been affected by the Covid-19 pandemic, taking into consideration the positive cashflow generated from operations, the Trust has declared \$6.9 million dividend for the quarter ended 31 March 2022.

Lippo Malls Indonesia Retail Trust

Statement of total return For the first quarter ended 31 March 2022

	Note	Group First quarter ended 31 March	
		2022 \$'000	2021 \$'000
Gross revenue	3	50,903	43,608
Property operating expenses	4	(19,636)	(17,825)
Net property income		31,267	25,783
Interest income		295	225
Other losses		-	(8)
Manager's management fees	5	(2,500)	(2,304)
Trustee's fees		(114)	(116)
Finance costs	6	(14,332)	(14,163)
Other expenses		(717)	(811)
Net income		13,899	8,606
Realised gains on derivative financial instruments (Decrease)/increase in fair value of derivative financial instruments		- (11,847)	843 4,792
Realised foreign exchange losses		(538)	(8)
Unrealised foreign exchange losses	7	(1,399)	(8,398)
Amortisation of intangible assets	11	(1,761)	(1,511)
Total (loss)/return for the period before tax		(1,646)	4,324
Income tax expense	8	(6,179)	(5,462)
Total loss for the period		(7,825)	(1,138)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations, net of tax		(6,742)	(16,751)
Total comprehensive loss for the period		(14,567)	(17,889)
Total loss for the period attributable to:			
Unitholders of the Trust		(12,013)	(5,507)
Perpetual securities holders		4,188	4,369
		(7,825)	(1,138)
Total comprehensive loss attributable to:			
Unitholders of the Trust		(18,755)	(22,258)
Perpetual securities holders		4,188	4,369
		(14,567)	(17,889)
		<u>Cents</u>	<u>Cents</u>
Earnings per unit			
Basic and diluted	9	(0.16)	(0.08)

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

Lippo Malls Indonesia Retail Trust

Statement of distribution For the first quarter ended 31 March 2022

	Group	
	First quarter	
	ended 31 March	
	2022	2021
	\$'000	\$'000
Total loss for the period	(7,825)	(1,138)
Add: Net adjustments (Note A below)	11,551	1,466
Amount available for distribution to Unitholders	3,726	328
Unitholders' distribution:		
- As distribution from operations	-	-
- As distribution of Unitholders' capital contribution	6,927	6,139
	<u>6,927</u>	<u>6,139</u>
Note A – Net adjustments		
Depreciation of plant and equipment	732	718
Decrease/(increase) in fair value of derivative financial instruments	11,847	(4,792)
Unrealised foreign exchange losses	1,399	8,398
Amortisation of intangible assets	1,761	1,511
Amount reserved for distribution to perpetual securities holders	(4,188)	(4,369)
	<u>11,551</u>	<u>1,466</u>

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

Lippo Malls Indonesia Retail Trust

Statements of financial position As at 31 March 2022

	Note	Group		Trust	
		31 March 2022 \$'000	31 December 2021 \$'000	31 March 2022 \$'000	31 December 2021 \$'000
<u>Non-current assets</u>					
Plant and equipment		6,611	6,836	-	-
Investment properties	10	1,784,417	1,788,915	-	-
Intangible assets	11	16,755	18,595	-	-
Investments in subsidiaries		-	-	1,533,009	1,534,790
Total non-current assets		1,807,783	1,814,346	1,533,009	1,534,790
<u>Current assets</u>					
Trade and other receivables	12	49,347	49,023	193,488	208,484
Other non-financial assets		42,459	43,364	79	64
Cash and cash equivalents	13	113,001	122,104	19,159	31,275
Total current assets		204,807	214,491	212,726	239,823
Total assets		2,012,590	2,028,837	1,745,735	1,774,613
<u>Non-current liabilities</u>					
Deferred tax liabilities		8,199	8,199	-	-
Other payables	15	-	-	706,850	704,407
Other financial liabilities	14	780,880	778,510	73,661	73,533
Other non-financial liabilities		80,495	84,025	-	-
Derivative financial instruments		24,286	12,628	24,286	12,628
Total non-current liabilities		893,860	883,362	804,797	790,568
<u>Current liabilities</u>					
Income tax payable		3,488	3,114	6	32
Trade and other payables	15	35,884	38,722	93,149	93,910
Other financial liabilities	14	67,726	67,646	67,274	67,194
Other non-financial liabilities		48,595	48,179	-	-
Derivative financial instruments		262	343	262	343
Total current liabilities		155,955	158,004	160,691	161,479
Total liabilities		1,049,815	1,041,366	965,488	952,047
Net assets		962,775	987,471	780,247	822,566
Represented by:					
Unitholders' funds		703,629	728,018	521,101	563,113
Perpetual securities	18	259,146	259,453	259,146	259,453
Net assets		962,775	987,471	780,247	822,566
Net asset value per unit attributable to Unitholders (in cents)					
	16	9.14	9.49	6.77	7.34

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Lippo Malls Indonesia Retail Trust

Statements of changes in unitholders' funds For the first quarter ended 31 March 2022

	First quarter ended 31 March	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Group		
Unitholders' funds		
At beginning of period	728,018	509,329
Operations		
Total loss for the period	(7,825)	(1,138)
Less: Amount reserved for distribution to perpetual securities holders	(4,188)	(4,369)
Net decrease in net assets resulting from operations attributed to Unitholders	(12,013)	(5,507)
Unitholders' contributions		
Issuance of rights units	-	276,397
Manager's management fees settled in units	1,272	2,629
Manager's acquisition fees settled in units	-	1,653
Changes in net assets resulting from creation of units	1,272	280,679
Distributions	(6,906)	(3,042)
Total net assets before movements in foreign currency translation reserve and perpetual securities	<u>710,371</u>	<u>781,459</u>
Foreign currency translation reserve*		
Net movement in other comprehensive loss	(6,742)	(16,751)
At end of period	<u>703,629</u>	<u>764,708</u>
Perpetual securities		
At beginning of period	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,188	4,369
Distributions to perpetual securities holders	(4,495)	(8,831)
At end of period	<u>259,146</u>	<u>259,156</u>
Net assets	<u>962,775</u>	<u>1,023,864</u>

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

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Lippo Malls Indonesia Retail Trust

Statements of changes in unitholders' funds (cont'd) For the first quarter ended 31 March 2022

	First quarter ended 31 March	
	<u>2022</u> \$'000	<u>2021</u> \$'000
Trust		
Unitholders' funds		
At beginning of period	563,113	412,098
Operations		
Total loss for the period	(32,190)	(20,275)
Less: Amount reserved for distribution to perpetual securities holders	(4,188)	(4,369)
Net decrease in net assets resulting from operations attributed to Unitholders	(36,378)	(24,644)
Unitholders' contributions		
Issuance of rights units	-	276,397
Manager's management fees settled in units	1,272	2,629
Manager's acquisition fees settled in units	-	1,653
Changes in net assets resulting from creation of units	1,272	280,679
Distributions	(6,906)	(3,042)
At end of period	<u>521,101</u>	<u>665,091</u>
Perpetual securities		
At beginning of period	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,188	4,369
Distributions to perpetual securities holders	(4,495)	(8,831)
At end of period	<u>259,146</u>	<u>259,156</u>
Net assets	<u>780,247</u>	<u>924,247</u>

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Lippo Malls Indonesia Retail Trust

Statement of cash flows For the first quarter ended 31 March 2022

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Total (loss)/return for the period before tax	(1,646)	4,324
Adjustments for:		
Interest income	(295)	(225)
Interest expense and other related costs	12,847	12,719
Amortisation of borrowing costs	1,485	1,444
Depreciation of plant and equipment	732	718
Amortisation of intangible assets	1,761	1,511
Fair value losses/(gains) on derivative financial instruments	11,847	(4,792)
Unrealised foreign exchange losses	1,399	8,398
Operating cash flows before changes in working capital	<u>28,130</u>	<u>24,097</u>
Trade and other receivables	(128)	765
Other non-financial assets	1,076	(31,635)
Trade and other payables	(2,089)	6,483
Other non-financial liabilities, current	612	6,971
Net cash flows from operations before tax	<u>27,601</u>	<u>6,681</u>
Income tax paid	(5,805)	(4,540)
Net cash flows from operating activities	<u>21,796</u>	<u>2,141</u>
<u>Cash flows from investing activities</u>		
Acquisition of investment properties	-	(349,112)
Capital expenditure on investment properties	(2,695)	(2,364)
Purchase of plant and equipment	(535)	(178)
Interest received	295	225
Net cash flows used in investing activities	<u>(2,935)</u>	<u>(351,429)</u>

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Lippo Malls Indonesia Retail Trust

**Statement of cash flows (cont'd)
For the first quarter ended 31 March 2022**

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
<u>Cash flows from financing activities</u>		
Proceeds from bank borrowings	-	80,000
Proceeds from vendor financing	-	40,000
Repayment of bank borrowings	-	(219,000)
Proceeds from bond issuance	-	263,207
Transaction costs on bond issuance	-	(4,078)
Other financial liabilities, current	(201)	(174)
Other non-financial liabilities, non-current	(3,192)	1,477
Interest paid	(12,847)	(12,719)
Proceeds from rights issue	-	280,972
Issue expenses paid in relation to rights issue	-	(4,575)
Distributions to unitholders	(6,906)	(3,042)
Distributions to perpetual security holders	(4,495)	(8,831)
Cash restricted in use for bank facilities	(329)	1,559
Net cash flows (used in)/from financing activities	<u>(27,970)</u>	<u>414,796</u>
Net (decrease)/increase in cash and cash equivalents	(9,109)	65,508
Cash and cash equivalents at beginning of period	119,881	106,143
Effect of exchange rate fluctuations on cash held	(323)	(653)
Cash and cash equivalents at end of period	<u>110,449</u>	<u>170,998</u>
Cash and cash equivalents per statement of cash flows	110,449	170,998
Add: Cash restricted in use for bank facilities	<u>2,552</u>	<u>1,221</u>
Cash and cash equivalents per statements of financial position (Note 13)	<u>113,001</u>	<u>172,219</u>

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio As at 31 March 2022

Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
1. Gajah Mada Plaza	Jalan Gajah Mada 19-26 Sub-District of Petojo Utara, District of Gambir, Regency of Central Jakarta, Jakarta-Indonesia	19 November 2007	79,830	Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040	74,783	7.8	73,383	7.4
2. Cibubur Junction	Jalan Jambore No.1 Cibubur, Sub-District of Ciracas, Regency of East Jakarta, Jakarta-Indonesia	19 November 2007	66,935	Build, Operate and Transfer ("BOT") scheme, expires on 28 July 2025	15,494	1.6	15,509	1.6
3. The Plaza Semanggi	Jalan Jenderal Sudirman Kav.50, Sub-District of Karet Semanggi, District of Setiabudi, Regency of South Jakarta, Jakarta-Indonesia	19 November 2007	155,122	BOT scheme, expires on 31 March 2054	76,169	7.9	76,041	7.7
4. Mal Lippo Cikarang	Jalan MH Thamrin, Lippo Cikarang, Sub-District of Cibatu, District of Lemah Abang, Regency of Bekasi, West Java-Indonesia	19 November 2007	39,293	HGB title, expires on 5 May 2023	66,415	6.9	66,520	6.7
5. Lippo Plaza Ekalokasari Bogor	Jalan Siliwangi No. 123, Sub-District of Sukasari, District of Kota Bogor Timur, Administrative City of Bogor, West Java-Indonesia	19 November 2007	58,859	BOT scheme, expires on 27 June 2032	30,071	3.1	30,189	3.1

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd)

As at 31 March 2022

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
6. Bandung Indah Plaza	Jalan Merdeka No. 56, Sub-District of Citarum, District of Bandung Wetan, Regency of Bandung, West Java-Indonesia	19 November 2007	75,868	BOT scheme, expires on 31 December 2030	54,679	5.7	54,871	5.6
7. Istana Plaza	Jalan Pasir Kaliki No. 121 – 123, Sub-District of Pamoyanan, District of Cicendo, Regency of Bandung, West Java-Indonesia	19 November 2007	47,533	BOT scheme, expires on 17 January 2034	46,594	4.8	46,707	4.7
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	167,649	HGB title, expires on 24 November 2032	201,505	20.9	202,017	20.4
9. Pluit Village	Jalan Pluit Indah Raya, Sub-District of Pluit, District of Penjaringan, City of North Jakarta, Province of DKI Jakarta, Indonesia	6 December 2011	150,905	BOT scheme, expires on 9 June 2027	57,743	6.0	58,143	5.9
10. Plaza Medan Fair	Jalan Jendral Gatot Subroto, Sub-District of Sekip, District of Medan Petisah, City of Medan, Province of North Sumatera, Indonesia	6 December 2011	141,866	BOT scheme, expires on 23 July 2027	74,516	7.8	74,807	7.6

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 March 2022

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
11. Palembang Square Extension	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia	15 October 2012	23,825	BOT scheme, expires on 25 January 2041	25,826	2.7	26,107	2.6
12. Lippo Plaza Kramat Jati	Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province, Indonesia	15 October 2012	65,446	HGB title, expires on 24 October 2024	54,228	5.6	54,459	5.5
13. Tamini Square	Jalan Raya Taman Mini Pintu 1 No.15, Pinang Ranti Sub District, Makasar Distrik, East Jakarta Region, DKI Jakarta Province, Indonesia	14 November 2012	18,963	Strata title constructed on HGB title common land, expires on 26 September 2035	22,558	2.4	22,649	2.3
14. Palembang Square	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatra Province, Indonesia	14 November 2012	49,511	Strata title constructed on HGB title common land, expires on 1 September 2039	70,339	7.3	70,630	7.1

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 March 2022

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
15. Lippo Mall Kemang	Jalan Kemang VI, Bangka Sub District, Mampang Prapatan District, South Jakarta, DKI Jakarta Province, Indonesia	17 December 2014	150,932	Strata title constructed on HGB title common land, expires on 28 June 2035	206,430	21.4	207,214	21.0
16. Lippo Plaza Batu	Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia	7 July 2015	34,340	HGB title, expires on 8 June 2031	21,582	2.2	21,674	2.2
17. Palembang Icon	Jalan POM IX, Sub District of Lorok Pakjo, District of Ilir Barat I, City of Palembang, Province of South Sumatra, Indonesia	10 July 2015	50,889	HGB title, BOT scheme, expires on 30 April 2040	77,337	8.0	77,655	7.9
18. Lippo Mall Kuta	Jalan Kartika Plaza, Sub District of Kuta, District of Kuta, Regency of Badung, Province of Bali, Indonesia	29 December 2016	48,467	HGB title, expires on 22 March 2037	50,857	5.3	51,050	5.2
19. Lippo Plaza Kendari	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia	21 June 2017	34,784	BOT scheme, expires on 7 July 2041	32,498	3.4	32,622	3.3

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 March 2022

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
20. Lippo Plaza Jogja	Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia	22 December 2017	65,524	HGB title, expires on 27 December 2043	46,379	4.8	46,546	4.7
21. Kediri Town Square	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java, Indonesia	22 December 2017	28,688	HGB title, expires on 12 August 2024	36,166	3.8	36,299	3.7
22. Lippo Mall Puri	Jalan Puri Indah Raya Blok U1, RT.3/RW.2, Kembangan Sel., Kembangan, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11610, Indonesia	27 January 2021	175,146	HGB title, expires on 15 January 2040	352,911	36.7	354,127	35.8

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 March 2022

Indonesia retail spaces Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
1. Mall WTC Matahari Units	Jalan Raya Serpong No.39, Sub-District of Pondok Jagung, District of Serpong, Regency of Tangerang, Banten-Indonesia	19 November 2007	11,184	Strata title constructed on HGB title common land, expires on 8 April 2038	9,917	1.0	9,957	1.0
2. Metropolis Town Square Units	Jalan Hartono Raya, Sub-District of Cikokol, District of Cipete, Regency of Tangerang, Banten-Indonesia	19 November 2007	15,248	Strata title constructed on HGB title common land, expires on 27 December 2029	11,339	1.2	11,384	1.2
3. Depok Town Square Units	Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Depok, Regency of Depok, West Java-Indonesia	19 November 2007	13,045	Strata title constructed on HGB title common land, expires on 27 February 2035	13,861	1.4	13,917	1.4
4. Java Supermall Units	Jalan MT Haryono, No. 992-994, Sub-District of Jomblang, District of Semarang Selatan, Regency of Semarang, Central Java-Indonesia	19 November 2007	11,082	Strata title constructed on HGB title common land, expires on 24 September 2037	11,720	1.2	11,767	1.2

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 March 2022

Indonesia retail spaces (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2022 \$'000	Percentage of net assets at 31 March 2022 %	Fair value at 31 December 2021 \$'000	Percentage of net assets at 31 December 2021 %
5. Malang Town Square Units	Jalan Veteran No. 2, Sub-District of Penanggungan, District of Klojen, Regency of Malang, East Java-Indonesia	19 November 2007	11,065	Strata title constructed on HGB title common land, expires on 21 April 2033	15,295	1.6	15,357	1.6
6. Plaza Madiun Units	Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Regency of Madiun, East Java-Indonesia	19 November 2007	19,991	Strata title constructed on HGB title common land, expires on 9 February 2032	20,169	2.1	20,250	2.0
7. Grand Palladium Units	Jalan Kapten Maulana Lubis, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia	19 November 2007	13,730	Strata title constructed on HGB title common land, expires on 9 November 2028	7,036	0.7	7,064	0.7
Investment properties					1,784,417	185.3	1,788,915	181.1
Other net liabilities					(821,642)	(85.3)	(801,444)	(81.1)
Net asset value					962,775	100.0	987,471	100.0

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

Lippo Malls Indonesia Retail Trust

Notes to the condensed interim financial statements

1. General

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

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

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

The Trust 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 a substantial Unitholder of LMIR Trust.

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

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

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

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

2.2 Critical judgements, assumptions and estimation uncertainties

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

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

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

Covid-19

The Covid-19 pandemic and its aftermath have caused, and will continue to cause, disruptions for the foreseeable future to, and create uncertainty surrounding, the Group’s business. There is significant uncertainty around the medium to long term impact of Covid-19 and economic forecasts are continually changing. These uncertainties have impacted the Group’s operations and may create questions regarding, among other things, the valuation of investment properties and allowance for impairment of trade receivables. The management is considering when and to the extent the prevailing restrictions on the Group’s operations, including operating hours / capacities of the shopping malls and retail spaces, will be lifted and to mitigate the financial impact, the Group adopts a cost reduction strategy and measures to conserve liquidity by working with major suppliers and lenders to align repayment obligations with receivable collections.

Lippo Malls Indonesia Retail Trust

3. Gross revenue

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Rental revenue	30,496	26,482
Car park revenue	1,305	1,208
Service charge and utilities recovery	18,693	15,470
Other rental income	409	448
	<u>50,903</u>	<u>43,608</u>

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

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

4. Property operating expenses

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Land rental expense	352	379
Property management fees	1,717	1,101
Legal and professional fees	429	461
Depreciation of plant and equipment	732	718
Net allowance for impairment of trade receivables	1,749	945
Property operating and maintenance expenses	14,586	14,134
Other property operating expenses	71	87
	<u>19,636</u>	<u>17,825</u>

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Base fee	1,233	1,271
Performance fee	1,251	1,032
Authorised investment fee	16	1
	<u>2,500</u>	<u>2,304</u>

6. Finance costs

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Interest expense	12,804	12,485
Amortisation of borrowing costs	1,485	1,444
Issuance and commitment fees	43	234
	<u>14,332</u>	<u>14,163</u>

7. Unrealised foreign exchange losses

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

8. Income tax

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Current tax		
Singapore income tax	-	-
Foreign income tax	5,139	4,417
Withholding tax	1,040	1,045
	<u>6,179</u>	<u>5,462</u>
Deferred tax		
Deferred tax expense/(benefit)	-	-
	<u>6,179</u>	<u>5,462</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>	
	First quarter	
	ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Numerator		
Total loss after tax	(7,825)	(1,138)
Less: Amount reserved for distribution to perpetual securities holders	<u>(4,188)</u>	<u>(4,369)</u>
Total loss attributable to Unitholders	<u>(12,013)</u>	<u>(5,507)</u>
Denominator		
Weighted average number of units	<u>7,674,118,477</u>	<u>6,570,443,684</u>
EPU (in cents) ⁽¹⁾	<u>(0.16)</u>	<u>(0.08)</u>

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

9B. Distribution per unit

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

	<u>Group</u>	
	First quarter	
	ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Numerator		
Distribution to Unitholders	<u>6,927</u>	<u>6,139</u>
Denominator		
Number of units in issue (note 17)	<u>7,696,809,979</u>	<u>7,673,336,012</u>
DPU (in cents)	<u>0.09</u>	<u>0.08</u>

Lippo Malls Indonesia Retail Trust

10. Investment properties

	<u>Group</u>	
	31 March	31 December
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
At valuation		
At beginning of period/year	1,788,915	1,459,360
Acquisition of investment property	-	328,092
Enhancement expenditure capitalised	2,695	15,930
	<u>1,791,610</u>	<u>1,803,382</u>
Changes in fair value included in profit or loss	-	(31,382)
Foreign exchange adjustments	<u>(7,193)</u>	<u>16,915</u>
At end of period/year	<u><u>1,784,417</u></u>	<u><u>1,788,915</u></u>

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

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

The carrying amounts of the investment properties are stated at the independent valuation as at 31 December 2021 and adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The Group has assessed that the carrying amounts of the investment properties as at 31 March 2022 approximate their fair value.

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 31 March 2022 but may change significantly after the reporting date.

Lippo Malls Indonesia Retail Trust

11. Intangible assets

	<u>Group</u>	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Cost		
At beginning of period/year	67,319	44,407
Additions	-	22,673
Foreign exchange adjustments	(141)	239
At end of period/year	<u>67,178</u>	<u>67,319</u>
Accumulated amortisation		
At beginning of period/year	48,724	41,081
Amortisation for the period/year	1,761	7,570
Foreign exchange adjustments	(62)	73
At end of period/year	<u>50,423</u>	<u>48,724</u>
Carrying value		
At beginning of period/year	<u>18,595</u>	<u>3,326</u>
At end of period/year	<u>16,755</u>	<u>18,595</u>

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

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Trade receivables				
Outside parties	42,442	39,412	417	47
Related parties	14,296	11,444	-	-
Less: Allowance for impairment	(13,883)	(12,052)	-	-
	<u>42,855</u>	<u>38,804</u>	<u>417</u>	<u>47</u>
Other receivables				
Subsidiaries	-	-	193,071	208,437
Related parties	847	977	-	-
Other receivables	7,161	10,758	-	-
Less: Allowance for impairment	(1,516)	(1,516)	-	-
	<u>6,492</u>	<u>10,219</u>	<u>193,071</u>	<u>208,437</u>
	<u>49,347</u>	<u>49,023</u>	<u>193,488</u>	<u>208,484</u>

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

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
At beginning of period/year	(12,052)	(8,293)	-	-
Reversal of allowance no longer required	1,133	3,892	-	-
Charge to profit or loss	(2,882)	(7,570)	-	-
Foreign exchange adjustments	(82)	(81)	-	-
At end of period/year	<u>(13,883)</u>	<u>(12,052)</u>	<u>-</u>	<u>-</u>

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables (cont'd)

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

	<u>Group</u>		<u>Trust</u>	
	31 March	31 December	31 March	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
At beginning and 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 2021. The loss allowance for trade receivables was determined as follows:

	<u>Gross amount</u>		<u>Loss allowance</u>	
	31 March	31 December	31 March	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Current	23,194	24,261	1,708	135
1 to 30 days past due	5,767	2,966	268	80
31 to 60 days past due	6,508	717	366	28
Over 61 days past due	<u>21,269</u>	<u>22,912</u>	<u>11,541</u>	<u>11,809</u>
	<u>56,738</u>	<u>50,856</u>	<u>13,883</u>	<u>12,052</u>

Subsequent to 31 March 2022, \$6.8 million of trade receivables were collected, of which \$3.6 million was from related party tenants and \$3.2 million was from non-related party tenants.

13. Cash and cash equivalents

	<u>Group</u>		<u>Trust</u>	
	31 March	31 December	31 March	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	110,449	119,881	17,769	30,054
Cash pledged for bank facilities	<u>2,552</u>	<u>2,223</u>	<u>1,390</u>	<u>1,221</u>
	<u>113,001</u>	<u>122,104</u>	<u>19,159</u>	<u>31,275</u>

Lippo Malls Indonesia Retail Trust

14. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	31 March	31 December	31 March	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	184,500	184,500	74,500	74,500
Less: Unamortised transaction costs	(3,807)	(4,159)	(839)	(967)
	<u>180,693</u>	<u>180,341</u>	<u>73,661</u>	<u>73,533</u>
Financial instruments with fixed interest rates				
Senior notes (unsecured)	610,956	609,569	-	-
Less: Unamortised transaction costs	(11,138)	(11,970)	-	-
	599,818	597,599	-	-
Finance leases	369	570	-	-
	<u>780,880</u>	<u>778,510</u>	<u>73,661</u>	<u>73,533</u>
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	67,500	67,500	67,500	67,500
Less: Unamortised transaction costs	(226)	(306)	(226)	(306)
	<u>67,274</u>	<u>67,194</u>	<u>67,274</u>	<u>67,194</u>
Financial instruments with fixed interest rates				
Finance leases	452	452	-	-
	<u>67,726</u>	<u>67,646</u>	<u>67,274</u>	<u>67,194</u>
	<u>848,606</u>	<u>846,156</u>	<u>140,935</u>	<u>140,727</u>
Due within 2 to 5 years	780,846	778,476	73,661	73,533
Due after 5 years	34	34	-	-
	<u>780,880</u>	<u>778,510</u>	<u>73,661</u>	<u>73,533</u>

Lippo Malls Indonesia Retail Trust

14. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing cost)

	<u>Notes</u>	<u>Maturity</u>	<u>Interest rate</u>	31 March 2022 \$'000	31 December 2021 \$'000
Current borrowings					
\$67.5 million term loan (Facility A)	1	November 2022	3.05% + SOR*	67,500	67,500
Non-current borrowings					
\$67.5 million term loan (Facility B)	1	November 2023	3.25% + SOR*	67,500	67,500
\$60.0 million term loan (Facility A1)	2	January 2024	3.15% + SOR*	60,000	60,000
\$20.0 million term loan (Facility A2)	2	January 2026	3.57% + SOR*	20,000	20,000
\$30.0 million term loan (Facility B1)	2	January 2024	3.15% + SOR*	22,500	22,500
\$10.0 million term loan (Facility B2)	2	January 2026	3.57% + SOR*	7,500	7,500
US\$250.0 million Guaranteed Senior Notes	3	September 2024	7.25%	339,420	338,649
US\$200.0 million Guaranteed Senior Notes	4	February 2026	7.50%	271,536	270,920
Committed revolving loan facility	5	August 2023	2.10% + SORA#	7,000	7,000
				862,956	861,569

* SOR refers to SGD Swap Offer Rate

SORA refers to Singapore Overnight Rate Average

- On 19 November 2018, the Group drew down \$135.0 million which consists of two tranches, A and B, of \$67.5 million each, maturing in November 2022 and November 2023, respectively, at interest rate of 3.05% plus SOR per annum and 3.25% plus SOR per annum, respectively.
- On 6 January 2021, the Group obtained a term loan facility of up to \$120.0 million and drew down \$110.0 million. The term loan facility comprises of \$60.0 million (Facility A1), \$20.0 million (Facility A2), \$22.5 million (Facility B1) and \$7.5 million (Facility B2) with maturity tenure of 36 months for Facility A1 and Facility B1 and 60 months for Facility A2 and Facility B2.

Facility A1 and Facility A2 were drawn down in January 2021; and Facility B1 and Facility B2 were drawn down in April 2021.
- Cross currency swap agreements were entered into to swap the 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 interest rate of 6.65% plus 6-months SOR per annum.
- On 18 August 2021, the Group obtained a committed \$30.0 million revolving loan facility for a period of 2 years till August 2023. The Group drew down \$7.0 million in August 2021 from the facility.

14. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing cost) (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>	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Total gross borrowings and deferred payments	862,956	861,569
Total deposited property	<u>2,012,590</u>	<u>2,028,837</u>
Aggregated leverage ratio (%)	<u>42.9%</u>	<u>42.5%</u>
Interest coverage ratio (times)	<u>2.0</u>	<u>1.9</u>

15. Trade and other payables

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
Other payables, non-current				
Loan payable to subsidiaries ^(#)	-	-	706,850	704,407
Trade payables, current				
Outside parties and accrued liabilities	25,557	29,164	2,625	5,383
Related parties	<u>893</u>	<u>708</u>	<u>-</u>	<u>-</u>
	<u>26,450</u>	<u>29,872</u>	<u>2,625</u>	<u>5,383</u>
Other payables, current				
Loan payable to subsidiaries ^(#)	-	-	38,790	38,694
Subsidiaries	-	-	51,734	49,833
Other payables	<u>9,434</u>	<u>8,850</u>	<u>-</u>	<u>-</u>
	<u>9,434</u>	<u>8,850</u>	<u>90,524</u>	<u>88,527</u>
	<u>35,884</u>	<u>38,722</u>	<u>93,149</u>	<u>93,910</u>
Total trade and other payables	<u>35,884</u>	<u>38,722</u>	<u>799,999</u>	<u>798,317</u>

^(#) The loans are unsecured, bear fixed interest ranging from 3.61% to 7.50% (31 December 2021: 3.61% to 7.50%) per annum and 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>	
	31 March <u>2022</u>	31 December <u>2021</u>	31 March <u>2022</u>	31 December <u>2021</u>
Numerator				
Net assets attributable to Unitholders at end of period/year (\$'000)	<u>703,629</u>	<u>728,018</u>	<u>521,101</u>	<u>563,113</u>
Net tangible assets attributable to Unitholders at end of period/year (\$'000)	<u>686,874</u>	<u>709,423</u>	<u>521,101</u>	<u>563,113</u>
Denominator				
Units in issue (note 17)	<u>7,696,809,979</u>	<u>7,673,336,012</u>	<u>7,696,809,979</u>	<u>7,673,336,012</u>

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2022</u>	31 December <u>2021</u>	31 March <u>2022</u>	31 December <u>2021</u>
Net asset value (NAV) per unit attributable to Unitholders (in cents)	<u>9.14</u>	<u>9.49</u>	<u>6.77</u>	<u>7.34</u>
Net tangible assets (NTA) per unit attributable to Unitholders (in cents)	<u>8.92</u>	<u>9.25</u>	<u>6.77</u>	<u>7.34</u>

17. Units in issue

17A. Units in issue

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

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

Lippo Malls Indonesia Retail Trust

17. Units in issue (cont'd)

17B. Details of changes in issued and issuable units

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

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

18. Perpetual securities

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

	Group and Trust	
	31 March <u>2022</u> \$'000	31 December <u>2021</u> \$'000
At beginning of period/year	259,453	263,618
Amount reserved for distribution to perpetual securities holders	4,188	17,526
Distributions to perpetual securities holders	<u>(4,495)</u>	<u>(21,691)</u>
At end of period/year	<u>259,146</u>	<u>259,453</u>

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

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

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

Lippo Malls Indonesia Retail Trust

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.

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>	
	First quarter	
	ended 31 March	
	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Manager		
Manager's management fees expense	2,550	2,304
Manager's acquisition fees	-	1,653
Trustee		
Trustee's fees expense	114	116
Property manager		
Property manager fees expense	1,717	1,101
Affiliates of Sponsor ⁽¹⁾		
Rental revenue and service charge ^{(2) (3) (4)}	13,499	11,850
Acquisition of Lippo Mall Puri	-	330,647
	<u> </u>	<u> </u>

(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 for 1Q 2021.

(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>	
	<u>Period</u>		<u>Period</u>	
	<u>ended 31 March</u>		<u>ended 31 March</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾	0.21%	0.24%	0.22%	0.26%
Expenses to average net assets ratio – including performance related fee ⁽¹⁾	0.34%	0.36%	0.37%	0.39%
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.

22. Subsequent event

On 1 April 2022, the Group restructured the terms of the US\$180 million cross currency swap contracts and amended the rates from 6.64% plus SOR and 6.65% plus SOR to 6.97% plus SORA, with all other terms and conditions remain unchanged.

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 carrying amounts of the investment properties are stated at the independent valuation as at 31 December 2021 and adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The Group has assessed that the carrying amounts of the investment properties as at 31 March 2022 approximate their fair value.

Intangible assets

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

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$42.9 million (31 December 2021: \$38.8 million) and other receivables of \$6.5 million (31 December 2021: \$10.2 million).

Trade receivables (before taking into account of allowance for impairment) are \$56.7 million (31 December 2021: \$50.8 million), of which \$14.3 million (31 December 2021: \$11.4 million) are due from related party tenants and \$42.4 million (31 December 2021: \$39.4 million) are due from non-related party tenants. The higher amount of trade receivables before allowance for impairment is mainly due to increase in amount invoiced to tenants during the period, which is further explained in the review of performance below.

Subsequent to the end of 1Q 2022, \$6.8 million of trade receivables were collected, of which \$3.6 million was from related party tenants and \$3.2 million was from non-related party tenants.

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

Cash and cash equivalents

Cash and cash equivalents decreased by \$9.1 million mainly due to (i) cash outflow from financing activities amounting to \$28.0 million, which comprised payment of interest (\$12.8 million), payment of distribution to Unitholders (\$6.9 million) and payment of distribution for perpetual securities (\$4.5 million) during the period, and (ii) cash outflow from investing activities of \$2.9 million arising from capital expenditure on investment properties and purchase of plant and equipment. These was partially offset by net cash inflow from operating activities amounting to \$21.8 million.

Derivative financial instruments

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

Trade and other payables

Decrease in trade and other payables is mainly due to payment to outside parties and accrued expenses during the period.

Unitholders' fund

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

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)**

Statement of Total Return

	Group		
	1Q 2022 \$'000	1Q 2021 \$'000	Variance % Favourable/ (Unfavourable)
Rental revenue	30,496	26,482	15.2%
Car park revenue	1,305	1,208	8.0%
Service charge and utilities recovery	18,693	15,470	20.8%
Other rental income	409	448	(8.7%)
Gross revenue	50,903	43,608	16.7%
Land rental expense	352	379	7.1%
Property management fees	1,717	1,101	(55.9%)
Legal and professional fees	429	461	6.9%
Depreciation of plant and equipment	732	718	(1.9%)
Net allowance for impairment on trade receivables	1,749	945	(85.1%)
Property operating and maintenance expenses	14,586	14,134	(3.2%)
Other property operating expenses	71	87	18.4%
Property operating expenses	19,636	17,825	(10.2%)
Net property income	31,267	25,783	21.3%
Interest income	295	225	31.1%
Other losses	-	(8)	NM
Manager's management fees	(2,500)	(2,304)	(8.5%)
Trustee's fees	(114)	(116)	1.7%
Finance costs	(14,332)	(14,163)	(1.2%)
Other expenses	(717)	(811)	11.6%
Net income	13,899	8,606	61.5%
Realised gains on derivative financial instruments	-	843	NM
(Decrease)/increase in fair value of derivative financial instruments	(11,847)	4,792	NM
Realised foreign exchange losses	(538)	(8)	NM
Unrealised foreign exchange losses	(1,399)	(8,398)	83.3%
Amortisation of intangible assets	(1,761)	(1,511)	(16.5%)
Total (loss)/return for the period before tax	(1,646)	4,324	NM
Income tax expense	(6,179)	(5,462)	(13.1%)
Total loss for the period	(7,825)	(1,138)	NM
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations, net of tax	(6,742)	(16,751)	59.8%
Total comprehensive loss	(14,567)	(17,889)	18.6%

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

1Q 2022 vs 1Q 2021

Rental revenue increased to \$30.5 million from \$26.4 million in 1Q 2021. Lower rental discount was offered to tenants in 1Q 2022 compared to 1Q 2021 in view of the stabilising Covid-19 situation in Indonesia. 1Q 2021 also included relief adjustments (over and above the discounted rental attributed to the shorter operating hours) given to selected key tenants, including both related and non-related party tenants. The increase is also attributable to the full quarter contribution from Puri in 1Q 2022 versus 1Q 2021 (acquired on 27 January 2021), which contributed an additional \$1.2 million to the rental revenue.

Service charge and utilities recovery increased by \$3.2 million or 20.8% in 1Q 2022. No discount was offered to tenants in 1Q 2022 as opposed to 1Q 2021 where discount was given due to shorter operating hours. Higher service charge and utilities recovery is also attributable to the higher usage of utilities as a result of longer operating hours. 1Q 2022 also included additional contribution from Puri amounting to \$1.7 million which was acquired on 27 January 2021 as compared to a full month in January 2022.

The increase in property management fee of \$0.6 million is mainly due to improved revenue and NPI compared to 1Q 2021.

Net allowance for impairment loss on trade receivables increased by \$0.8 million as LMIR Trust set aside an additional allowance of \$1.8 million in 1Q 2022 to account for potential defaults or non-collections of receivables arising from third party tenants whose credit profiles deteriorated due to the Covid-19 pandemic and delays in rental payment were experienced.

Finance costs increased by \$0.2 million from 1Q 2021. The increase is mainly due to (i) net increase of \$1.0 million pertaining to the US\$200.0 million bond issued in February 2021, which was used to refinance \$175.0 million term loan; and (ii) \$0.4 million for the loan drawdown to partially fund the Puri acquisition, full quarter in 1Q 2022 compared to two months in 1Q 2021. The increase is offset by the savings of \$1.2 million as a result of lower interest rates after some of the interest rates swap contracts expired in December 2021.

The Trust has various hedging contracts to mitigate its exposure on foreign currencies and interest rates movements. The decrease in fair value of derivative financial instruments by \$11.8 million in 1Q 2022 is mainly due to changes in the market observable inputs, including forward rates and interest rate curves, used in the valuation model. The change on fair value of derivative financial instrument is a non-cash item and does not affect the amount of distribution to unitholders.

Unrealised foreign exchange adjustment loss is mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$450.0 million in aggregate. Lower unrealised foreign exchange loss in 1Q 2022 compared to 1Q 2021 is because of strengthening of Singapore dollar against USD in the period under review compared to the same period last year.

Amortisation of intangible assets increased by \$0.3 million in 1Q 2022. It is mainly due to the full quarter amortisation of intangible assets arising on the acquisition of Puri on 27 January 2021 in relation to the net property income (NPI) guarantee provided by the vendor of Puri up to December 2024.

Increase in income tax expenses for 1Q 2022 of \$0.7 million from 1Q 2021 is in line with the improved revenue in 1Q 2022.

Exchange differences on translating foreign operations relates to foreign exchange differences arising from translating items denominated in Indonesia Rupiah ("IDR") 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 \$6.7 million was recorded in 1Q 2022 due to slight weakening of IDR against SGD since 31 December 2021.

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

Not applicable.

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

The Indonesian economy is expected to continue on its recovery trajectory with the easing of Covid-19 restrictions as the government shifts towards policies that treats the virus as an endemic. However, the economy also faces risks of economic distress from the war in Ukraine, the monetary tightening in the US, the economic slowdown in China, as well as inflation risks driven by rising commodity prices. In view of the above, the World Bank projects Indonesia's GDP growth at 5.1% for this year.¹

Indonesia's Consumer Price Index ("CPI") in March 2022 recorded a 0.66% inflation month-on-month ("MoM") after experiencing 0.02% deflation in February 2022 while on a year-on-year ("YoY") basis, CPI inflation stood at 2.64% compared to 2.06% in the month a year ago. Core inflation was relatively stable at 0.30% MoM was largely driven to higher gold jewellery and housing rentals attributed to global gold prices and increasing community mobility. Moving forward, Bank Indonesia will continue to maintain price stability and strengthen policy coordination with the government within the 3.0%±1% inflation target corridor for 2022.²

According to the latest Retail Sales Survey in March 2022, Real Sales Index rose 2.0% after contracting 4.5% one month earlier, attributing to broad sales gains across most commodity groups, led by clothing, spare parts and accessories, cultural and recreational goods, food, beverages and tobacco as well as growing public demand due to easing of Covid-19 restrictions and the fasting month of Ramadan.³

(1) 5 April 2022, Jakarta Post - World Bank lowers Indonesia's growth forecast to 5.1%

(2) 1 April 2022, Bank Indonesia – CPI Inflation in March 2022 under control

(3) 11 April 2022 – Retail sales survey March 2022: Retailers expect sales performance to remain strong

4. Distributions

(a) Current financial period

Any distributions declared for the current financial period:

Yes

Name of distribution:

First quarter distribution for the period from 1 January 2022 to 31 March 2022.

Distribution Type:

Capital distribution.

Distribution Rate:

Capital distribution of 0.09 cents per unit.

Par value of units:

NA

Tax rate:

NA

(b) Corresponding period of the preceding financial period

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

Yes

Name of distribution:

First quarter distribution for the period from 1 January 2021 to 31 March 2021.

Distribution Type:

Capital distribution.

Distribution Rate:

Capital distribution of 0.08 cents per unit.

Par value of units:

NA

Tax rate:

NA

(c) Date payable:

27 May 2022

(d) Record date:

10 May 2022

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

Not applicable.

6. Interested Person Transactions Mandate

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

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

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

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

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

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

Mr Liew Chee Seng James
Executive Director and Chief Executive Officer
29 April 2022