



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the first quarter ended 31 March 2023

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 2023, 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”) in accordance with the terms of the applicable documentation.

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>		Variance Favourable/ <u>(Unfavourable)</u> %
	First quarter ended 31 March		
	<u>2023</u> \$'000	<u>2022</u> \$'000	
Rental revenue	27,756	30,496	(9.0%)
Car park revenue	1,239	1,305	(5.1%)
Service charge and utilities recovery	19,573	18,693	4.7%
Other rental income	329	409	(19.6%)
Gross revenue (Note A)	<u>48,897</u>	<u>50,903</u>	(3.9%)
Net property income	30,824	31,267	(1.4%)
Amount available for distribution:			
Unitholders of the Trust	-	-	NM
Perpetual securities holders	-	4,188	(100.0%)
Distributable amount	<u>-</u>	<u>4,188</u>	(100.0%)
Distribution to Unitholders (Note B)	<u>-</u>	<u>6,927</u>	(100.0%)
Distribution per unit ("DPU") (in cents) (Note 9)	<u>-</u>	<u>0.0900</u>	(100.0%)

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>2023</u>	<u>2022</u>	%
	IDR million	IDR million	
Rental revenue	317,094	323,325	(1.9%)
Car park revenue	14,155	13,836	2.3%
Service charge and utilities recovery	223,609	198,187	12.8%
Other rental income	3,759	4,336	(13.3%)
Gross revenue	<u>558,617</u>	<u>539,684</u>	3.5%
Net property income	352,144	331,500	6.2%
Exchange rate (IDR to SGD)	11,424.36	10,602.22	(7.8%)

Note B

Although LMIR Trust's operation and financial performance has been recovering gradually from the impact of the COVID-19 pandemic, the global and domestic economic uncertainty remains elevated and had caused and may continue to cause a volatile interest rate and foreign exchange environment.

This could negatively affect the sustainability of LMIR Trust's existing capital structure, its leverage ratio, credit ratings, LMIR Trust's access to capital and its ability to remain in compliance with financial covenants. Accordingly, while the Manager is exploring options to maintain a sustainable capital structure and addressing its maturing loan obligations, in order to conserve cash, LMIR Trust announced on 20 March 2023 it had ceased distributions to the holders of the \$140.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units or \$120.0 million perpetual securities, unless and until certain conditions are made.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return For the first quarter ended 31 March 2023

	Note	Group	
		First quarter	
		ended 31 March	
		2023	2022
		\$'000	\$'000
Gross revenue	3	48,897	50,903
Property operating expenses	4	(18,073)	(19,636)
Net property income		30,824	31,267
Interest income		336	295
Other income		2,249	-
Manager's management fees	5	(2,384)	(2,500)
Trustee's fees		(109)	(114)
Finance costs	6	(17,462)	(14,332)
Other expenses		(667)	(717)
Net income		12,787	13,899
Realised losses on derivative financial instruments		(222)	-
Decrease in fair value of derivative financial instruments		(168)	(11,847)
Realised foreign exchange losses	7	(1,069)	(538)
Unrealised foreign exchange gains/(losses)	7	8,753	(1,399)
Amortisation of intangible assets	11	(1,341)	(1,761)
Total return/(loss) for the period before tax		18,740	(1,646)
Income tax expense	8	(6,098)	(6,179)
Total return/(loss) for the period		12,642	(7,825)
Other comprehensive return			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations, net of tax		39,621	(6,742)
Total comprehensive return/(loss) for the period		52,263	(14,567)
Total return/(loss) for the period attributable to:			
Unitholders of the Trust		12,642	(12,013)
Perpetual securities holders		-	4,188
		<u>12,642</u>	<u>(7,825)</u>
Total comprehensive return/(loss) attributable to:			
Unitholders of the Trust		52,263	(18,755)
Perpetual securities holders		-	4,188
		<u>52,263</u>	<u>(14,567)</u>
		Cents	Cents
Earnings per unit			
Basic and diluted	9	0.16	(0.16)

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

Lippo Malls Indonesia Retail Trust

**Condensed interim statements of distribution
For the first quarter ended 31 March 2023**

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Total return/(loss) for the period	12,642	(7,825)
Add: Net adjustments (Note A below)	<u>(12,642)</u>	<u>7,825</u>
Income available for distribution to Unitholders	<u>-</u>	<u>-</u>
Unitholders' distribution:		
- As distribution from operations	-	-
- As distribution of Unitholders' capital contribution	-	6,927
	<u>-</u>	<u>6,927</u>
<u>Note A – Net adjustments</u>		
Depreciation of plant and equipment	627	732
Decrease in fair value of derivative financial instruments	168	11,847
Unrealised foreign exchange (gains)/losses	(8,753)	1,399
Amortisation of intangible assets	1,341	1,761
Amount reserved for distribution to perpetual securities holders	-	(4,188)
Gain on repurchase of Guaranteed Senior Notes	(2,249)	-
Other adjustments [#]	<u>(3,776)</u>	<u>(3,726)</u>
	<u>(12,642)</u>	<u>7,825</u>

[#] Other adjustments for 1Q 2023 mainly represent an adjustment to arrive at Nil income available for distribution for 1Q 2023.

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 31 March 2023

	Note	Group		Trust	
		31 March	31 December	31 March	31 December
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Plant and equipment		5,633	5,582	-	-
Investment properties	10	1,698,125	1,655,812	-	-
Intangible assets	11	9,420	10,511	-	-
Investments in subsidiaries		-	-	1,329,413	1,346,130
Total non-current assets		1,713,178	1,671,905	1,329,413	1,346,130
Current assets					
Trade and other receivables	12	40,523	40,992	213,610	217,885
Other non-financial assets	13	13,550	11,738	97	80
Cash and cash equivalents	14	99,478	111,037	12,909	23,339
Derivative financial instruments		12	-	12	-
Total current assets		153,563	163,767	226,628	241,304
Total assets		1,866,741	1,835,672	1,556,041	1,587,434
Non-current liabilities					
Deferred tax liabilities		22,439	21,878	-	-
Other payables	17	-	-	677,966	692,269
Other financial liabilities	15	542,254	668,329	-	-
Other non-financial liabilities	16	81,530	77,956	-	-
Derivative financial instruments		40,881	47,922	40,881	47,922
Total non-current liabilities		687,104	816,085	718,847	740,191
Current liabilities					
Income tax payable		5,009	4,784	-	-
Trade and other payables	17	46,179	46,145	76,775	74,842
Other financial liabilities	15	249,184	140,435	140,803	140,310
Other non-financial liabilities	18	46,316	44,430	-	-
Derivative financial instruments		-	28	-	28
Total current liabilities		346,688	235,822	217,578	215,180
Total liabilities		1,033,792	1,051,907	936,425	955,371
Net assets		832,949	783,765	619,616	632,063
Represented by:					
Unitholders' funds		576,162	526,978	362,829	375,276
Perpetual securities	21	256,787	256,787	256,787	256,787
Net assets		832,949	783,765	619,616	632,063
Net asset value per unit attributable to Unitholders (in cents)	19	7.49	6.85	4.71	4.88

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Lippo Malls Indonesia Retail Trust

Condensed interim statements of movements in unitholders' funds For the first quarter ended 31 March 2023

	First quarter ended 31 March	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Group		
Unitholders' funds		
At beginning of period	526,978	728,018
Operations		
Total return/(loss) for the period	12,642	(7,825)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,188)
Net increase/(decrease) in net assets resulting from operations attributed to Unitholders	12,642	(12,013)
Unitholders' contributions		
Manager's management fees settled in units	-	1,272
Distributions	(3,079)	(6,906)
Total net assets before movements in foreign currency translation	536,541	710,371
Foreign currency translation reserve *		
Net movement in other comprehensive return	39,621	(6,742)
At end of period	576,162	703,629
Perpetual securities		
At beginning of period	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	4,188
Distributions to perpetual securities holders	-	(4,495)
At end of period	256,787	259,146
Net assets	832,949	962,775

* 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 movements in unitholders' funds (cont'd) For the first quarter ended 31 March 2023

	First quarter ended 31 March	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Trust		
Unitholders' funds		
At beginning of period	375,276	563,113
Operations		
Total loss for the period	(9,368)	(32,190)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,188)
Net decrease in net assets resulting from operations attributed to Unitholders	(9,368)	(36,378)
Unitholders' contributions		
Manager's management fees settled in units	-	1,272
Distributions	(3,079)	(6,906)
At end of period	362,829	521,101
Perpetual securities		
At beginning of period	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	4,188
Distributions to perpetual securities holders	-	(4,495)
At end of period	256,787	259,146
Net assets	619,616	780,247

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Lippo Malls Indonesia Retail Trust

Condensed interim statement of cash flows For the first quarter ended 31 March 2023

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Total return/(loss) for the period before tax	18,740	(1,646)
Adjustments for:		
Interest income	(336)	(295)
Interest expense and other related costs	15,753	12,847
Amortisation of borrowing costs	1,709	1,485
Depreciation of plant and equipment	627	732
Amortisation of intangible assets	1,341	1,761
Net (reversal)/allowance for impairment loss on trade and other receivables	(181)	1,749
Fair value losses on derivative financial instruments	168	11,847
Gain on repurchase of Guaranteed Senior Notes	(2,249)	-
Unrealised foreign exchange (gains)/losses	(8,753)	1,399
Operating cash flows before changes in working capital	26,819	29,879
Trade and other receivables	(307)	(1,877)
Other non-financial assets	(2,087)	1,076
Trade and other payables	(6,159)	(2,089)
Other non-financial liabilities, current	836	612
Net cash flows from operations before tax	19,102	27,601
Income tax paid	(5,874)	(5,805)
Net cash flows from operating activities	13,228	21,796
<u>Cash flows from investing activities</u>		
Capital expenditure on investment properties	(2,233)	(2,695)
Purchase of plant and equipment	(546)	(535)
Interest received	334	295
Net cash flows used in investing activities	(2,445)	(2,935)

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Lippo Malls Indonesia Retail Trust

**Condensed interim statement of cash flows (cont'd)
For the first quarter ended 31 March 2023**

	<u>Group</u>	
	First quarter	
	ended 31 March	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<u>Cash flows from financing activities</u>		
Other financial liabilities, current	(236)	(201)
Other non-financial liabilities, non-current	1,687	(3,192)
Interest paid	(15,806)	(12,847)
Distributions to unitholders	(3,079)	(6,906)
Distributions to perpetual security holders	-	(4,495)
Cash restricted in use for bank facilities	(75)	(329)
Repurchase of Guaranteed Senior Notes	(6,970)	-
Net cash flows used in financing activities	<u>(24,479)</u>	<u>(27,970)</u>
Net decrease in cash and cash equivalents	(13,696)	(9,109)
Cash and cash equivalents at beginning of period	106,975	119,881
Effect of exchange rate fluctuations on cash held	2,062	(323)
Cash and cash equivalents at end of period	<u>95,341</u>	<u>110,449</u>
Cash and cash equivalents per statement of cash flows	95,341	110,449
Add: Cash restricted in use for bank facilities	4,137	2,552
Cash and cash equivalents per statements of financial position (Note 14)	<u>99,478</u>	<u>113,001</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 2023

Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	82,984	Strata title constructed on HGB# Title common land, expires on 24 January 2040	78,151	9.4	75,306	9.6
2. Cibubur Junction	Jalan Jambore No.1 Cibubur, Sub-District of Ciracas, Regency of East Jakarta, Jakarta-Indonesia	19 November 2007	66,935	ABS*, expires on 28 July 2025	10,094	1.2	9,807	1.3
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	ABS, expires on 31 March 2054	70,186	8.4	68,530	8.7
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	39,605	HGB title, expires on 5 May 2043	72,034	8.6	70,120	8.9

Hak Guna Bangunan (“HGB”)

* Agreement-based scheme (“ABS”), formerly known as Build, Operate and Transfer (“BOT”) scheme

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 2023

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 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	ABS, expires on 27 June 2032	25,481	3.1	24,873	3.2
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	ABS, expires on 31 December 2030	48,729	5.9	47,517	6.1
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	47,534	ABS, expires on 17 January 2034	35,835	4.3	34,994	4.5
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	229,832	27.6	224,374	28.6
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	ABS, expires on 9 June 2027	44,498	5.3	43,401	5.5

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 2023

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 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	ABS, expires on 23 July 2027	57,522	6.9	56,158	7.2
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	ABS, expires on 25 January 2041	27,857	3.3	27,275	3.5
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	65,511	HGB title, expires on 24 October 2024	51,263	6.2	50,049	6.4
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	21,137	2.5	20,638	2.6

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 2023

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 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	69,813	8.4	68,187	8.7
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	192,731	23.1	187,941	24.0
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	20,008	2.4	19,348	2.5
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, ABS, expires on 30 April 2040	83,238	10.0	81,224	10.4

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 2023

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 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	38,042	4.6	37,152	4.7
19. Lippo Plaza Kendari	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia	21 June 2017	34,831	ABS, expires on 7 July 2041	26,349	3.2	25,731	3.3
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	38,495	4.6	37,564	4.8
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	34,061	4.1	33,236	4.2
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	174,645	Strata title constructed on HGB title common land, expires on 15 January 2040	340,320	40.9	331,887	42.3

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 2023

Indonesia retail spaces

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 March 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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	9,139	1.1	8,923	1.1
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	10,076	1.2	9,838	1.3
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	12,987	1.6	12,680	1.6
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	10,834	1.3	10,578	1.3

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 2023

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 2023 \$'000	Percentage of net assets at 31 March 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
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, expires on 21 April 2033	14,304	1.7	13,966	1.8
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	HGB title, expires on 9 February 2032	18,938	2.3	18,490	2.4
7. Grand Palladium Units	Jalan Kapten Maulana Lubis, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia	19 November 2007	13,730	Strata title constructed on HGB title common land, expires on 9 November 2028	6,171	0.7	6,025	0.8
Investment properties					1,698,125	203.9	1,655,812	211.3
Other net liabilities					(865,176)	(103.9)	(872,047)	(111.3)
Net asset value					832,949	100.0	783,765	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.

Perpetual (Asia) Limited was appointed as the Trustee with effect from 3 January 2018.

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

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

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

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

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

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

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

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

The auditor of the Group has highlighted an emphasis of matters in its independent report for the latest audited financial statements for the financial year ended 31 December 2022 (“FY2022 Audited Financial Statements”), relating to the matters more explained in paragraph 2.1 below. The opinion of the auditor on the FY2022 Audited Financial Statements is not modified.

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 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 2022.

Uncertainties relating to current economic conditions and going concern

The effect of COVID-19 and the current volatile economic conditions continue to cause disruptions and have adversely impacted the commercial activities in Indonesia. If these uncertainties continue to spread, the potential impacts are uncertain and difficult to assess. The uncertainties could have a material adverse impact on the Group (in particular the fair values of the investment properties, financial instruments and trade receivables).

As Indonesia gradually transits from pandemic to endemic phase, the restrictions related to COVID-19 were lifted in December 2022. However, the global and domestic economic situations remain uncertain and have caused, and may continue to cause, a volatile interest rate and foreign exchange environment. This could negatively affect the sustainability of Group’s existing capital structure, its leverage ratio and credit ratings.

The Manager expects the operating environment to remain challenging as retailers remain cautious despite the easing of COVID-19 restrictions. The Manager will continue to explore options and measures to maintain a sustainable capital structure and reduce the aggregate leverage of the Group.

As at 31 March 2023, the Group’s current liabilities exceeded its current assets by \$193,125,000, mainly arising from the classification of banks debts maturing within the next 12 months as current liabilities. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. These events or conditions appear to cast significant doubt upon the Group’s ability to continue as a going concern. However, the Manager has reached a conclusion that the going concern basis of accounting is appropriate due to the following mitigating actions:

- (a) Based on the Group’s cash flow forecast for the next 12 months, the Manager believes the Group will be able to pay its debts as when they fall due. Although the Group’s operation and financial performance had been impacted by the COVID-19 pandemic since 2020, as Indonesia gradually moves from the pandemic to endemic phase, the Indonesian authorities lifted all restrictions related to COVID-19 in December 2022. As such, the Group reported a total return of \$12,642,000 for the quarter ended 31 March 2023 compared to a total loss of \$7,825,000 in the corresponding period in prior year and generated positive cash flows from operations for both quarter end periods. As the operating environment continues to improve, the Group is expected to meet the cash flow requirements from its normal course of business through its existing and future lease agreements with tenants that are expected to generate positive cash flows over the next 12 months; and

Lippo Malls Indonesia Retail Trust

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Uncertainties relating to current economic conditions and going concern (cont'd)

(b) The Group has existing banking relationships with a number of banks and is in active discussions with them to address the following loans due within the next 12 months:

- Revolving loan facility amounting to \$7,000,000 maturing in August 2023;
- Term loans amounting to \$135,000,000 maturing in November 2023;
- Term loans amounting to \$82,500,000 maturing in January 2024; and
- Term loans amounting to \$27,500,000 maturing in January 2026.

Although the above process has not yet reached any conclusion with the relevant parties involved at the date of these financial statements, the Manager expects the Group to be able to obtain additional funding from the banks when required.

The validity of the going concern assumptions on which the financial statements are prepared depends on the successful conclusion of these matters. If the going concern assumptions are inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are now recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

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 2022.

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.

Lippo Malls Indonesia Retail Trust

3. Gross revenue

	<u>Group</u> First quarter ended 31 March	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Rental revenue	27,756	30,496
Car park revenue	1,239	1,305
Service charge and utilities recovery	19,573	18,693
Other rental income	329	409
	<u>48,897</u>	<u>50,903</u>

Gross revenue in 1Q 2022 included the top-up from the vendor of Lippo Mall Puri under the net property income guarantee arrangement. As Lippo Mall Puri reported an underlying net property income greater than the guarantee net property income for 1Q 2023, there are no top-up required for 1Q 2023.

4. Property operating expenses

	<u>Group</u> First quarter ended 31 March	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Land rental expense	346	352
Property management fees	1,647	1,717
Legal and professional fees	378	429
Depreciation of plant and equipment	627	732
Net (reversal)/allowance for impairment of trade receivables	(181)	1,749
Property operating and maintenance expenses	14,920	14,586
Other property operating expenses	336	71
	<u>18,073</u>	<u>19,636</u>

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Base fee	1,151	1,233
Performance fee	1,233	1,251
Authorised investment fee	-	16
	<u>2,384</u>	<u>2,500</u>

6. Finance costs

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Interest expense	15,717	12,804
Amortisation of borrowing costs	1,709	1,485
Issuance and commitment fees	36	43
	<u>17,462</u>	<u>14,332</u>

7. Foreign exchange (losses)/gains

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

Unrealised foreign exchange movements mainly relate to revaluation of USD Guaranteed Senior Notes amounting to US\$413.5 million (31 December 2022: US\$420.5 million) in aggregate.

8. Income tax

	<u>Group</u>	
	First quarter	
	<u>ended 31 March</u>	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Current tax		
Singapore income tax		
- Adjustments in respect of prior year	32	-
Foreign income tax	5,104	5,139
Withholding tax	962	1,040
	<u>6,098</u>	<u>6,179</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>2023</u>	<u>2022</u>
	\$'000	\$'000
Numerator		
Total return/(loss) after tax	12,642	(7,825)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,188)
Total return/(loss) attributable to Unitholders	<u>12,642</u>	<u>(12,013)</u>
Denominator		
Weighted average number of units	<u>7,696,809,979</u>	<u>7,674,118,477</u>
EPU (in cents) ⁽¹⁾	<u>0.16</u>	<u>(0.16)</u>
Adjusted EPU (in cents) ⁽²⁾	<u>0.16</u>	<u>(0.16)</u>

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

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

9B. Distribution per unit

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

	<u>Group</u>	
	First quarter ended 31 March	
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Numerator		
Distribution to Unitholders	-	6,927
Denominator		
Number of units in issue (note 20)	<u>7,696,809,979</u>	<u>7,696,809,979</u>
DPU (in cents)	<u>-</u>	<u>0.0900</u>

LMIR Trust announced on 20 March 2023, it had ceased distributions to the holders of the \$140.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are made.

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10. Investment properties

			<u>Group</u>	
	31 March	31 December	31 March	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	IDR'000	IDR'000
At valuation				
At beginning of period/year	1,655,812	1,788,915	19,305,243,809	18,844,019,663
Enhancement expenditure capitalised	<u>2,233</u>	<u>9,734</u>	<u>25,418,247</u>	<u>113,489,173</u>
	1,658,045	1,798,649	19,330,662,056	18,957,508,836
Changes in fair value included in profit or loss	-	32,310	-	347,734,973
Foreign exchange translation	<u>40,080</u>	<u>(175,147)</u>	-	-
At end of period/year	<u><u>1,698,125</u></u>	<u><u>1,655,812</u></u>	<u><u>19,330,662,056</u></u>	<u><u>19,305,243,809</u></u>

Other details of the investment properties are disclosed in the statement of portfolio.

The increase in the carrying amount of investment properties mainly relating to asset enhancement expenditure capitalised for the period ended 31 March 2023 and strengthening of Indonesian Rupiah against Singapore dollar compared to 31 December 2022.

Measurement of fair value

The Group had engaged independent professional valuers to measure the fair values of each of its investment properties on 31 December 2022. This information is also disclosed in the audited financial statements as at and for the year ended 31 December 2022.

The carrying amounts of investment properties as at 31 March 2023 were based on internal assessment by the Manager. The assessment took into consideration changes in the assumptions and methodologies used in the valuation on 31 December 2022 and the information available at the date of the assessment. In determining the fair value, the valuation methods involve certain estimates. Significant unobservable inputs used in assessing the carrying amounts included: (1) discount rates; (2) growth rates; (3) terminal capitalisation rate; and (4) discounted cash flow forecasts. The Manager reviews the appropriateness of the valuation method, assumptions and estimates adopted and is of the view that they are a reasonable reflection of the current market conditions as at 31 March 2023.

Based on the assessment, the Manager is of the view that the fair value of the portfolio of investment properties has not materially changed from the valuation as at 31 December 2022 which was performed by the independent professional valuers Cushman & Wakefield VHS Pte. Ltd., KJPP Wilson & Rekan (in association with Knight Frank), KJPP Rengganis Hamid & Rekan (in association with CBRE) and Savills Valuation and Professional Services (S) Pte Ltd.

Certain valuation reports for the properties as at 31 December 2022 from the external valuers' highlighted that the Indonesia 30-year bond yield has remained stable at 7.27% per annum as of December 2022. This has resulted discount rates range from 11.5% to 12.6% per annum were adopted for the valuation.

All recurring fair value measurements of the investment properties are based on income approach and are categorised within Level 3 of the fair value hierarchy.

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11. Intangible assets

	<u>Group</u>	
	31 March	31 December
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Cost		
At beginning of period/year	60,806	67,319
Foreign exchange translation	1,476	(6,513)
At end of period/year	<u>62,282</u>	<u>60,806</u>
Accumulated amortisation		
At beginning of period/year	50,295	48,724
Amortisation for the period/year	1,341	6,813
Foreign exchange translation	1,226	(5,242)
At end of period/year	<u>52,862</u>	<u>50,295</u>
Carrying value		
At beginning of period/year	<u>10,511</u>	<u>18,595</u>
At end of period/year	<u>9,420</u>	<u>10,511</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.

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12. Trade and other receivables

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Trade receivables				
Outside parties	36,770	36,089	-	-
Related parties	6,415	7,008	-	-
Less: Allowance for impairment				
Outside parties	(9,782)	(9,726)	-	-
Related parties	(704)	(690)	-	-
	<u>32,699</u>	<u>32,681</u>	<u>-</u>	<u>-</u>
Other receivables				
Subsidiaries	-	-	213,541	217,774
Related parties	435	386	-	-
Other receivables	7,832	8,357	69	111
Less: Allowance for impairment				
Outside parties	(443)	(432)	-	-
	<u>7,824</u>	<u>8,311</u>	<u>213,610</u>	<u>217,885</u>
	<u>40,523</u>	<u>40,992</u>	<u>213,610</u>	<u>217,885</u>

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

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

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	(10,416)	(12,052)	-	-
Reversal of allowance no longer required	261	1,756	-	-
Charge to profit or loss	(80)	(1,244)	-	-
Foreign exchange translation	(251)	1,124	-	-
At end of period/year	<u>(10,486)</u>	<u>(10,416)</u>	<u>-</u>	<u>-</u>

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

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	(432)	(1,516)	-	-
Reversal of allowance no longer required	-	952	-	-
Foreign exchange translation	(11)	132	-	-
At end of period/year	<u>(443)</u>	<u>(432)</u>	<u>-</u>	<u>-</u>

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables (cont'd)

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 2022. The loss allowance for trade receivables was as follows:

	<u>Group</u>			
	Trade receivables			
	<u>Gross amount</u>		<u>Loss allowance</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Current	18,756	18,965	89	65
1 to 30 days past due	2,661	2,732	62	63
31 to 60 days past due	1,671	1,284	64	49
Over 61 days past due	9,699	9,718	1,240	1,224
12-month ECL	32,787	32,699	1,455	1,401
Lifetime ECL	10,398	10,398	9,031	9,015
	<u>43,185</u>	<u>43,097</u>	<u>10,486</u>	<u>10,416</u>

Subsequent to 31 March 2023, \$4.4 million of trade receivables were collected, of which \$0.8 million were from related party tenants and \$3.6 million were from non-related party tenants.

13. Other non-financial assets

	<u>Group</u>		<u>Trust</u>		
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	
	Prepayments	2,746	2,609	97	80
	Prepaid tax	10,804	9,129	-	-
	<u>13,550</u>	<u>11,738</u>	<u>97</u>	<u>80</u>	

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14. Cash and cash equivalents

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Not restricted in use	95,341	106,975	10,664	21,094
Cash pledged for bank facilities	4,137	4,062	2,245	2,245
	<u>99,478</u>	<u>111,037</u>	<u>12,909</u>	<u>23,339</u>

15. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	-	110,000	-	-
Less: Unamortised transaction costs	-	(2,007)	-	-
	-	107,993	-	-
Financial instruments with fixed interest rates				
Senior notes (unsecured)*	548,476	567,359	-	-
Less: Unamortised transaction costs	(6,801)	(7,715)	-	-
	541,675	559,644	-	-
Lease liabilities	579	692	-	-
	<u>542,254</u>	<u>668,329</u>	-	-
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	252,000	142,000	142,000	142,000
Less: Unamortised transaction costs	(2,844)	(1,690)	(1,197)	(1,690)
	249,156	140,310	140,803	140,310
Financial instruments with fixed interest rates				
Lease liabilities	28	125	-	-
	<u>249,184</u>	<u>140,435</u>	<u>140,803</u>	<u>140,310</u>
	<u>791,438</u>	<u>808,764</u>	<u>140,803</u>	<u>140,310</u>
Due within 2 to 5 years	542,254	668,329	-	-
Due after 5 years	-	-	-	-
	<u>542,254</u>	<u>668,329</u>	-	-

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

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15. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing costs)

	Notes	Maturity	Interest rate	31 March 2023 \$'000	31 December 2022 \$'000
Current borrowings					
\$67.5 million term loan (Bridging Facility A)	1	November 2023	2.50% + SORA [#]	67,500	67,500
\$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	3.50% + SORA [#]	60,000	-
\$20.0 million term loan (Facility A2)	2	January 2026	3.92% + SORA [#]	20,000	-
\$30.0 million term loan (Facility B1)	2	January 2024	3.50% + SORA [#]	22,500	-
\$10.0 million term loan (Facility B2)	2	January 2026	3.92% + SORA [#]	7,500	-
Committed revolving loan facility	3	August 2023	2.10% + SORA [#]	7,000	7,000
Non-current borrowings					
\$60.0 million term loan (Facility A1)	2	January 2024	3.50% + SORA [#]	-	60,000
\$20.0 million term loan (Facility A2)	2	January 2026	3.92% + SORA [#]	-	20,000
\$30.0 million term loan (Facility B1)	2	January 2024	3.50% + SORA [#]	-	22,500
\$10.0 million term loan (Facility B2)	2	January 2026	3.92% + SORA [#]	-	7,500
US\$231.8 million (31 December 2022: US\$238.8 million) Guaranteed Senior Notes	4	June 2024	7.25%	307,465	322,200
US\$181.7 million (31 December 2022: US\$181.7 million) Guaranteed Senior Notes	5	February 2026	7.50%	241,011	245,159
				800,476	819,359

* SOR refers to SGD Swap Offer Rate

SORA refers to Singapore Overnight Rate Average

- On 19 November 2018, the Group drew down \$135.0 million, which consists of two tranches, A and B, of \$67.5 million each, maturing in November 2022 and November 2023, respectively, at interest rate of 3.05% plus SOR per annum and 3.25% plus SOR per annum, respectively.

On 21 October 2022, the Group refinanced Facility A amounting to \$67.5 million due in November 2022 with a bridging loan (Bridging Facility A), maturing in November 2023 at interest rate of 2.50% plus SORA per annum.

- On 6 January 2021, the Group obtained a term loan facility of up to \$120.0 million and drew down \$110.0 million. The term loan facility comprises of \$60.0 million (Facility A1), \$20.0 million (Facility A2), \$22.5 million (Facility B1) and \$7.5 million (Facility B2) with maturity tenure of 36 months for Facility A1 and Facility B1 and 60 months for Facility A2 and Facility B2.

Facility A1 and Facility A2 were drawn down in January 2021; and Facility B1 and Facility B2 were drawn down in April 2021.

In October 2022, the Group restructured the interest rates of Facility A1 and Facility B1 to 3.50% plus SORA per annum and, Facility A2 and Facility B2 to 3.92% plus SORA per annum.

Notwithstanding that \$20.0 million (Facility A) and \$7.5 million (Facility B2) are maturing in January 2026, in view that the Manager is in active discussion with the bank lenders for a comprehensive solution to address the term loans maturing November 2023, January 2024 and January 2026 entirety and therefore Facility A2 and Facility B2 was classified as current in statements of finance position as at 31 March 2023.

- 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.

- Cross currency swap agreements were entered into to swap the US\$250.0 million Notes into SGD with a weighted average fixed interest rate of 6.71% per annum.

In December 2022, the Trust repurchased and cancelled an aggregate principal amount of US\$11.2 million of US\$250.0 million outstanding notes from the open market at a total cost of US\$8.4 million (\$11.4 million) at a gain of approximately US\$2.6 million (\$3.6 million) using internal funding. The outstanding amount of notes amounting to US\$238.8 million as at 31 December 2022.

In January and March 2023, the Trust repurchased and cancelled an aggregate principal amount of US\$7.0 million of US\$250.0 million outstanding notes from the open market at a total cost of US\$5.24 million (\$7.0 million) at a gain of approximately US\$1.7 million (\$2.2 million) using internal funding. The outstanding amount of notes amounting to US\$231.8 million as at 31 March 2023.

- Cross currency swap agreements were entered into to swap US\$180.0 million of the US\$200.0 million Notes into SGD with a weighted average interest rate of 6.97% plus 6-month SORA per annum.

In September and December 2022, the Trust repurchased and cancelled an aggregate principal amount of US\$18.3 million of US\$200.0 million outstanding notes from the open market at a total cost of US\$12.6 million (\$17.2 million) at a gain of approximately US\$5.2 million (\$7.1 million) using internal funding. The outstanding amount of notes amounting to US\$181.7 million as at 31 March 2023 and 31 December 2022.

Lippo Malls Indonesia Retail Trust

15. Other financial liabilities (cont'd)

Financial risk management

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

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

	Group	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Total gross borrowings and deferred payments	800,476	819,359
Total deposited property	<u>1,866,741</u>	<u>1,835,672</u>
Aggregated leverage ratio (%)	<u>42.9%</u>	<u>44.6%</u>
Interest coverage ratio (times) ⁽¹⁾	<u>2.0</u>	<u>2.1</u>
Adjusted interest coverage ratio (times) ⁽¹⁾	<u>1.7</u>	<u>1.7</u>

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

Interest coverage ratio was 2.2* (31 December 2022: 2.3) times in accordance with covenants of the borrowings, calculated based on ratio of consolidated NPI over consolidated interest expenses in accordance with the financial covenants of borrowings facilities. Ratio is calculated by dividing the trailing 12 months NPI by the trailing 12 months interest expense.

*The Manager has sought and obtained majority consent from Bank Lenders to reset in respect of the financial covenants relating to ratio of consolidated NPI over consolidated interest expense under the term loans' Bridging Facility A, Facility B, Facility A1, Facility B1, Facility A2, Facility B2 and committed revolving loan facility as disclosed in note 15, to maintains the ratio of 1.75 times for the quarter periods ending 31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023.

16. Other non-financial liabilities, non-current

	Group	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Advance payments by tenants	<u>81,530</u>	<u>77,956</u>

This relates to rental received in advance from certain tenants.

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

Lippo Malls Indonesia Retail Trust

17. Trade and other payables

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
<u>Other payables, non-current</u>				
Subsidiary - LMIRT Capital	-	-	677,966	692,269
<u>Trade payables, current</u>				
Outside parties and accrued liabilities	32,411	32,472	8,319	9,006
Related parties	<u>2,566</u>	<u>2,505</u>	-	-
	<u>34,977</u>	<u>34,977</u>	<u>8,319</u>	<u>9,006</u>
<u>Other payables, current</u>				
Subsidiaries ^(#)	-	-	68,456	65,836
Other payables	<u>11,202</u>	<u>11,168</u>	-	-
	<u>11,202</u>	<u>11,168</u>	<u>68,456</u>	<u>65,836</u>
	<u>46,179</u>	<u>46,145</u>	<u>76,775</u>	<u>74,842</u>
Total trade and other payables	<u>46,179</u>	<u>46,145</u>	<u>754,741</u>	<u>767,111</u>

LMIRT Capital, being the treasury entity of the Group, raises funds and on lend the proceeds to the Trust for its acquisition or refinancing purpose.

The interest rates and repayment terms of the loan from LMIRT Capital are dependent on and linked to the terms of the financial instruments it entered into.

(#) Included in this balance are amount due to subsidiaries amounting to \$46,080,000 (31 December 2022: \$45,467,000) that are unsecured, bear fixed interest rates ranging from 5.00% to 9.35% (31 December 2022: 5.00% to 9.35%) per annum and with a fixed term of repayment. The carrying amount is a reasonable approximation of fair value (Level 2).

18. Other non-financial liabilities, current

	<u>Group</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Security deposits from tenants	<u>46,316</u>	<u>44,430</u>

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

Lippo Malls Indonesia Retail Trust

19. Net asset value per unit attributable to Unitholders

	<u>Group</u>		<u>Trust</u>	
	31 March <u>2023</u>	31 December <u>2022</u>	31 March <u>2023</u>	31 December <u>2022</u>
Numerator				
Net assets attributable to Unitholders at end of period/year (\$'000)	<u>576,162</u>	<u>526,978</u>	<u>362,829</u>	<u>375,276</u>
Net tangible assets attributable to Unitholders at end of period/year (\$'000)	<u>566,742</u>	<u>516,467</u>	<u>362,829</u>	<u>375,276</u>
Denominator				
Units in issue (Note 20)	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>
Net asset value (NAV) per unit attributable to Unitholders (in cents)	<u>7.49</u>	<u>6.85</u>	<u>4.71</u>	<u>4.88</u>
Net tangible assets (NTA) per unit attributable to Unitholders (in cents)	<u>7.36</u>	<u>6.71</u>	<u>4.71</u>	<u>4.88</u>

20. Units in issue

20A. Units in issue

	<u>Group and Trust</u>	
	31 March <u>2023</u> Number of units	31 December <u>2022</u> Number of units
At beginning of period/year	7,696,809,979	7,673,336,012
Manager's management fees settled in units	-	23,473,967
At end of period/year	<u>7,696,809,979</u>	<u>7,696,809,979</u>

In March 2022, 23,473,967 new units were issued, at issue price of \$0.0542 per unit as payment of performance fee component of the Manager's management fee for the period from 1 April 2021 to 30 June 2021. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last ten business days of the relevant quarter in which the management fees accrued.

Lippo Malls Indonesia Retail Trust

20. Units in issue (cont'd)

20B. Details of changes in issued and issuable units

	<u>Group and Trust</u>	
	31 March <u>2023</u> Unit	31 December <u>2022</u> Unit
Issued units at end of period/year	<u>7,696,809,979</u>	<u>7,696,809,979</u>

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

21. Perpetual securities

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

	<u>Group and Trust</u>	
	31 March <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	14,319
Distributions to perpetual securities holders	<u>-</u>	<u>(16,985)</u>
At end of period/year	<u>256,787</u>	<u>256,787</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 \$140.0 million perpetual securities are payable on 27 March and 27 September each year and the \$120.0 million perpetual securities are payable on 19 June and 19 December each year.

On 19 December 2022, the distribution rate applicable to the \$120.0 million perpetual securities has been reset. The distribution rate in respect of the period from the first reset date (being 19 December 2022) to the immediately following reset date (being 19 December 2027) shall be 8.0960%.

On 27 September 2021, the distribution rate applicable to the \$140.0 million perpetual securities has been reset. The distribution rate 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%.

While the Manager is exploring options to maintain a sustainable capital structure and addressing its maturing loan obligations, in order to conserve cash, LMIR Trust announced on 20 March 2023, it had ceased distributions to the holders of the \$140.0 million perpetual securities. As a result of this discretion, no distributions to the holders of the \$120.0 million perpetual securities, unless and until certain conditions are made.

Lippo Malls Indonesia Retail Trust

22. Related party relationships and transactions

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

The ultimate controlling party is PT Lippo Karawaci Tbk, a company incorporated in Indonesia.

22A. Related party transactions

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

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

	<u>Group</u> First quarter ended 31 March	
	<u>2023</u> \$'000	<u>2022</u> \$'000
Manager		
Manager's management fees expense	2,384	2,550
Trustee		
Trustee's fees expense	109	114
Property manager		
Property manager fees expense	1,647	1,717
Affiliates of Sponsor ⁽¹⁾		
Rental revenue and service charge ⁽²⁾	<u>8,441</u>	<u>13,499</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, PT Link Net, and PT Rumah Sakit Siloam Hospital Sumsel. The affiliates of the Sponsor are entities that either have common shareholders with the Sponsor, or in which the Sponsor has an interest.

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

Lippo Malls Indonesia Retail Trust

23. Financial ratios

	<u>Group</u>		<u>Trust</u>	
	<u>Period</u>		<u>Period</u>	
	<u>ended 31 March</u>		<u>ended 31 March</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾	0.97%	0.87%	1.07%	0.87%
Expenses to average net assets ratio – including performance related fee ⁽¹⁾	1.59%	1.39%	1.87%	1.51%
Portfolio turnover ratio ⁽²⁾	-	-	-	-

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

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

24. Changes and adoption of financial reporting standards

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

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

Supplementary Financial Disclosures Required by the Mainboard Rules
Appendix 7.2

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

Financial Position as of 31 March 2023 vs 31 December 2022

Investment properties

As at 31 March 2023, the carrying amounts of investment properties were based on valuations as at 31 December 2022, performed by external independent valuers, and adjusted for capital expenditure incurred subsequent to the valuation date and translation differences. The investment properties are denominated in IDR. In SGD, increase of \$42.3 million or 3% in investment properties was mainly due to strengthening of IDR against SGD as at 31 March 2023. In IDR terms, the investment properties were IDR25.4 billion or 0.1% higher in 31 March 2023 mainly due to AEI expenditure capitalised.

Intangible assets

Refer to NTA 11 of the condensed interim financial statements, the decrease is mainly due to amortisation for the period as at 31 March 2023.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$32.7 million (31 December 2022: \$32.7 million) and other receivables (net of allowance for impairment) of \$7.8 million (31 December 2022: \$8.3 million) as at 31 March 2023.

Trade receivables (before taking into account of allowance for impairment) was \$43.2 million (31 December 2022: \$43.1 million), of which \$6.4 million (31 December 2022: \$7.0 million) was due from related party tenants and \$36.8 million (31 December 2022: \$36.1 million) was due from non-related party tenants.

Other receivables (before taking into account of allowance for impairment) was \$8.3 million (31 December 2022: \$8.7 million). Decrease in other receivables was mainly due to settlement of other receivables.

Subsequent to the year ended 31 March 2023, \$4.4 million of trade receivables were collected, of which \$0.8 million was from related party tenants and \$3.6 million were from non-related party tenants.

Cash and cash equivalents

The Group generated net positive cash flow from operating activities amounted to \$13.2 million for the quarter ended 31 March 2023, compared to 31 March 2022 of \$21.8 million, was mainly due to higher payment for prepaid tax and trade and other payables.

Net cash flows used in investing activities of \$2.4 million relating to asset enhancement initiative expenditure of \$2.2 million, including \$1.0 million and \$0.4 million spent for Gajah Mada Plaza and Lippo Mall Puri respectively.

Net cash flows used in financing activities amounting to \$24.5 million which included payment of interest expenses of \$15.8 million, repurchased part of US\$250.0 million Guaranteed Senior Notes from the open market amounting to \$7.0 million, and distribution to unitholders of \$3.1 million in respect of 4Q 2022 financial results in March 2023.

Cash and cash equivalents of the Group was \$99.5 million as at 31 March 2023 (31 December 2022: \$111.0 million).

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)

Financial Position as of 31 March 2023 vs 31 December 2022 (cont'd)

Other financial liabilities

Other financial liabilities decreased by approximately \$17.3 million to \$791.4 million as at 31 March 2023 from \$808.8 million as at 31 December 2022. This was mainly due to the Group repurchased and cancelled an aggregate principal amount of US\$7.0 million of US\$250.0 million Guaranteed Senior Notes from the open market with a total cost of US\$5.2 million (\$7.0 million) for the period ended 31 March 2023, and strengthening of SGD against USD in 31 March 2023 compared to 31 December 2022.

Derivative financial instruments

The movements in derivative financial assets (current) and derivative financial liabilities (current and non-current) were mainly due to fair value changes in the cross currency swap contracts and currency option contracts, the increase in fair value of derivative financial instruments was mainly due to favourable movement of foreign exchange rate for USD to SGD compared to contracted exchange rate, as well as the interest rate element committed in the cross currency swap contracts.

Unitholders' funds

The increase in unitholders' fund was mainly due to strengthening of IDR against SGD and total return for the period.

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		
	1Q 2023 \$'000	1Q 2022 \$'000	Variance % Favourable/ (Unfavourable)
Statement of Total Return			
Gross rental income	27,756	30,496	(9.0%)
Carpark income	1,239	1,305	(5.1%)
Service charge and utilities recovery	19,573	18,693	4.7%
Other rental income	329	409	(19.6%)
Gross revenue	48,897	50,903	(3.9%)
Land rental expense	(346)	(352)	1.7%
Property management fees	(1,647)	(1,717)	4.1%
Legal and professional fees	(378)	(429)	11.9%
Depreciation of plant and equipment	(627)	(732)	14.3%
Net reversal/(allowance) for impairment loss on trade receivables	181	(1,749)	NM
Property operating and maintenance expenses	(14,920)	(14,586)	(2.3%)
Other property operating expenses	(336)	(71)	NM
Property operating expenses	(18,073)	(19,636)	8.0%
Net property income	30,824	31,267	(1.4%)
Interest income	336	295	13.9%
Other income	2,249	-	NM
Manager's management fees	(2,384)	(2,500)	4.6%
Trustee's fees	(109)	(114)	4.4%
Finance costs	(17,462)	(14,332)	(21.8%)
Other expenses	(667)	(717)	(7.0%)
Net income	12,787	13,899	(8.0%)
Realised losses on derivative financial instruments	(222)	-	NM
Decrease in fair values of derivative financial instruments	(168)	(11,847)	(98.6%)
Realised foreign exchange losses	(1,069)	(538)	98.7%
Unrealised foreign exchange gains/(losses)	8,753	(1,399)	NM
Amortisation of intangible assets	(1,341)	(1,761)	(23.9%)
Total return/(loss) for the period before tax	18,740	(1,646)	NM
Income tax expense	(6,098)	(6,179)	(1.3%)
Total return/(loss) for the period	12,642	(7,825)	NM
Other comprehensive return/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations, net of tax	39,621	(6,742)	NM
Total comprehensive loss for the period	52,263	(14,567)	NM

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)

Financial results 1Q 2023 vs 1Q 2022

Rental revenue in 1Q 2023 decreased by \$2.7 million or 9.0% as compared to 1Q 2022. In IDR terms, rental revenue decreased by IDR6.2 billion or 1.9%. The decrease was mainly due to:

- (i) lower revenue contribution from Lippo Plaza Kendari and Lippo Plaza Jogja due to expiry of master leases in June 2022 and December 2022 respectively,
- (ii) lower revenue contribution from malls undergoing AEI works.

Service charge and utilities recovery in 1Q 2023 increased by \$0.9 million or 4.7% as compared to 1Q 2022. In IDR terms, service charge and utilities recovery in 1Q 2023 increased by IDR25.4 billion or 12.8%. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants upon a more relaxed operating environment in 1Q 2023.

Net reversal of allowance for impairment loss on trade receivables was \$0.2 million in 1Q 2023 compared to allowance for impairment loss of \$1.7 million in 1Q 2022 mainly due to continued improvement in collection from tenants.

Included in other income/(losses) account is a gain of \$2.2 million from the repurchased and cancelled of Guaranteed Senior Notes in 1Q 2023.

Finance costs in 1Q 2023 increased by \$3.1 million from 1Q 2022. The increase was mainly due to higher interest rates on term loans and a Guaranteed Senior Note with cross currency arrangement that swap the currency into SGD with a floating interest rate.

The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. The decrease in fair value of derivative financial instruments of \$0.2 million in 1Q 2023 was mainly due to changes in the market observable inputs, including forward foreign exchange rates and interest rate curves, used in the valuation model. The change in fair value of derivative financial instrument was a non-cash item and does not affect the amount of distribution to unitholders.

Higher realised foreign exchange losses at \$1.1 million in 1Q 2023 compared to \$0.5 million in 1Q 2022 was mainly due to redemption of redeemable preference shares ("RPS") in 1Q 2023. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the period ended 31 March 2023 has resulted in realised foreign exchange losses. The redemption of RPS in 1Q 2023 was mainly due to the repatriation of funds from Indonesia.

Unrealised foreign exchange gain was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$413.5 million (31 December 2022: \$420.5 million) in aggregate where SGD strengthened against USD since 31 December 2022.

Income tax expenses of \$6.1 million in 1Q 2023 mainly due to (i) income tax on revenue of \$5.1 million, and (ii) \$0.9 million withholding tax on dividend and interest income on loans by Singapore subsidiaries to Indonesian subsidiaries in 1Q 2023.

Exchange differences on translating foreign operations relates to foreign exchange differences arising from translating items denominated in IDR in the statement of financial position of the respective Indonesian subsidiaries, into SGD using the month end exchange rate. A translation gain of \$39.6 million was recorded in 1Q 2023 compared to a loss of \$6.7 million that of 1Q 2022 was mainly due to strengthening of IDR against SGD compared to 31 December 2022.

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

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

Following the removal of all remaining COVID-19 restrictions in Indonesia since December 2022, the Indonesian economy is projected to grow within the range of 4.5% to 5.3% on the back of increasing household consumption and investment in line with improving public mobility.¹ However, the high interest rates environment, volatile foreign exchange market and ongoing geopolitical risks continue to present challenges to the operating environment.

The benchmark rate remains unchanged at 5.75% since January 2023. With that, Bank Indonesia (“BI”) has raised a total of 225 basis points between August 2022 to January 2023 and is confident that headline inflation should return to its 3.0%±1% target range in September this year. In fact, in March 2023, Indonesia’s annual inflation decreased to 4.97% from 5.47% in the previous month, making this the lowest in seven months. Annual core inflation also dropped to 2.94% from 3.09% in February 2023.² According to analysts, further rate increases this year is unlikely. On the volatile currency market however, BI will continue to monitor and intervene as appropriate to stabilise the Indonesian Rupiah and mitigate any global risks.³

On the retail front, Real Sales Index rose 4.8% year-on-year (“YoY”) to a level of 215.2 in March 2023, largely attributable to stronger retail sales performance of food, beverages and tobacco, cultural and recreational goods as well as clothing, while retail sales of information and communication equipment improved on the previous period despite remaining in a contractionary phase. On a monthly basis, positive retail sales growth accelerated to 7.0% in March 2023 after experiencing a 3.4% contraction the month earlier, mainly driven by improvements in all commodity groups given the seasonal bump in demand due to Ramadan which boosted domestic demand. In terms of prices, retailers anticipate milder inflationary pressures in May and August 2023 as the seasonal impact of Ramadan and Eid-ul-Fitr fades, coupled with the uninterrupted distribution of goods, as indicated by the respective declines in the 3 and 6-month Price Expectations Index for May and August 2023 to 130.3 and 128.1 from 145.1 and 133.5.⁴

In view of the macroenvironment headwinds, LMIR Trust will be focusing on maintaining a policy of prudent and proactive capital management with adequate financial flexibility to facilitate the steady growth of the Trust and sustainable returns for unitholders. As such, on 20 March 2023, the Manager announced that it has elected to withhold distributions on the S\$140 million perpetual securities, thus invoking the dividend stopper to our Unitholders commencing from the first quarter ended 31 March 2023. The Manager has appointed Stirling Coleman Capital Limited as our Financial Advisor in relation to the capital management initiatives of LMIR Trust. We will update Unitholders with regard to this in due course.

¹ 6 February 2023, Bank Indonesia – Solid economic growth persists in Indonesia

² 3 April 2023, Bank Indonesia – Inflation under control in March 2023

³ 16 March 2023, Reuters – Bank Indonesia leaves rates unchanged, uses FX intervention amid market turmoil

⁴ 12 April 2023, Bank Indonesia – Retail Sales Survei March 2023: Retail Sales Increased

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: No

(b) Corresponding period of the preceding financial period

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

Name of distribution:	Yes 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

(c) Date payable: Not applicable

(d) Record date: Not applicable

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

LMIR Trust announced on 20 March 2023, it had ceased distributions to the holders of the \$140.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are made.

6. Interested Person Transactions Mandate

LMIR Trust has not obtained 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 LTD.
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Mr Liew Chee Seng James
Executive Director and Chief Executive Officer
27 April 2023