



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the fourth quarter and full year ended 31 December 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 December 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 LMIR 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

| | Group Performance | | | | | |
|--|-------------------------------------|-----------------------|--|---------------------------|-----------------------|--|
| | Fourth quarter ended 31 December | | Variance Favourable/ (Unfavourable) % | Year ended 31 December | | Variance Favourable/ (Unfavourable) % |
| | <u>2022</u> \$'000 | <u>2021</u> \$'000 | | <u>2022</u> \$'000 | <u>2021</u> \$'000 | |
| Rental revenue | 28,595 | 27,928 | 2.4% | 119,206 | 101,740 | 17.2% |
| Car park revenue | 1,353 | 1,442 | (6.2%) | 5,588 | 4,848 | 15.3% |
| Service charge and utilities recovery | 19,941 | 19,024 | 4.8% | 78,241 | 64,681 | 21.0% |
| Other rental income | 482 | 2,522 | (80.9%) | 1,679 | 3,798 | (55.8%) |
| Gross revenue (Note A) | <u>50,371</u> | <u>50,916</u> | (1.1%) | <u>204,714</u> | <u>175,067</u> | 16.9% |
| Net property income | 31,818 | 29,359 | 8.4% | 130,482 | 104,239 | 25.2% |
| Amount available for distribution: | | | | | | |
| Unitholders of the Trust | - | - | NM | - | - | NM |
| Perpetual securities holders | 1,615 | 4,281 | (62.3%) | 14,319 | 17,526 | (18.3%) |
| Distributable amount | <u>1,615</u> | <u>4,281</u> | (62.3%) | <u>14,319</u> | <u>17,526</u> | (18.3%) |
| Distribution to Unitholders (Note B) | <u>3,079</u> | <u>6,906</u> | (55.4%) | <u>23,860</u> | <u>26,857</u> | (11.2%) |
| Distribution per unit ("DPU") (in cents) (Note 9) | <u>0.0400</u> | <u>0.0900</u> | (55.6%) | <u>0.3100</u> | <u>0.3500</u> | (11.4%) |

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> | | | | | |
|---------------------------------------|---|----------------------------|---|---|----------------------------|---|
| | <u>Fourth quarter</u> <u>ended 31 December</u> | | Variance Favourable/ <u>(Unfavourable)</u> % | <u>Year</u> <u>ended 31 December</u> | | Variance Favourable/ <u>(Unfavourable)</u> % |
| | <u>2022</u> IDR million | <u>2021</u> IDR million | | <u>2022</u> IDR million | <u>2021</u> IDR million | |
| Rental revenue | 321,158 | 279,860 | 14.8% | 1,282,954 | 1,068,929 | 20.0% |
| Car park revenue | 15,188 | 14,524 | 4.6% | 60,141 | 50,935 | 18.1% |
| Service charge and utilities recovery | 223,239 | 191,485 | 16.6% | 842,068 | 679,570 | 23.9% |
| Other rental income | 5,364 | 26,263 | (79.6%) | 18,070 | 39,904 | (54.7%) |
| Gross revenue | <u>564,949</u> | <u>512,132</u> | 10.3% | <u>2,203,233</u> | <u>1,839,338</u> | 19.8% |
| Net property income | 357,037 | 294,699 | 21.2% | 1,404,312 | 1,095,185 | 28.2% |
| Exchange rate (IDR to SGD) | | | | 10,762.50 | 10,506.48 | (2.4%) |

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 refinance its maturing debt obligations, in order to conserve cash, LMIR Trust has declared a reduced distribution of \$3,079,000 for the fourth quarter ended 31 December 2022.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return For the fourth quarter and full year ended 31 December 2022

| | Note | Group | | | |
|---|------|-------------------------------------|-----------------|---------------------------|-----------------|
| | | Fourth quarter ended 31 December | | Year ended 31 December | |
| | | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Gross revenue | 3 | 50,371 | 50,916 | 204,714 | 175,067 |
| Property operating expenses | 4 | (18,553) | (21,557) | (74,232) | (70,828) |
| Net property income | | 31,818 | 29,359 | 130,482 | 104,239 |
| Interest income | | 532 | 244 | 1,641 | 1,508 |
| Other income/(losses) | | 7,755 | - | 10,642 | (13) |
| Manager's management fees | 5 | (2,435) | (2,475) | (10,179) | (9,296) |
| Trustee's fees | | (128) | (117) | (473) | (466) |
| Finance costs | 6 | (16,716) | (15,239) | (62,739) | (60,307) |
| Other expenses | | (2,199) | (225) | (4,123) | (4,250) |
| Net income | | 18,627 | 11,547 | 65,251 | 31,415 |
| Increase/(Decrease) in fair value of investment properties | | 37,308 | (902) | 32,310 | (31,382) |
| Realised gains/(losses) on derivative financial instruments | | 24 | (2,930) | (304) | 843 |
| (Decrease)/Increase in fair value of derivative financial instruments | | (29,909) | (5,253) | (29,849) | 8,486 |
| Realised foreign exchange losses | 7 | (806) | (330) | (11,811) | (626) |
| Unrealised foreign exchange gains/(losses) | 7 | 31,295 | 536 | (563) | (8,774) |
| Amortisation of intangible assets | 11 | (1,600) | (2,110) | (6,813) | (7,570) |
| Total return/(loss) for the period/year before tax | | 54,939 | 558 | 48,221 | (7,608) |
| Income tax expense | 8 | (25,994) | (9,872) | (46,638) | (24,905) |
| Total return/(loss) for the period/year | | 28,945 | (9,314) | 1,583 | (32,513) |
| Other comprehensive return | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating foreign operations, net of tax | | (165,630) | (1,661) | (161,889) | 11,042 |
| Total comprehensive loss for the period/year | | (136,685) | (10,975) | (160,306) | (21,471) |
| Total return/(loss) for the period/year attributable to: | | | | | |
| Unitholders of the Trust | | 27,330 | (13,595) | (12,736) | (50,039) |
| Perpetual securities holders | | 1,615 | 4,281 | 14,319 | 17,526 |
| | | <u>28,945</u> | <u>(9,314)</u> | <u>1,583</u> | <u>(32,513)</u> |
| Total comprehensive loss attributable to: | | | | | |
| Unitholders of the Trust | | (138,300) | (15,256) | (174,625) | (38,997) |
| Perpetual securities holders | | 1,615 | 4,281 | 14,319 | 17,526 |
| | | <u>(136,685)</u> | <u>(10,975)</u> | <u>(160,306)</u> | <u>(21,471)</u> |
| | | <u>Cents</u> | <u>Cents</u> | <u>Cents</u> | <u>Cents</u> |
| Earnings per unit | | | | | |
| Basic and diluted | 9 | <u>0.36</u> | <u>(0.18)</u> | <u>(0.17)</u> | <u>(0.68)</u> |

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 fourth quarter and full year ended 31 December 2022

| | <u>Group</u> | | | |
|---|--------------------------|----------------|--------------------------|-----------------|
| | Fourth quarter | | Year | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total return/(loss) for the period/year | 28,945 | (9,314) | 1,583 | (32,513) |
| Add: Net adjustments (Note A below) | <u>(28,945)</u> | <u>9,314</u> | <u>(1,583)</u> | <u>32,513</u> |
| Income available for distribution to Unitholders | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unitholders' distribution: | | | | |
| - As distribution from operations | - | - | - | - |
| - As distribution of Unitholders' capital contribution | <u>3,079</u> | <u>6,906</u> | <u>23,860</u> | <u>26,857</u> |
| | <u>3,079</u> | <u>6,906</u> | <u>23,860</u> | <u>26,857</u> |
| Note A – Net adjustments | | | | |
| (Increase)/Decrease in fair value of investment properties, net of deferred tax | (21,632) | 2,074 | (16,634) | 31,720 |
| Manager's management fees payable in units | - | - | - | 1,272 |
| Depreciation of plant and equipment | 347 | 703 | 2,432 | 2,750 |
| Decrease/(Increase) in fair value of derivative financial instruments | 29,909 | 5,253 | 29,849 | (8,486) |
| Unrealised foreign exchange losses/(gains) | (31,295) | (536) | 563 | 8,774 |
| Amortisation of intangible assets | 1,600 | 2,110 | 6,813 | 7,570 |
| Amount reserved for distribution to perpetual securities holders | (1,615) | (4,281) | (14,319) | (17,526) |
| Gain on repurchase of Guaranteed Senior Notes | (7,755) | - | (10,642) | - |
| Other adjustments [#] | <u>1,496</u> | <u>3,991</u> | <u>355</u> | <u>6,439</u> |
| | <u>(28,945)</u> | <u>9,314</u> | <u>(1,583)</u> | <u>32,513</u> |

[#] Other adjustments for 4Q 2022, 4Q 2021, FY2022 and FY2021 represent an adjustment to arrive at Nil income available for distribution for 4Q 2022, 4Q 2021, FY2022 and FY2021.

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 December 2022

| | Note | Group | | Trust | |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2022 \$'000 | 31 December 2021 \$'000 | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
| <u>Non-current assets</u> | | | | | |
| Plant and equipment | | 5,582 | 6,836 | - | - |
| Investment properties | 10 | 1,655,812 | 1,788,915 | - | - |
| Intangible assets | 11 | 10,511 | 18,595 | - | - |
| Investments in subsidiaries | | - | - | 1,346,130 | 1,534,790 |
| Total non-current assets | | 1,671,905 | 1,814,346 | 1,346,130 | 1,534,790 |
| <u>Current assets</u> | | | | | |
| Trade and other receivables | 12 | 40,992 | 49,023 | 217,885 | 208,484 |
| Other non-financial assets | 13 | 11,738 | 43,364 | 80 | 64 |
| Cash and cash equivalents | 14 | 111,037 | 122,104 | 23,339 | 31,275 |
| Total current assets | | 163,767 | 214,491 | 241,304 | 239,823 |
| Total assets | | 1,835,672 | 2,028,837 | 1,587,434 | 1,774,613 |
| <u>Non-current liabilities</u> | | | | | |
| Deferred tax liabilities | | 21,878 | 8,199 | - | - |
| Other payables | 17 | - | - | 692,269 | 704,407 |
| Other financial liabilities | 15 | 668,329 | 778,510 | - | 73,533 |
| Other non-financial liabilities | 16 | 77,956 | 84,025 | - | - |
| Derivative financial instruments | | 47,922 | 12,628 | 47,922 | 12,628 |
| Total non-current liabilities | | 816,085 | 883,362 | 740,191 | 790,568 |
| <u>Current liabilities</u> | | | | | |
| Income tax payable | | 4,784 | 3,114 | - | 32 |
| Trade and other payables | 17 | 46,145 | 38,722 | 74,842 | 93,910 |
| Other financial liabilities | 15 | 140,435 | 67,646 | 140,310 | 67,194 |
| Other non-financial liabilities | 18 | 44,430 | 48,179 | - | - |
| Derivative financial instruments | | 28 | 343 | 28 | 343 |
| Total current liabilities | | 235,822 | 158,004 | 215,180 | 161,479 |
| Total liabilities | | 1,051,907 | 1,041,366 | 955,371 | 952,047 |
| Net assets | | 783,765 | 987,471 | 632,063 | 822,566 |
| Represented by: | | | | | |
| Unitholders' funds | | 526,978 | 728,018 | 375,276 | 563,113 |
| Perpetual securities | 21 | 256,787 | 259,453 | 256,787 | 259,453 |
| Net assets | | 783,765 | 987,471 | 632,063 | 822,566 |
| Net asset value per unit attributable to Unitholders (in cents) | | | | | |
| | 19 | 6.85 | 9.49 | 4.88 | 7.34 |

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

Lippo Malls Indonesia Retail Trust
Condensed interim statements of changes in unitholders' funds
For the fourth quarter and full year ended 31 December 2022

| | Fourth quarter | | Year | |
|--|-------------------|-----------------|-------------------|-----------------|
| | ended 31 December | | ended 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | |
| Unitholders' funds | | | | |
| At beginning of period/year | 672,205 | 750,180 | 728,018 | 509,329 |
| Operations | | | | |
| Total return/(loss) for the period/year | 28,945 | (9,314) | 1,583 | (32,513) |
| Less: Amount reserved for distribution to perpetual securities holders | (1,615) | (4,281) | (14,319) | (17,526) |
| Net increase/(decrease) in net assets resulting from operations attributed to Unitholders | 27,330 | (13,595) | (12,736) | (50,039) |
| Unitholders' contributions | | | | |
| Issuance of rights units | - | - | - | 276,397 |
| Manager's management fees settled in units | - | - | 1,272 | 2,629 |
| Manager's acquisition fees settled in units | - | - | - | 1,653 |
| Changes in net assets resulting from creation of units | - | - | 1,272 | 280,679 |
| Distributions | (6,927) | (6,906) | (27,687) | (22,993) |
| Total net assets before movements in foreign currency translation reserve and perpetual securities | 692,608 | 729,679 | 688,867 | 716,976 |
| Foreign currency translation reserve* | | | | |
| Net movement in other comprehensive return | (165,630) | (1,661) | (161,889) | 11,042 |
| At end of period/year | 526,978 | 728,018 | 526,978 | 728,018 |
| Perpetual securities | | | | |
| At beginning of period/year | 259,143 | 259,143 | 259,453 | 263,618 |
| Amount reserved for distribution to perpetual securities holders | 1,615 | 4,281 | 14,319 | 17,526 |
| Distributions to perpetual securities holders | (3,971) | (3,971) | (16,985) | (21,691) |
| At end of period/year | 256,787 | 259,453 | 256,787 | 259,453 |
| Net assets | 783,765 | 987,471 | 783,765 | 987,471 |

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

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

Lippo Malls Indonesia Retail Trust
Condensed interim statements of changes in unitholders' funds (cont'd)
For the fourth quarter and full year ended 31 December 2022

| | Fourth quarter ended 31 December | | Year ended 31 December | |
|---|-------------------------------------|-----------------------|---------------------------|-----------------------|
| | <u>2022</u> \$'000 | <u>2021</u> \$'000 | <u>2022</u> \$'000 | <u>2021</u> \$'000 |
| Trust | | | | |
| Unitholders' funds | | | | |
| At beginning of period/year | 430,746 | 616,017 | 563,113 | 412,098 |
| Operations | | | | |
| Total loss for the period/year | (46,928) | (41,717) | (147,103) | (89,145) |
| Less: Amount reserved for distribution to perpetual securities holders | (1,615) | (4,281) | (14,319) | (17,526) |
| Net decrease in net assets resulting from operations attributed to Unitholders | (48,543) | (45,998) | (161,422) | (106,671) |
| Unitholders' contributions | | | | |
| Issuance of rights units | - | - | - | 276,397 |
| Manager's management fees settled in units | - | - | 1,272 | 2,629 |
| Manager's acquisition fees settled in units | - | - | - | 1,653 |
| Changes in net assets resulting from creation of units | - | - | 1,272 | 280,679 |
| Distributions | (6,927) | (6,906) | (27,687) | (22,993) |
| At end of period/year | <u>375,276</u> | <u>563,113</u> | <u>375,276</u> | <u>563,113</u> |
| Perpetual securities | | | | |
| At beginning of period/year | 259,143 | 259,143 | 259,453 | 263,618 |
| Amount reserved for distribution to perpetual securities holders | 1,615 | 4,281 | 14,319 | 17,526 |
| Distributions to perpetual securities holders | (3,971) | (3,971) | (16,985) | (21,691) |
| At end of period/year | <u>256,787</u> | <u>259,453</u> | <u>256,787</u> | <u>259,453</u> |
| Net assets | <u>632,063</u> | <u>822,566</u> | <u>632,063</u> | <u>822,566</u> |

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

Lippo Malls Indonesia Retail Trust

Condensed interim statement of cash flows

For the fourth quarter and full year ended 31 December 2022

| | <u>Group</u> | | | |
|---|--------------------------|-------------|--------------------------|-------------|
| | Fourth quarter | | Year | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Cash flows from operating activities</u> | | | | |
| Total return/(loss) for the period/year before tax | 54,939 | 558 | 48,221 | (7,608) |
| Adjustments for: | | | | |
| Interest income | (532) | (244) | (1,641) | (1,508) |
| Interest expense and other related costs | 15,047 | 13,819 | 56,457 | 54,837 |
| Amortisation of borrowing costs | 1,669 | 1,420 | 6,282 | 5,470 |
| Depreciation of plant and equipment | 347 | 703 | 2,432 | 2,750 |
| Amortisation of intangible assets | 1,600 | 2,110 | 6,813 | 7,570 |
| Net (reversal)/allowance for impairment loss on trade and other receivables | (184) | 3,259 | (1,464) | 3,679 |
| (Increase)/Decrease in fair value of investment properties | (37,308) | 902 | (32,310) | 31,382 |
| Fair value losses/(gains) on derivative financial instruments | 29,909 | 5,253 | 29,849 | (8,486) |
| Gain on repurchase of Guaranteed Senior Notes | (7,755) | - | (10,642) | - |
| Plant and equipment written off | 8 | - | 8 | - |
| Unrealised foreign exchange (gains)/losses | (31,295) | (536) | 563 | 8,774 |
| Manager's management fees payable in units | - | - | - | 1,272 |
| Operating cash flows before changes in working capital | 26,445 | 27,244 | 104,568 | 98,132 |
| Trade and other receivables | 11,750 | (6,716) | 13,821 | (9,378) |
| Other non-financial assets | 34,329 | 1,678 | 32,871 | (30,765) |
| Trade and other payables | 1,000 | (401) | 14,797 | 1,114 |
| Other non-financial liabilities, current | (381) | (316) | 997 | 6,197 |
| Net cash flows from operations before tax | 73,143 | 21,489 | 167,054 | 65,300 |
| Income tax paid | (11,989) | (8,263) | (29,292) | (25,202) |
| Net cash flows from operating activities | 61,154 | 13,226 | 137,762 | 40,098 |
| <u>Cash flows from investing activities</u> | | | | |
| Acquisition of investment properties | - | - | - | (349,112) |
| Capital expenditure on investment properties | (1,486) | (6,827) | (9,734) | (15,930) |
| Purchase of plant and equipment | - | (1,201) | (2,241) | (1,871) |
| Interest received | 546 | 244 | 1,647 | 1,508 |
| Net cash flows used in investing activities | (940) | (7,784) | (10,328) | (365,405) |

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

Lippo Malls Indonesia Retail Trust

**Condensed interim statement of cash flows (cont'd)
For the fourth quarter and full year ended 31 December 2022**

| | <u>Group</u> | | | |
|---|----------------------------------|-----------------|----------------------------------|----------------|
| | Fourth quarter | | Year | |
| | ended 31 December <u>2022</u> | <u>2021</u> | ended 31 December <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Cash flows from financing activities</u> | | | | |
| Proceeds from bank borrowings | 67,500 | - | 67,500 | 117,000 |
| Proceeds from vendor financing | - | - | - | 40,000 |
| Repayment of bank borrowings | (67,500) | - | (67,500) | (219,000) |
| Repayment of vendor financing | - | - | - | (40,000) |
| Proceeds from bond issuance | - | - | - | 263,207 |
| Transaction costs on bond issuance | - | - | - | (4,078) |
| Transaction costs on bank borrowings | (1,472) | - | (1,472) | - |
| Other financial liabilities, current | (29) | 27 | (234) | (96) |
| Other non-financial liabilities, non-current | 189 | 8,019 | 2,041 | 3,642 |
| Interest paid | (16,112) | (13,819) | (56,878) | (54,837) |
| Proceeds from rights issue | - | - | - | 280,972 |
| Issue expenses paid in relation to rights issue | - | - | - | (4,575) |
| Distributions to unitholders | (6,927) | (6,906) | (27,687) | (22,993) |
| Distributions to perpetual security holders | (3,971) | (3,971) | (16,985) | (21,691) |
| Cash restricted in use for bank facilities | (129) | (11) | (1,839) | 557 |
| Repurchase of Guaranteed Senior Note | (18,958) | - | (28,608) | - |
| Net cash flows (used in)/from financing activities | <u>(47,409)</u> | <u>(16,661)</u> | <u>(131,662)</u> | <u>338,108</u> |
| Net increase/(decrease) in cash and cash equivalents | 12,805 | (11,219) | (4,228) | 12,801 |
| Cash and cash equivalents at beginning of period/year | 102,769 | 131,020 | 119,881 | 106,143 |
| Effect of exchange rate fluctuations on cash held | (8,599) | 80 | (8,678) | 937 |
| Cash and cash equivalents at end of period/year | <u>106,975</u> | <u>119,881</u> | <u>106,975</u> | <u>119,881</u> |
| Cash and cash equivalents per statement of cash flows | 106,975 | 119,881 | 106,975 | 119,881 |
| Add: Cash restricted in use for bank facilities | 4,062 | 2,223 | 4,062 | 2,223 |
| Cash and cash equivalents per statements of financial position (Note 14) | <u>111,037</u> | <u>122,104</u> | <u>111,037</u> | <u>122,104</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 December 2022

Indonesia retail malls Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 31 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 82,985 | Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040 | 75,306 | 9.6 | 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 | 9,807 | 1.3 | 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 | 68,530 | 8.7 | 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 | 39,605 | HGB title, expires on 5 May 2023 | 70,120 | 8.9 | 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 | 24,873 | 3.2 | 30,189 | 3.1 |

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 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 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 47,517 | 6.1 | 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 | 47,534 | BOT scheme, expires on 17 January 2034 | 34,994 | 4.5 | 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 | 224,374 | 28.6 | 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 | 43,401 | 5.5 | 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 | 56,158 | 7.2 | 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 December 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 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 27,275 | 3.5 | 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 | 65,511 | HGB title, expires on 24 October 2024 | 50,049 | 6.4 | 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 | 20,638 | 2.6 | 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 | 68,187 | 8.7 | 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 December 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 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 187,941 | 24.0 | 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 | 19,348 | 2.5 | 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 | 81,224 | 10.4 | 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 | 37,152 | 4.7 | 51,050 | 5.2 |
| 19. Lippo Plaza Kendari | Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia | 21 June 2017 | 34,831 | BOT scheme, expires on 7 July 2041 | 25,731 | 3.3 | 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 December 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 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 37,564 | 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 | 33,236 | 4.2 | 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 | 174,645 | HGB title, expires on 15 January 2040 | 331,887 | 42.3 | 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 December 2022

Indonesia retail spaces Group

| Description of property | Location | Acquisition date | Gross floor area in sqm | Tenure of land | Carrying value at 31 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 8,923 | 1.1 | 9,957 | 1.0 |
| 2. Metropolis Town Square Units | Jalan Hartono Raya, Sub-District of Cikokol, District of Cipete, Regency of Tangerang, Banten-Indonesia | 19 November 2007 | 15,248 | Strata title constructed on HGB title common land, expires on 27 December 2029 | 9,838 | 1.3 | 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 | 12,680 | 1.6 | 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 | 10,578 | 1.3 | 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 December 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 December 2022 \$'000 | Percentage of net assets at 31 December 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 | 13,966 | 1.8 | 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 | 18,490 | 2.4 | 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 | 6,025 | 0.8 | 7,064 | 0.7 |
| Investment properties | | | | | 1,655,812 | 211.3 | 1,788,915 | 181.1 |
| Other net liabilities | | | | | (872,047) | (111.3) | (801,444) | (81.1) |
| Net asset value | | | | | 783,765 | 100.0 | 987,471 | 100.0 |

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

Lippo Malls Indonesia Retail Trust

Notes to the condensed interim financial statements

1. General

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

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

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

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

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

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

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

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

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

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

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

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 2021.

Going concern

As at 31 December 2022, the Group’s current liabilities exceed its current assets by \$72,055,000. This notwithstanding, the financial statements have been prepared on a going concern basis due to the following reasons:

- (a) Based on the Group’s cash flow forecast for the next 12 months prepared by management and approved by the Board of Directors, management believes the Group will be able to pay its debts as and when they fall due. Although the Group’s operation and financial performance had been impacted by the Covid-19 pandemic since 2020, Indonesia is gradually transitions from the pandemic to endemic phase with the Indonesian authorities lifted all restrictions related to Covid-19 in December 2022. As such, the Group reported a total return of \$1,583,000 for the year ended 31 December 2022 compared to a total loss of \$32,513,000 in the prior year. 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
- (b) The Group has existing banking relationships with a number of banks and is in active discussions with them for the refinancing of the following:
 - Revolving loan facility amounting to \$7,000,000 which is maturing in August 2023;
 - Term loans amounting to \$135,000,000 which are maturing in November 2023; and
 - Term loans amounting to \$82,500,000 which are maturing in January 2024.

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

Lippo Malls Indonesia Retail Trust

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

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 and policies are continually changing. These uncertainties have impacted the Group's operations and may create questions regarding, among other things, the valuation of investment properties and allowance for impairment of trade receivables.

As Indonesia gradually transitions from pandemic to endemic phase the Indonesian authorities lifted all quarantine requirements for overseas visitors to spur tourism in the country with effect from March 2022, and the restrictions related to Covid-19 have been lifted in December 2022. At the same time, the global and domestic economic uncertainty remains elevated and has 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.

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

Lippo Malls Indonesia Retail Trust

3. Gross revenue

| | <u>Group</u> | | | |
|---------------------------------------|--------------------------|---------------|--------------------------|----------------|
| | Fourth quarter | | Year | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Rental revenue | 28,595 | 27,928 | 119,206 | 101,740 |
| Car park revenue | 1,353 | 1,442 | 5,588 | 4,848 |
| Service charge and utilities recovery | 19,941 | 19,024 | 78,241 | 64,681 |
| Other rental income | 482 | 2,522 | 1,679 | 3,798 |
| | <u>50,371</u> | <u>50,916</u> | <u>204,714</u> | <u>175,067</u> |

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

Due to uncertainties in the current operating environment arising from the Covid-19 pandemic where operations of the retail malls and retail spaces were 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 these are negotiated and granted and at times cover prior periods.

4. Property operating expenses

| | <u>Group</u> | | | |
|--|--------------------------|---------------|--------------------------|---------------|
| | Fourth quarter | | Year | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land rental expense | 351 | 428 | 1,439 | 1,442 |
| Property management fees | 1,690 | 1,760 | 6,964 | 5,868 |
| Legal and professional fees | 395 | 385 | 1,653 | 1,579 |
| Depreciation of plant and equipment | 347 | 703 | 2,432 | 2,750 |
| Net (reversal)/allowance for impairment of trade receivables | (245) | 3,258 | (512) | 3,679 |
| Property operating and maintenance expenses | 15,902 | 14,990 | 61,844 | 55,259 |
| Other property operating expenses | 113 | 33 | 412 | 251 |
| | <u>18,553</u> | <u>21,557</u> | <u>74,232</u> | <u>70,828</u> |

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

| | <u>Group</u> | | | |
|---------------------------|--------------------------|--------------|--------------------------|--------------|
| | <u>Fourth quarter</u> | | <u>Year</u> | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Base fee | 1,152 | 1,257 | 4,864 | 5,061 |
| Performance fee | 1,272 | 1,175 | 5,219 | 4,171 |
| Authorised investment fee | 11 | 43 | 96 | 64 |
| | <u>2,435</u> | <u>2,475</u> | <u>10,179</u> | <u>9,296</u> |

6. Finance costs

| | <u>Group</u> | | | |
|---------------------------------|--------------------------|---------------|--------------------------|---------------|
| | <u>Fourth quarter</u> | | <u>Year</u> | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest expense | 15,010 | 13,780 | 56,323 | 54,542 |
| Amortisation of borrowing costs | 1,669 | 1,420 | 6,282 | 5,470 |
| Issuance and commitment fees | 37 | 39 | 134 | 295 |
| | <u>16,716</u> | <u>15,239</u> | <u>62,739</u> | <u>60,307</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\$420.5 million (31 December 2021: US\$450.0 million) in aggregate.

8. Income tax

| | <u>Group</u> | | | |
|----------------------|--------------------------|--------------|--------------------------|---------------|
| | <u>Fourth quarter</u> | | <u>Year</u> | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current tax | | | | |
| Singapore income tax | - | - | 2 | - |
| Foreign income tax | 6,076 | 6,471 | 21,749 | 19,045 |
| Withholding tax | 4,242 | 2,229 | 9,211 | 5,522 |
| | <u>10,318</u> | <u>8,700</u> | <u>30,962</u> | <u>24,567</u> |
| Deferred tax | | | | |
| Deferred tax expense | 15,676 | 1,172 | 15,676 | 338 |
| | <u>25,994</u> | <u>9,872</u> | <u>46,638</u> | <u>24,905</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> | | | |
|--|-------------------------------------|----------------------|---------------------------|----------------------|
| | Fourth quarter ended 31 December | | Year ended 31 December | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Numerator | | | | |
| Total return/(loss) after tax | 28,945 | (9,314) | 1,583 | (32,513) |
| Less: Amount reserved for distribution to perpetual securities holders | <u>(1,615)</u> | <u>(4,281)</u> | <u>(14,319)</u> | <u>(17,526)</u> |
| Total return/(loss) attributable to Unitholders | <u>27,330</u> | <u>(13,595)</u> | <u>(12,736)</u> | <u>(50,039)</u> |
| Denominator | | | | |
| Weighted average number of units | <u>7,696,809,979</u> | <u>7,673,336,012</u> | <u>7,691,214,814</u> | <u>7,401,389,958</u> |
| EPU (in cents) ⁽¹⁾ | <u>0.36</u> | <u>(0.18)</u> | <u>(0.17)</u> | <u>(0.68)</u> |
| Adjusted EPU (in cents) ⁽²⁾ | <u>0.07</u> | <u>(0.15)</u> | <u>(0.38)</u> | <u>(0.24)</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> | | | |
|------------------------------------|-------------------------------------|----------------------|---------------------------|----------------------|
| | Fourth quarter ended 31 December | | Year ended 31 December | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Numerator | | | | |
| Distribution to Unitholders | <u>3,079</u> | <u>6,906</u> | <u>23,860</u> | <u>26,857</u> |
| Denominator | | | | |
| Number of units in issue (note 20) | <u>7,696,809,979</u> | <u>7,673,336,012</u> | <u>7,696,809,979</u> | <u>7,673,336,012</u> |
| DPU (in cents) | <u>0.0400</u> | <u>0.0900</u> | <u>0.3100</u> | <u>0.3500</u> |

Lippo Malls Indonesia Retail Trust

10. Investment properties

| | <u>Group</u> | | | |
|--|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> IDR'000 | 31 December <u>2021</u> IDR'000 |
| At valuation | | | | |
| At beginning of year | 1,788,915 | 1,459,360 | 18,844,019,663 | 15,533,560,350 |
| Acquisition of investment property | - | 328,092 | - | 3,473,393,043 |
| Enhancement expenditure capitalised | 9,734 | 15,930 | 113,489,173 | 167,640,259 |
| | <u>1,798,649</u> | <u>1,803,382</u> | <u>18,957,508,836</u> | <u>19,174,593,652</u> |
| Changes in fair value included in profit or loss | 32,310 | (31,382) | 347,734,973 | (330,573,989) |
| Foreign exchange translation | <u>(175,147)</u> | <u>16,915</u> | <u>-</u> | <u>-</u> |
| At end of year | <u><u>1,655,812</u></u> | <u><u>1,788,915</u></u> | <u><u>19,305,243,809</u></u> | <u><u>18,844,019,663</u></u> |

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

Measurement of fair value

Investment properties are stated at fair value based on valuations performed by external independent valuers having appropriate recognised professional qualifications and relevant experience in the location and category of the investment properties being valued.

In determining the fair value, the valuers have used valuation method which involve certain estimates. The key valuation assumptions used to determine the fair value of investment properties include discount rates, growth rates, terminal capitalisation rates and expected rental cashflows. The Manager reviews the appropriateness of the valuation method, assumptions and estimates adopted and is of the view that they are reflective of the current market conditions as at 31 December 2022.

All fair value measurements of investment properties are based on income approach, which includes the discounted cash flow method and direct capitalisation method and are categorised within Level 3 of the fair value hierarchy.

Lippo Malls Indonesia Retail Trust

10. Investment properties (cont'd)

Significant unobservable inputs

The significant unobservable inputs used in the fair value measurements are as follows:

| Valuation methods | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|------------------------------|---|---|
| Discounted cash flows method | <ul style="list-style-type: none"> • Discount rates from 11.5% to 12.6% per annum (2021: from 10.7% to 12.5%) • Growth rates from 0% to 6.0% (2021: from 0% to 6.1%) • Terminal capitalisation rates from 8.0% to 9.3% (2021: from 7.5% to 9.3%) • Discounted cash flow forecasts: <ul style="list-style-type: none"> - over remaining lease period for Bandung Indah Plaza, Cibubur Junction, Lippo Plaza Ekalokasari Bogor, Istana Plaza, Pluit Village and Plaza Medan Fair - over 10-year projection for non-BOT malls, retail spaces and The Plaza Semanggi, Palembang Square Extension, Palembang Icon and Lippo Plaza Kendari | <ul style="list-style-type: none"> • The higher the discount rates, the lower the fair value • The higher the growth rates the higher the fair value • The higher the terminal capitalisation rates, the lower the fair value • The higher the cash flow forecasts, the higher the fair value |
| Direct capitalisation method | <ul style="list-style-type: none"> • Capitalisation rates from 8.3% to 9.3% (2021: 8.3% to 9.3%) | <ul style="list-style-type: none"> • The higher the capitalisation rates, the lower the fair value |

The external valuers' reports highlighted that the Indonesia 30-year bond yield has remained stable at 7.27% (31 December 2021: 7.16%) per annum as of December 2022. This has resulted discount rates range from 11.5% to 12.6% (31 December 2021: from 10.7% to 12.5%) per annum were adopted for the valuation.

Lippo Malls Indonesia Retail Trust

11. Intangible assets

| | <u>Group</u> | |
|---------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Cost | | |
| At beginning of year | 67,319 | 44,407 |
| Additions | - | 22,673 |
| Foreign exchange translation | (6,513) | 239 |
| At end of year | <u>60,806</u> | <u>67,319</u> |
| Accumulated amortisation | | |
| At beginning of year | 48,724 | 41,081 |
| Amortisation for the year | 6,813 | 7,570 |
| Foreign exchange translation | (5,242) | 73 |
| At end of year | <u>50,295</u> | <u>48,724</u> |
| Carrying value | | |
| At beginning of year | <u>18,595</u> | <u>3,326</u> |
| At end of year | <u>10,511</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 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Trade receivables | | | | |
| Outside parties | 36,089 | 39,412 | - | - |
| Related parties | 7,008 | 11,444 | - | - |
| Less: Allowance for impairment | | | | |
| Outside parties | (9,726) | (11,583) | - | - |
| Related parties | (690) | (469) | - | - |
| | <u>32,681</u> | <u>38,804</u> | <u>-</u> | <u>-</u> |
| Other receivables | | | | |
| Subsidiaries | - | - | 217,774 | 208,437 |
| Related parties | 386 | 977 | - | - |
| Other receivables | 8,357 | 10,758 | 111 | 47 |
| Less: Allowance for impairment | | | | |
| Outside parties | (432) | (1,516) | - | - |
| | <u>8,311</u> | <u>10,219</u> | <u>217,885</u> | <u>208,484</u> |
| | <u>40,992</u> | <u>49,023</u> | <u>217,885</u> | <u>208,484</u> |

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

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

| | <u>Group</u> | | <u>Trust</u> | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| At beginning of year | (12,052) | (8,293) | - | - |
| Reversal of allowance no longer required | 1,756 | 3,892 | - | - |
| Charge to profit or loss | (1,244) | (7,571) | - | - |
| Foreign exchange translation | 1,124 | (80) | - | - |
| At end of year | <u>(10,416)</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 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| At beginning of year | (1,516) | (1,516) | - | - |
| Reversal of allowance no longer required | 952 | - | - | - |
| Foreign exchange translation | 132 | - | - | - |
| At end of year | <u>(432)</u> | <u>(1,516)</u> | <u>-</u> | <u>-</u> |

The trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is disclosed in the audited financial statements as at and for the year ended 31 December 2021. The loss allowance for trade receivables was as follows:

| | <u>Group</u> | | | |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Trade receivables | | Trade receivables | |
| | Gross amount | | Loss allowance | |
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Current | 18,965 | 24,261 | 65 | 135 |
| 1 to 30 days past due | 2,732 | 2,966 | 63 | 80 |
| 31 to 60 days past due | 1,284 | 717 | 49 | 28 |
| Over 61 days past due | 9,718 | 12,585 | 1,224 | 1,545 |
| 12-month ECL | 32,699 | 40,529 | 1,401 | 1,788 |
| Lifetime ECL | 10,398 | 10,327 | 9,015 | 10,264 |
| | <u>43,097</u> | <u>50,856</u> | <u>10,416</u> | <u>12,052</u> |

Subsequent to 31 December 2022, \$8.9 million of trade receivables were collected, of which \$2.8 million were from related party tenants and \$6.1 million were from non-related party tenants.

13. Other non-financial assets

| | <u>Group</u> | | <u>Trust</u> | |
|-------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Prepayments | 2,609 | 2,819 | 80 | 64 |
| Prepaid tax | 9,129 | 40,545 | - | - |
| | <u>11,738</u> | <u>43,364</u> | <u>80</u> | <u>64</u> |

Prepaid tax as at 31 December 2021 included prepaid value-added tax (“VAT”) amounted to \$33,700,000 relating to the acquisition of Lippo Mall Puri, it was received from the relevant tax authority in Indonesia during the year ended 31 December 2022.

Lippo Malls Indonesia Retail Trust

14. Cash and cash equivalents

| | <u>Group</u> | | <u>Trust</u> | |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Not restricted in use | 106,975 | 119,881 | 21,094 | 30,054 |
| Cash pledged for bank facilities | 4,062 | 2,223 | 2,245 | 1,221 |
| | <u>111,037</u> | <u>122,104</u> | <u>23,339</u> | <u>31,275</u> |

15. Other financial liabilities

| | <u>Group</u> | | <u>Trust</u> | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Non-current | | | | |
| Financial instruments with floating interest rates | | | | |
| Bank loans (unsecured) | 110,000 | 184,500 | - | 74,500 |
| Less: Unamortised transaction costs | (2,007) | (4,159) | - | (967) |
| | <u>107,993</u> | <u>180,341</u> | <u>-</u> | <u>73,533</u> |
| Financial instruments with fixed interest rates | | | | |
| Senior notes (unsecured)* | 567,359 | 609,569 | - | - |
| Less: Unamortised transaction costs | (7,715) | (11,970) | - | - |
| | 559,644 | 597,599 | - | - |
| Finance leases | 692 | 570 | - | - |
| | <u>668,329</u> | <u>778,510</u> | <u>-</u> | <u>73,533</u> |
| Current | | | | |
| Financial instruments with floating interest rates | | | | |
| Bank loans (unsecured) | 142,000 | 67,500 | 142,000 | 67,500 |
| Less: Unamortised transaction costs | (1,690) | (306) | (1,690) | (306) |
| | <u>140,310</u> | <u>67,194</u> | <u>140,310</u> | <u>67,194</u> |
| Financial instruments with fixed interest rates | | | | |
| Finance leases | 125 | 452 | - | - |
| | <u>140,435</u> | <u>67,646</u> | <u>140,310</u> | <u>67,194</u> |
| | <u>808,764</u> | <u>846,156</u> | <u>140,310</u> | <u>140,727</u> |
| Due within 2 to 5 years | 668,329 | 778,476 | - | 73,533 |
| Due after 5 years | - | 34 | - | - |
| | <u>668,329</u> | <u>778,510</u> | <u>-</u> | <u>73,533</u> |

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

Lippo Malls Indonesia Retail Trust

15. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing costs)

| | Notes | Maturity | Interest rate | 31 December 2022 \$'000 | 31 December 2021 \$'000 |
|---|-------|---------------|---------------------------|-------------------------------|-------------------------------|
| Current borrowings | | | | | |
| \$67.5 million term loan (Bridging Facility A) | 1 | November 2023 | 2.50% + SORA [#] | 67,500 | - |
| \$67.5 million term loan (Facility A) | 1 | November 2022 | 3.05% + SOR [*] | - | 67,500 |
| \$67.5 million term loan (Facility B) | 1 | November 2023 | 3.25% + SOR [*] | 67,500 | - |
| Committed revolving loan facility | 2 | August 2023 | 2.10% + SORA [#] | 7,000 | - |
| Non-current borrowings | | | | | |
| \$67.5 million term loan (Facility B) | 1 | November 2023 | 3.25% + SOR [*] | - | 67,500 |
| \$60.0 million term loan (Facility A1) | 3 | January 2024 | 3.50% + SORA [#] | 60,000 | 60,000 |
| \$20.0 million term loan (Facility A2) | 3 | January 2026 | 3.92% + SORA [#] | 20,000 | 20,000 |
| \$30.0 million term loan (Facility B1) | 3 | January 2024 | 3.50% + SORA [#] | 22,500 | 22,500 |
| \$10.0 million term loan (Facility B2) | 3 | January 2026 | 3.92% + SORA [#] | 7,500 | 7,500 |
| US\$238.8 million (31 December 2021: US\$250.0 million) Guaranteed Senior Notes | 4 | June 2024 | 7.25% | 322,200 | 338,649 |
| US\$181.7 million (31 December 2021: US\$200.0 million) Guaranteed Senior Notes | 5 | February 2026 | 7.50% | 245,159 | 270,920 |
| Committed revolving loan facility | 2 | August 2023 | 2.10% + SORA [#] | - | 7,000 |
| | | | | <u>819,359</u> | <u>861,569</u> |

* SOR refers to SGD Swap Offer Rate

[#] SORA refers to Singapore Overnight Rate Average

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

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

- On 18 August 2021, the Group obtained a committed \$30.0 million revolving loan facility for a period of 2 years till August 2023. The Group drew down \$7.0 million in August 2021 from the facility.
- On 6 January 2021, the Group obtained a term loan facility of up to \$120.0 million and drew down \$110.0 million. The term loan facility comprises of \$60.0 million (Facility A1), \$20.0 million (Facility A2), \$22.5 million (Facility B1) and \$7.5 million (Facility B2) with maturity tenure of 36 months for Facility A1 and Facility B1 and 60 months for Facility A2 and Facility B2.

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

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

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

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.

- 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 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:

| | <u>Group</u> | |
|--|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Total gross borrowings and deferred payments | 819,359 | 861,569 |
| Total deposited property | <u>1,835,672</u> | <u>2,028,837</u> |
| Aggregated leverage ratio (%) | <u>44.6%</u> | <u>42.5%</u> |
| Interest coverage ratio (times) ⁽¹⁾ | <u>2.1</u> | <u>1.6</u> |

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

Interest coverage ratio was 2.3 (31 December 2021: 1.9) times in accordance with covenants of the borrowings, calculated based on ratio of consolidated NPI over consolidated interest expenses in accordance with the financial covenants of borrowings facilities. Ratio is calculated by dividing the trailing 12 months NPI by the trailing 12 months interest expense.

16. Other non-financial liabilities, non-current

| | <u>Group</u> | |
|-----------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Advance payments by tenants | <u>77,956</u> | <u>84,025</u> |

This relates to rental received in advance from certain tenants.

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

Lippo Malls Indonesia Retail Trust

17. Trade and other payables

| | <u>Group</u> | | <u>Trust</u> | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Other payables, non-current | | | | |
| Loan payable to subsidiaries ^(#) | - | - | 692,269 | 704,407 |
| Trade payables, current | | | | |
| Outside parties and accrued liabilities | 32,472 | 29,164 | 9,006 | 5,383 |
| Related parties | 2,505 | 708 | - | - |
| | <u>34,977</u> | <u>29,872</u> | <u>9,006</u> | <u>5,383</u> |
| Other payables, current | | | | |
| Loan payable to subsidiaries ^(#) | - | - | 45,467 | 38,694 |
| Subsidiaries | - | - | 20,369 | 49,833 |
| Other payables | 11,168 | 8,850 | - | - |
| | <u>11,168</u> | <u>8,850</u> | <u>65,836</u> | <u>88,527</u> |
| | <u>46,145</u> | <u>38,722</u> | <u>74,842</u> | <u>93,910</u> |
| Total trade and other payables | <u>46,145</u> | <u>38,722</u> | <u>767,111</u> | <u>798,317</u> |

^(#) The loans are unsecured, bear fixed interest ranging from 3.36% to 7.50% (31 December 2021: 3.61% to 7.50%) per annum and with a fixed term of repayment. The carrying amount is a reasonable approximation of fair value (Level 2).

18. Other non-financial liabilities, current

| | <u>Group</u> | |
|--------------------------------|--------------------------------------|--------------------------------------|
| | 31 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| Security deposits from tenants | <u>44,430</u> | <u>48,179</u> |

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

Lippo Malls Indonesia Retail Trust

19. Net asset value per unit attributable to Unitholders

| | <u>Group</u> | | <u>Trust</u> | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 31 December <u>2022</u> | 31 December <u>2021</u> | 31 December <u>2022</u> | 31 December <u>2021</u> |
| Numerator | | | | |
| Net assets attributable to Unitholders at end of year (\$'000) | <u>526,978</u> | <u>728,018</u> | <u>375,276</u> | <u>563,113</u> |
| Net tangible assets attributable to Unitholders at end of year (\$'000) | <u>516,467</u> | <u>709,423</u> | <u>375,276</u> | <u>563,113</u> |
| Denominator | | | | |
| Units in issue (Note 20) | <u>7,696,809,979</u> | <u>7,673,336,012</u> | <u>7,696,809,979</u> | <u>7,673,336,012</u> |
| Net asset value (NAV) per unit attributable to Unitholders (in cents) | <u>6.85</u> | <u>9.49</u> | <u>4.88</u> | <u>7.34</u> |
| Net tangible assets (NTA) per unit attributable to Unitholders (in cents) | <u>6.71</u> | <u>9.25</u> | <u>4.88</u> | <u>7.34</u> |

20. Units in issue

20A. Units in issue

| | <u>Group and Trust</u> | |
|--|------------------------------------|------------------------------------|
| | 31 December <u>2022</u> Unit | 31 December <u>2021</u> Unit |
| At beginning of 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 year | <u>7,696,809,979</u> | <u>7,673,336,012</u> |

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

Lippo Malls Indonesia Retail Trust

20. Units in issue (cont'd)

20B. Details of changes in issued and issuable units

| | <u>Group and Trust</u> | |
|-----------------------------|------------------------------------|------------------------------------|
| | 31 December <u>2022</u> Unit | 31 December <u>2021</u> Unit |
| Issued units at end of 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 year 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 December <u>2022</u> \$'000 | 31 December <u>2021</u> \$'000 |
| At beginning of year | 259,453 | 263,618 |
| Amount reserved for distribution to perpetual securities holders | 14,319 | 17,526 |
| Distributions to perpetual securities holders | <u>(16,985)</u> | <u>(21,691)</u> |
| At end of year | <u>256,787</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 \$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 refinance its maturing debt obligations, in order to conserve cash, LMIR Trust intend to cease distributions for the \$140.0 million and \$120.0 million perpetual securities. Therefore, there were no distributions accrued or reserved as at 31 December 2022 in respect of the \$140.0 million and \$120.0 million perpetual securities after the last distributions declared and paid on 27 September 2022 and 19 December 2022, respectively.

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22. Related party relationships and transactions

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

The ultimate controlling party is PT Lippo Karawaci Tbk.

22A. Related party transactions

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

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

| | <u>Group</u> | | <u>Group</u> | |
|--|--------------------------|-------------|--------------------------|-------------|
| | Fourth quarter | | Year | |
| | <u>ended 31 December</u> | | <u>ended 31 December</u> | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Manager | | | | |
| Manager's management fees expense | 2,435 | 2,475 | 10,179 | 9,296 |
| Manager's acquisition fees | - | - | - | 1,653 |
| Trustee | | | | |
| Trustee's fees expense | 128 | 117 | 473 | 466 |
| Property manager | | | | |
| Property manager fees expense | 1,690 | 1,760 | 6,964 | 5,868 |
| Affiliates of Sponsor ⁽¹⁾ | | | | |
| Rental revenue and service charge ^{(2) (3) (4)} | 9,488 | 13,772 | 48,654 | 49,465 |
| Acquisition of Lippo Mall Puri | - | - | - | 330,647 |

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

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

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

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

Lippo Malls Indonesia Retail Trust

23. Financial ratios

| | <u>Group</u> Year ended 31 December | | <u>Trust</u> Year ended 31 December | |
|---|---|-------------|---|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾ | 1.08% | 1.12% | 1.06% | 0.80% |
| Expenses to average net assets ratio – including performance related fee ⁽¹⁾ | 1.67% | 1.59% | 1.78% | 1.13% |
| 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 December 2022 vs 31 December 2021

Investment properties

As at 31 December 2022, the carrying amounts of investment properties were based on valuations performed by external independent valuers. The investment properties are denominated in IDR. In SGD, decrease of \$133.1 million or 7% in investment properties was mainly due to weakening of IDR against SGD as at 31 December 2022. In IDR terms, the investment properties were IDR461.2 billion or 2.5% higher in 31 December 2022 compared to 31 December 2021.

Intangible assets

Refer to NTA 11 of the condensed interim financial statements, the decrease is mainly due to amortisation for the year as well as weakening of IDR against SGD as at 31 December 2022.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$32.7 million (31 December 2021: \$38.8 million) and other receivables (net of allowance for impairment) of \$8.3 million (31 December 2021: \$10.2 million) as at 31 December 2022.

Trade receivables (before taking into account of allowance for impairment) was \$43.1 million (31 December 2021: \$50.9 million), of which \$7.0 million (31 December 2021: \$11.5 million) was due from related party tenants and \$36.1 million (31 December 2021: \$39.4 million) was due from non-related party tenants. The decrease in trade receivables due from related party tenants and non-related party tenants were mainly due to continual improvement in collection amid better operating environment.

Other receivables (before taking into account of allowance for impairment) was \$8.7 million (31 December 2021: \$11.7 million). Decrease in other receivables was mainly due to weakening of IDR against SGD that resulted a lower value upon translation, as well as certain settlement of other receivables.

Subsequent to the year ended 31 December 2022, \$8.9 million of trade receivables were collected, of which \$2.8 million was from related party tenants and \$6.1 million were from non-related party tenants.

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

Cash and cash equivalents

The Group generated net positive cash flow from operating activities amounted to \$137.7 million for the year ended 31 December 2022 (31 December 2021: \$40.1 million) mainly due to improvement in net return for the year, higher collection from tenants, refund of prepaid VAT \$33.7 million relating to acquisition of Lippo Mall Puri, and slower payment for trade and other payables.

Net cash flows used in investing activities of \$10.3 million relating to asset enhancement initiative expenditure of \$9.7 million, including \$6.3 million, \$1.0 million and \$0.7 million spent for Gajah Mada Plaza, Lippo Mall Puri and Plaza Semanggi respectively.

Net cash flows used in financing activities amounting to \$131.7 million which included payment of interest expenses of \$56.9 million, distribution to unitholders of \$27.7 million, distribution to perpetual security holders of \$17.0 million and repurchased part of US\$200.0 million and US\$250.0 million Guaranteed Senior Notes from open market amounting to \$28.6 million for the year ended 31 December 2022.

Cash and cash equivalents of the Group was \$111.0 million as at 31 December 2022 (31 December 2021: \$122.1 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 December 2022 vs 31 December 2021 (cont'd)

Other financial liabilities

The Group repurchased and cancelled an aggregate principal amount of US\$18.3 million of US\$200.0 million and US\$11.2 million of US\$250.0 million Guaranteed Senior Notes from the open market with a total cost of \$28.6 million, and reporting a gain of approximately \$10.7 million for the year ended 31 December 2022, accordingly, other financial liabilities decreased approximately \$37.4 million to \$808.8 million as at 31 December 2022 from \$846.2 million as at 31 December 2021.

Derivative financial instruments

The movements in 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 decrease in fair value of derivative financial instruments was mainly due to unfavourable 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.

Trade and other payables

Increase in trade and other payables as of 31 December 2022 was due to slower payment for trade and other payables as well as increase in accrued operating expenses during the financial year.

Unitholders' funds

The decrease in unitholders' fund was mainly due to weakening of IDR against SGD in relation to translating the foreign operations into reporting currency of the Trust as well as payment of distribution declared for 4Q 2021, 1Q 2022, 2Q 2022 and 3Q 2022 amounting to \$27.7 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)

| | Group | | | | | |
|--|-------------------|-------------------|---|------------------|------------------|---|
| | 4Q 2022 \$'000 | 4Q 2021 \$'000 | Variance % Favourable/ (Unfavourable) | FY2022 \$'000 | FY2021 \$'000 | Variance % Favourable/ (Unfavourable) |
| Statement of Total Return | | | | | | |
| Gross rental income | 28,595 | 27,928 | 2.4% | 119,206 | 101,740 | 17.2% |
| Carpark income | 1,353 | 1,442 | (6.2%) | 5,588 | 4,848 | 15.3% |
| Service charge and utilities recovery | 19,941 | 19,024 | 4.8% | 78,241 | 64,681 | 21.0% |
| Other rental income | 482 | 2,522 | (80.9%) | 1,679 | 3,798 | (55.8%) |
| Gross revenue | 50,371 | 50,916 | (1.1%) | 204,714 | 175,067 | 16.9% |
| Land rental expense | (351) | (428) | 18.0% | (1,439) | (1,442) | 0.2% |
| Property management fees | (1,690) | (1,760) | 4.0% | (6,964) | (5,868) | (18.7%) |
| Legal and professional fees | (395) | (385) | (2.6%) | (1,653) | (1,579) | (4.7%) |
| Depreciation of plant and equipment | (347) | (703) | 50.6% | (2,432) | (2,750) | 11.6% |
| Net reversal/(allowance) for impairment loss on trade receivables | 245 | (3,258) | NM | 512 | (3,679) | NM |
| Property operating and maintenance expenses | (15,902) | (14,990) | (6.1%) | (61,844) | (55,259) | (11.9%) |
| Other property operating expenses | (113) | (33) | NM | (412) | (251) | (64.1%) |
| Property operating expenses | (18,553) | (21,557) | 13.9% | (74,232) | (70,828) | (4.8%) |
| Net property income | 31,818 | 29,359 | 8.4% | 130,482 | 104,239 | 25.2% |
| Interest income | 532 | 244 | NM | 1,641 | 1,508 | 8.8% |
| Other income/(losses) | 7,755 | - | NM | 10,642 | (13) | NM |
| Manager's management fees | (2,435) | (2,475) | 1.6% | (10,179) | (9,296) | (9.5%) |
| Trustee's fees | (128) | (117) | (9.4%) | (473) | (466) | (1.5%) |
| Finance costs | (16,716) | (15,239) | (9.7%) | (62,739) | (60,307) | (4.0%) |
| Other expenses | (2,199) | (225) | NM | (4,123) | (4,250) | (3.0%) |
| Net income | 18,627 | 11,547 | 61.3% | 65,251 | 31,415 | NM |
| Increase/(Decrease) in fair value of investment properties | 37,308 | (902) | NM | 32,310 | (31,382) | NM |
| Realised (losses)/gains on derivative financial instruments | 24 | (2,930) | NM | (304) | 843 | NM |
| (Decrease)/Increase in fair values of derivative financial instruments | (29,909) | (5,253) | NM | (29,849) | 8,486 | NM |
| Realised foreign exchange losses | (806) | (330) | NM | (11,811) | (626) | NM |
| Unrealised foreign exchange gains/(losses) | 31,295 | 536 | NM | (563) | (8,774) | 93.6% |
| Amortisation of intangible assets | (1,600) | (2,110) | (24.2%) | (6,813) | (7,570) | (10.0%) |
| Total return/(loss) for the period/year before tax | 54,939 | 558 | NM | 48,221 | (7,608) | NM |
| Income tax expense | (25,994) | (9,872) | NM | (46,638) | (24,905) | 87.3% |
| Total return/(loss) for the period/year | 28,945 | (9,314) | NM | 1,583 | (32,513) | NM |
| Other comprehensive return: | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Exchange differences on translating foreign operations, net of tax | (165,630) | (1,661) | NM | (161,889) | 11,042 | NM |
| Total comprehensive loss for the period/year | (136,685) | (10,975) | NM | (160,306) | (21,471) | 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 4Q 2022 vs 4Q 2021

Rental revenue in 4Q 2022 increased by \$0.7 million or 2.4% as compared to 4Q 2021. In IDR terms, rental revenue increased by IDR41.3 billion or 14.8%. The increase was mainly attributable to lower rental reliefs granted to certain tenants as restrictions were gradually lifted.

Service charge and utilities recovery in 4Q 2022 increased by \$0.9 million or 4.8% as compared to 4Q 2021. In IDR terms, service charge and utilities recovery in 4Q 2022 increased by IDR31.8 billion or 16.6%. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants upon a more relaxed operating environment in 4Q 2022.

Other rental income in 4Q 2022 decreased by \$2.0 million as compared to 4Q 2021 mainly due to the absence of the top-up from the vendor of Puri amounting to \$2.2 million recorded in 4Q 2021 that was assigned to other rental income as the mall was closed in October 2021.

Net reversal of allowance for impairment loss on trade receivables was \$0.2 million in 4Q 2022 compared to allowance for impairment loss of \$3.3 million in 4Q 2021 mainly due to continued improvement in collection from tenants.

Included in other income/(losses) is a gain of \$7.8 million from the repurchases of Guaranteed Senior Notes in 4Q 2022. During 4Q 2022, the Group repurchased from the open market and cancelled an aggregate of US\$20.1 million (face value) of the US\$200.0 million and US\$250.0 million Guaranteed Senior Notes.

Finance costs in 4Q 2022 increased by \$1.5 million from 4Q 2021. The increase in finance cost is mainly due to higher interest rates on term loans and a Guaranteed Senior Note with cross currency swap arrangement that swap the currency into SGD with a floating interest rate.

Increase in fair value of investment properties of \$37.3 million in 4Q 2022 compared to a decrease in fair value of investment properties of \$0.9 million in 4Q 2021 was mainly due to improvements in the retail mall's business situation as the Indonesia government lifted all restrictions which had previously been imposed to control the spread of COVID-19 since 30 December 2022.

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 \$29.9 million in 4Q 2022 was mainly due to changes in the market observable inputs, including forward rates and interest rate curves, used in the valuation model. The change in fair value of derivative financial instrument was a non-cash item and does not affect the amount of distribution to unitholders.

Unrealised foreign exchange gain was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$420.5 million (4Q 2021: \$450.0 million) in aggregate where USD weakened against SGD in the period under review.

Income tax expenses increased by \$16.1 million in 4Q 2022 compared to 4Q 2021 mainly due to (i) increase in deferred tax expense of \$14.5 million, which arose from higher carrying amounts of Investment Properties to its tax base value; and (ii) increase in withholding tax of \$2.0 million related to dividend and interest on loans extended by Singapore subsidiaries to Indonesian subsidiaries, and partially offset by the decrease of \$0.4 million income tax on revenue.

Exchange differences on translating foreign operations related to foreign exchange differences arising from translating items denominated in IDR in the statement of financial position of the respective Indonesian subsidiaries, into SGD using the period end exchange rate. A translation loss of approximately \$165.6 million was recorded in 4Q 2022 due to weakening of IDR against SGD compared to 3Q 2022.

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

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

Financial results FY2022 vs FY2021

Rental revenue in FY2022 increased by \$17.5 million or 17.2% as compared to FY2021. In IDR terms, rental revenue increased by IDR214.0 billion or 20.0%. The increase was mainly attributable to relatively lower rental revenue reported in FY2021 where the Group granted various rental reliefs to tenants from time to time as a result of restrictions imposed on operations due to the Covid-19 pandemic. During FY2022, the Group has substantially reduced rental reliefs granted to tenants as the Covid-19 situation in Indonesia stabilised and restrictions were gradually lifted.

Service charge and utilities recovery in FY2022 increased by \$13.6 million or 21.0%. Lower discount was extended to tenants in FY2022 as opposed to FY2021 where restrictions on operation were gradually lifted. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants as a result of longer operating hours.

Other rental income in FY2022 decreased by \$2.1 million as compared to FY2021 was mainly due to absence of the top-up from the vendor of Puri amounting to \$2.2 million recorded in FY2021 that was assigned to other rental income as the mall was closed in October 2021.

Property management fee in FY2022 increased by \$1.1 million was mainly due to higher revenue and NPI compared to FY2021.

Net reversal of allowance for impairment loss on trade receivables recorded in FY2022 was mainly due to improvement in collection from tenants as opposed to net allowance for impairment loss on trade receivables of \$3.7 million in FY2021. In FY2021, additional allowance was set aside to account for potential default or non-collection of receivables arising from third party tenants whose credit profiles were deteriorated due to the impact of Covid-19 pandemic and delay in rental payment were experienced.

Property operating and maintenance expenses increased by \$6.6 million and was mainly due to longer operating hours in FY2022.

Included in other income/(losses) account is a gain of \$10.6 million from the repurchases of Guaranteed Senior Notes in FY2022. During FY2022, the Group repurchased from the open market and cancelled an aggregate of US\$29.5 million (face value) of the US\$200.0 million and US\$250.0 million Guaranteed Senior Notes.

Finance costs in FY2022 increased by \$2.4 million from FY2021. 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; and this was partially offset by the expired of interest rate swap contract in FY2021.

Increase in fair value of investment properties of \$32.3 million in FY2022 compared to a decrease in fair value of investment properties of \$31.4 million in FY2021 was mainly due to improvements in retail mall's business situation as the Indonesia government has lifted all restrictions which had previously been imposed to control the spread of COVID-19 since 30 December 2022.

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 \$29.8 million in FY2022 compared to an increase in fair value of derivative financial instruments of \$8.5 million in FY2021 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 \$11.8 million in FY2022 compared to \$0.6 million in FY2021 was mainly due to increase in redemption of redeemable preference shares ("RPS") from \$9.3 million in FY2021 to \$98.5 million in FY2022, which were denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates at range from SGD/IDR 6,207.56 to 10,585.31 when the RPS were issued in years 2007, 2015, 2017 and 2021 respectively. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the year ended 31 December 2022 has resulted in realised foreign exchange losses. The increase in redemption of RPS in FY2022 was mainly due to higher repatriation of funds from Indonesia.

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 FY2022 vs FY2021 (cont'd)

Unrealised foreign exchange loss was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$420.5 million (FY2021: \$450.0 million) in aggregate where USD strengthened against SGD since 31 December 2021.

Income tax expenses increased by \$21.7 million in FY2022 compared to FY2021 mainly due to (i) increase in deferred tax expense of \$15.3 million, which arose from higher carrying amounts of Investment Properties compared to its tax base value; (ii) increase in income tax on revenue of \$2.7 million in FY2022; and (iii) \$3.7 million of withholding tax on dividend and interest on loans by Singapore subsidiaries to Indonesian subsidiaries in FY2022.

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 year end exchange rate. A translation loss of \$161.9 million was recorded in FY2022 compared to a gain of \$11.0 million that of FY2021 was mainly due to weakening of IDR against SGD compared to 31 December 2021.

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

Not applicable.

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

Bank Indonesia ("BI") raised its benchmark rate by 25 basis points to 5.75% in January 2023, a sixth consecutive hike, and the first in 2023, aimed to ensure headline inflation remains within target of 2% to 4% in the second half of this year. With global economic growth seen slowing and some countries facing recession risks this year, the central bank reaffirmed its forecast that Indonesia's 2023 gross domestic product growth would weaken to the middle of a 4.5% to 5.3% range¹.

Indonesia's annual inflation rate inched up to 5.51% in December 2022, compared with 5.42% in November 2022 and beating market consensus of 5.39%, largely due to higher increase in housing and education. Core consumer prices climbed 3.36% year-on-year ("YoY"), the highest level in near six years, compared to market forecasts of a 3.39% rise. On a monthly basis, consumer prices were up 0.66% in December, the most in three months, after a 0.09% rise in November, and above market consensus of a 0.52% gain².

Indonesia's retail sales growth dropped to over one-year low of 0% YoY in December 2022, compared to a growth of 1.3% YoY in November 2022. The deterioration was primarily due to contractions in motor vehicles, parts and accessories, and automotive fuel sales. Additionally, cultural and recreation goods sales were down, while information and communication equipment sales were up. Annual average retail sales growth fell to 5.9% in December 2022 compared to 7.1% in November 2022, registering a 10-month low³.

Despite an improving operating environment in Indonesia with the lifting of all remaining Covid-19 restrictions in December 2022 on declining cases and hospitalisations and higher vaccination rate⁴, the looming global economic downturn, ongoing geopolitical tensions and restrictive financial conditions, will continue to impede consumer spending and the recovery of LMIR Trust.

As announced on 3 January 2023 and 1 February 2023, respectively, the fluctuation of foreign exchange rates had a significant impact on the financial position of LMIR Trust, in particular the aggregate leverage ratio. A depreciation of IDR against SGD, or appreciation of USD against SGD, may result in the aggregated leverage ratio exceeding the regulatory threshold and lending covenants. The recent credit rating downgrades by the rating agencies of LMIR Trust's unsecured USD Guaranteed Senior Notes, which was partially triggered by the higher aggregated leverage ratio, has also increased the challenges on LMIR Trust's funding and financing strategies and processes.

Accordingly, while the Manager is exploring options to maintain a sustainable capital structure and refinance its maturing debt obligations, in order to conserve cash, LMIR Trust has declared a reduced distribution of \$3,079,000 for the fourth quarter ended 31 December 2022 and intend to cease distributions for the \$140.0 million and \$120.0 million perpetual securities.

Unitholders are informed that in accordance with the applicable documentation, the non-payment of distributions on the perpetual securities would trigger the dividend stopper which would restrict the ability of LMIR Trust to make distribution to the Unitholders.

¹ 19 January 2023, *Trading Economics – Indonesia hikes rates by 25bps, as widely expected*

² 2 January 2023, *Reuters - Indonesia's Dec inflation inches up to 5.51% y/y*

³ 16 January 2023, *Focus Economics – Indonesia retail December 2022*

⁴ 30 December 2022, *Reuters – Indonesia lifts remaining COVID restrictions*

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

4. Distributions

(a) Current financial period

| | |
|--|---|
| Any distributions declared for the current financial period: | Yes |
| Name of distribution: | Fourth quarter distribution for the period from 1 October 2022 to 31 December 2022. |
| Distribution Type: | Capital distribution. |
| Distribution Rate: | Capital distribution of 0.04 cents per unit. |
| Par value of units: | NA |
| Tax rate: | NA |

(b) Corresponding period of the preceding financial period

| | |
|--|---|
| Any distributions declared for the corresponding period of the immediate preceding financial period: | Yes |
| Name of distribution: | Fourth quarter distribution for the period from 1 October 2021 to 31 December 2021. |
| 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: 17 March 2023

(d) Record date: 6 March 2023

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

Not applicable.

6. Interested Person Transactions Mandate

LMIR Trust has not obtained a general mandate from the Unitholders for Interested Party Transactions.

7. Breakdown of revenue and total return after income tax before and after changes in fair value of investment properties are as follows

| | 31-Dec-22 | 31-Dec-21 | Variance |
|---|------------------|------------------|---------------------------------------|
| | \$'000 | \$'000 | Favourable/ (Unfavourable) |
| | | | % |
| Gross revenue reported for first half year | 102,613 | 93,258 | 10.0% |
| Total loss after income tax for first half year | (9,935) | (22,488) | 55.8% |
| Total (loss)/return after income tax but before changes in fair values of investment properties net of deferred tax for first half year | (4,937) | 7,158 | NM |
| Gross revenue reported for second half year | 102,101 | 81,809 | 24.8% |
| Total return/(loss) after income tax for second half year | 11,518 | (10,025) | NM |
| Total loss after income tax but before changes in fair values of investment properties net of deferred tax for second half year | (10,114) | (7,951) | (27.2%) |

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

8. **Breakdown of the total annual distribution (in dollar value) for the issuer's latest full year and its previous full year are as follows:**

In respect of period:

1 January to 31 March 2021 (paid)
 1 April to 30 June 2021 (paid)
 1 July to 30 September 2021 (paid)
 1 October to 31 December 2021 (paid)
 1 January to 31 March 2022 (paid)
 1 April to 30 June 2022 (paid)
 1 July to 30 September 2022 (paid)
 1 October to 31 December 2022 (to be paid)

Total distribution to Unitholders

| | 31-Dec-22 | 31-Dec-21 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| | - | 6,139 |
| | - | 6,906 |
| | - | 6,906 |
| | - | 6,906 |
| | 6,927 | - |
| | 6,927 | - |
| | 6,927 | - |
| | 3,079 | - |
| | 23,860 | 26,857 |

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

Pursuant to Rule 704(13) of the Listing Manual, LMIRT Management Limited (the "Company"), as manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust"), wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of LMIR Trust for the financial year ended 31 December 2022.

10. **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
 24 February 2023