LIPPO MALLS INDONESIA RETAIL TRUST
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007 (as amended))
(Manager: LMIRT Management Ltd.)
(Trustee: Perpetual (Asia) Limited)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Village Hotel Changi, Basement 1, Square Ballroom, 1 Netheravon Road, Singapore 508502		
DATE	:	Thursday, 25 April 2024		
TIME	:	10.00 a.m.		
PRESENT	:	Mr Murray Dangar Bell	-	Chairman of the Board, Lead Independent Director and Chairman of the Nominating and Remuneration Committee
	:	Mr Mark Leong Kei Wei	-	Independent Director and Chairman of Audit and Risk Committee
	:	Ms Gouw Vi Ven	-	Independent Director
	:	Mr Liew Chee Seng James	-	Executive Director and Chief Executive Officer
	:	Mr Wong Yoon Thim	-	Chief Financial Officer
	:	Ms Sin Li Choo	-	Representative from the Trustee, Perpetual (Asia) Limited
UNITHOLDERS PRESENT	:	As set out in the attendance record maintained by the Manager.		
CHAIRMAN	:	Mr Murray Dangar Bell		

1 The Chairman welcomed the Unitholders of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**" or the "**Trust**") to the live webcast of the Fifteenth Annual General Meeting ("**AGM**") of LMIR Trust. He introduced the Directors of LMIRT Management Ltd. (the "**Manager**"), Management of the Manager and the Representative of Perpetual (Asia) Limited (the "**Trustee**"), who were present at the AGM to the Unitholders.

2 **QUORUM**

2.1 As a quorum was present, the Chairman called the meeting to order.

3. **ADDRESS BY CHAIRMAN**

3.1 The Chairman shared some updates of the Trust overall outlook and strategic direction including outlining the operational initiatives taken to stabilise, rebuild and enhance the operational performance of LMIR Trust portfolio of assets including sustainability followed by the progress and action plan on the corporate refinancing as follows:

Operationally,

- The Trust is experiencing a gradual recovery in shopper traffic and improvement in select trade sectors, particularly in leisure and entertainment, international casual fashion wear and F&B. However, due to hypermarkets strategically across Indonesia either leaving many shopping malls and/or downsizing their stores due to pressures caused by the growth of the mini-market and traditional market, has naturally impacted LMIR Trust overall portfolio occupancy. Notwithstanding this, the Trust is implementing strategic initiatives to refurbish and repurpose these vacated spaces for optimal use with such strategic usages as family entertainment centres, kids' play zones, food and beverage outlets, and specialty stores.

- The Trust proactive asset management also includes actively managing tenant mix and overseeing lease renewals for optimal performance. The challenges of inflation and competition from newer malls continue to affect some tenants and malls.

- To counteract some of these challenges, the Trust is undertaking a series of strategic AEIs over the next two years across nine retail assets to enhance space utilization, rejuvenate specific areas to enrich the overall shopping experience for our customers with the prime objective to enhance asset income and value. Specifically, Gajah Mada Plaza is now complete except for works to connect the basement to an annexed MRT station expected in 2026. The AEI at The Plaza Semanggi commenced in 4Q 2023 and is expected to be completed by March 2026. For Cibubur Junction, the Manager is planning for its AEI in 2024.

- Ensuring the continuity of Agreement Based Schemes ("ABS") continue to be a strategic priority. Further to The Plaza Semanggi's right to operate being extended for twenty years in 2019, Cibubur Junction recently entering into new ABS arrangement that granted us with twenty years of right to operate which has substantially increased its asset value. A significant AEI is planned in the coming years.

- The guaranteed NPI from Lippo Mall Puri has provided stable income during challenging COVID and economic times. The master lease expires in December 2024 with the mall's underlying performance expected to be in line with the Guaranteed NPI level.

In addition to rebuilding the operational financial performance, the Trust is also dedicated to enhancing its focus on sustainable development. The business engages with various stakeholder groups, underscoring the importance of addressing their diverse concerns and needs while maintaining sustainable business practices. In its future endeavours, the Trust remains committed to upholding excellent governance standards, adopting responsible business practices, and adhering to relevant laws and regulations to foster a culture of trust and transparency with our stakeholders.

Specific examples which highlight the significant progress in its sustainability efforts include:
- The successful attainment of the EDGE green building certification for two of the Trust's malls, namely Lippo Mall Puri and Sun Plaza, underscoring its dedication to bolstering the energy efficiency of its properties.
- The successful navigation of all requisite approvals and finalised plans for the installation of an On-Grid Photovoltaic Solar Power Plant with a capacity of 765.6 kilowatt peak at Mal Lippo Cikarang, slated for completion in 2024.

The Trust anticipates that the outcomes of these strategic operational and sustainable measures will materialise over time.

On the capital structure front, the Trust has exercised caution and taken strategic actions to enhance financial flexibility, ensure sustainability and compliance with financial covenants during the year. The Trust made the very difficult decision to withhold perps and distribution payments in 2023 due to the need to be financially prudent and maintain financial flexibility as we navigate to address the maturing debts of the Trust amid the prevailing challenging debts and capital market.

Looking ahead, the Trust's strategic priority is to further improve its capital structure. The Manager is actively engaged in discussions with both existing and new lenders to explore various options that will enable us to address our maturing debt obligations while maintaining a sustainable capital structure.

As the Manager strives to stabilise the Trust and maximise opportunities, the Chairman emphasised that the Manager has swiftly implemented essential measures to stabilise the Trust amid the challenges of the macroenvironment with the intent to enhance the capital structure and overall long-term Trust performance.

The Chairman thank the Unitholders for all their support during these challenging years and requested for their continued understanding and patience, as these actions, though painful in the short term, are crucial for the Trust's long-term stability.

4. **NOTICE**

4.1 The Notice of the AGM ("**Notice**") convening the meeting was taken as read.

4.2 The Chairman informed the Unitholders that all resolutions tabled at the AGM would be voted by poll. He also informed that in his capacity as Chairman of the Meeting, he has been appointed by numerous Unitholders as proxy and would be voting in accordance with their instructions.

5. **PRESENTATION BY CHIEF EXECUTIVE OFFICER ("CEO")**

5.1 Mr Liew Chee Seng James, Executive Director and CEO of the Manager, delivered a presentation on LMIR Trust. After the presentation, the CEO handed over the proceedings to the Chairman.

5.2 A copy of the presentation slides, which was posted via SGXNet and LMIR Trust's website on 25 April 2024, is annexed to this Minutes as "**Annex A**".

6. **LIVE Q&A SESSION**

6.1 The Chairman informed the Unitholders that the Manager's responses to all the relevant and substantial questions received from the Unitholders in advance of the AGM, annexed to this Minutes as "**Annex B**", had been posted on SGXNet and LMIR Trust's website on 18 April 2024.

6.2 Questions from the Unitholders who were present at the AGM were fielded. The questions raised and the responses are annexed to these minutes as "**Annex C**".

7 **POLLING**

7.1 Reliance 3P Advisory Pte. Ltd. had been appointed as scrutineers for the poll. Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as polling agent.

7.2 There were no parties who were required to abstain from voting on any resolutions.

8 **ADOPTION OF REPORT OF THE TRUSTEE, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF LMIR TRUST – ORDINARY RESOLUTION 1**

8.1 Ordinary Resolution 1 was proposed by the Chairman:

8.2 "That the Report of the Trustee issued by Perpetual (Asia) Limited, the Statement by the Manager issued by LMIRT Management Ltd., as manager of LMIR Trust, and the Audited Financial Statements of LMIR Trust for the financial year ended 31 December 2023 together with the Auditors' Report thereon be received and adopted."

8.3 The results of Ordinary Resolution 1 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
3,751,698,182	3,734,233,482	99.53	17,464,700	0.47

8.4 Based on the polling results, the Chairman declared Ordinary Resolution 1 as carried.

9 **RE-APPOINTMENT OF RSM SG ASSURANCE LLP AS THE AUDITORS OF LMIR TRUST – ORDINARY RESOLUTION 2**

9.1 Ordinary Resolution 2 was proposed by the Chairman:

9.2 "That RSM SG Assurance LLP be re-appointed as Auditors of LMIR Trust and to hold office until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration**.**"

9.3 The results of Ordinary Resolution 2 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
3,751,953,182	3,733,874,362	99.52	18,078,820	0.48

9.4 Based on the polling results, the Chairman declared Ordinary Resolution 2 as carried.

10 **AUTHORITY TO ISSUE NEW UNITS – ORDINARY RESOLUTION 3**

10.1 Ordinary Resolution 3 was proposed by the Chairman:

10.2 "That pursuant to Clause 5 of the trust deed constituting LMIR Trust (as amended) (the "**Trust Deed**") and the listing rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Manager be authorised and empowered to:

(a) (i) issue units in LMIR Trust ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

(a) new Units arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time of the passing of this Resolution;

(b) new Units arising from exercising unit options or vesting of unit awards outstanding and subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting of LMIR Trust, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of LMIR Trust or (ii) the date by which the next AGM of LMIR Trust is required by law to be held, whichever is earlier or (iii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of LMIR Trust to give effect to the authority contemplated and/or authorised by this Resolution."

10.3 The results of Ordinary Resolution 3 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	**No. of votes 'For'**	**% 'For'**	**No. of votes 'Against'**	**% 'Against'**
3,752,145,182	3,725,329,262	99.29	26,815,920	0.71

10.4 Based on the polling results, the Chairman declared Ordinary Resolution 3 as carried.

11 CONCLUSION

11.1 There being no other business to transact, the Chairman declared the AGM closed at 11.00 a.m.

Confirmed as a True Record of Proceedings Held

Murray Dangar Bell
Chairman

Annex A


LMIR TRUST
LIPPO MALLS INDONESIA RETAIL TRUST
CEO Presentation
25 April 2024

Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These forward-looking statements reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical results or those anticipated.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the Indonesian retail industry including those factors which may affect our ability to attract and retain suitable tenants, our ability to manage our operations, reduced demand for retail spaces, our ability to successfully complete and integrate potential acquisitions, liability for damages on our property portfolios, the success of the retail malls and retail spaces we currently own, withdrawal of tax incentives, political instability, and legal restrictions on raising capital or acquiring real property in Indonesia. In addition to the foregoing factors, a description of certain other risks and uncertainties which could cause actual results to differ materially can be found in the section captioned "Risk Factors" in our preliminary prospectus lodged with the Monetary Authority of Singapore on 19 October 2007. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. We undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. The value of units in LMIR Trust ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, LMIRT Management Ltd, as manager of LMIR Trust (the "Manager") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

Fundamentally Strong

Resilient and strong portfolio of assets

- 29 income generating assets strategically located across Indonesia
- Valuation stood at Rp17,998.6 billion as at 31 December 2023

Stabilising operating performance

Operations

- Shopper traffic recovered to 68.9% of 2019 levels
- Occupancy 79.0%, higher than industry average of 78.6%
- Tenants ▲ 2.4%
- Renewed 74.9% of expired leases in FY 2023 at positive rental reversion of 1.9%

Financials

- Rental Revenue ▼ 7.2%
- Gross Revenue ▼ 3.6%
- Net Property Income ▼ 6.2%

Macroeconomic Headwinds

High Interest Rates

Volatile Foreign Exchange Rates

Tightening Credit Market

- Depreciation of average translation rate of IDR to SGD by 5.1% in FY 2023
- Lower portfolio valuation but maintained gearing at 44.3%

Strategic Measures - Operations

Income producing assets

Rejuvenate / Support Recovery

- **Support Recovery**
  - Organise marketing, promotional events, offers and discounts to attract shoppers
- **Capitalise Opportunities**
  - Convert vacated spaces to specialty units, bolster retail offerings at higher rental rates
- **Optimise Value**
  - Actively renew expiring leases and improve tenant mix and occupancy rate with new and exciting brands in different trade sectors
  - Strategic asset enhancement initiatives to rejuvenate key assets that will increase the value of assets and improve shopping experience

Strategic Measures – Capital Structure

Short-term pain

Long-term sustainable gain

Prudent Measures

- **Address Debt Obligations**
  - Short-term obligations due in the next 12-18 months - active discussion with existing and new bankers
- **Balance Cashflow and Liquidity**
  - Ceased distribution to perpetual security holders and to unitholders
- **Recycle Capital**
  - Seeking opportunities to divest non-core non-strategic assets to boost financial flexibility

LMIR TRUST
LIPPO MALLS INDONESIA RETAIL TRUST

THANK YOU

LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007 (as amended))

RESPONSE TO QUESTIONS RECEIVED FROM UNITHOLDERS

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1. **On 6 March 2023, the company announced that it had appointed "Stirling Coleman Capital Limited ("SCCL") as its financial advisor in relation to the capital management initiatives of LMIR Trust." More than a year has passed since the announcement, please provide updates on the progress and the outcome of the exercise. What advice did SCCL provide? Did the REIT implement their advice? Please detail and elaborate clearly.**

   SCCL's engagement as Financial Adviser is an ongoing process to advise and report to the Board of Directors of the Manager and the Trustee of LMIR Trust, on a suitable and sustainable capital structure for LMIR Trust going forward.

   Since engagement, SCCL has been working closely with the Manager in assessing the different situations, evaluating the various options available to LMIR Trust in view of balancing multiple and competing demands on the Trust's resources to determine the next steps at different stages to maintain a sustainable capital structure and reduce aggregate leverage.

   The Manager has continued to implement the various capital management initiatives, including non-distribution of dividends to conserve financial resources and the tender offers exercises for the outstanding US$250.0 million Guaranteed Senior Notes ("**2024 Notes**") and US$200.0 million Guaranteed Senior Notes ("**2026 Notes**") conducted in December 2023 and January 2024. Should there be any further material developments, the Manager will, in compliance with applicable rules, make further announcements as appropriate.

2. **Are we still giving any tenant support or tenant relief? If so, when will these tenant support cease? Which tenants are we still giving tenant support? Are these tenants receiving tenant support related parties? i.e. subsidiaries of our sponsor Lippo Karawaci such as Matahari Department stores and supermarkets... Please detail and elaborate.**

   With improving operating conditions and easing of social restrictions in 2022, all rental support or reliefs were significantly reduced in FY 2022.

   During FY 2023, as a general policy, we no longer provide rental reliefs to tenants. Any rental relief requests are assessed on a case by case basis, irrespective of whether these tenants are related or non-related parties. Key considerations on whether any reliefs should be provided includes the industry segment in which the tenant operates (e.g. the hypermarket/supermarket segment remains challenging, as evidenced by the exit of Carrefour from almost all of our malls), the occupancy of the relevant mall (e.g. in malls like Istana Plaza, Lippo Mall Kuta, Lippo Plaza Jogja, The Plaza Semanggi etc, rental reliefs or discounted rentals were provided to tenants to ensure they remain operational in the mall), or whether tenants were operating within our retail spaces which remains challenging as many individual unit owners remain closed.

3. What is the impact of the elections on the REIT and Indonesia economy? What plans does new President Prabowo have for the Indonesia retail sector? Are new (or increased) consumption taxes part of Prabowo's agenda? Does Prabowo intend to increase corporate taxes (or reduce corporate taxes). Please detail and explain any new economic or fiscal or monetary policy that the new President intends to pursue that may impact the REIT both positively and/or negatively?

Indonesia's recent election and Prabowo Subianto's presidency are expected to signal economic policy continuity with a focus on growth. Fitch Ratings suggests that economic policy under Prabowo is likely to remain broadly unchanged, ensuring policy continuity[(1)].

His specific plans for retail sector and taxes are not explicitly outlined in available sources, hence the specific impact on the Trust would depend on the details and implementation of his policies.

[(1).] *20 February 2024, Fitch Ratings - Indonesia Election Outcome Points to Broad Economic Policy Continuity*

4. The ICR of LMIR Trust is less than 2.5x, and hence the maximum permissible gearing limit is 45%, which only allows a small buffer given the REIT's current gearing of 44.3%. Are there plans by the REIT to reduce its gearing level? With the impending rise in interest rates, how does the company plan to manage its debts, borrowings and other liabilities? Also, the company auditor has issued an emphasis of matter regarding "going concern" and the company has stopped the payment of distributions to perpetuals. This means that distributions to unitholders would have to cease also. Will the company go bankrupt? Will the company need to conduct another rights issue to recapitalise, similar to the one we did many years ago? Please explain and elaborate.

During the year, we have exercised caution and took strategic actions to manage our capital structure effectively. We took necessary steps to temporarily halt distributions to perpetual securities holders and unitholders to conserve cash and ensure financial flexibility. We also successfully extended our maturing loan facilities of approximately S$198.0 million with a final maturity in November 2026 through amendment and restatement agreements.

In December 2023, we obtained a Rp2.5 trillion secured amortising term loan facility ("**IDR Facility**"), which was mainly utilised to repurchase 2024 Notes and 2026 Notes. To this end, we commenced our tender offers for our outstanding notes in December 2023 and January 2024, resulting in a significant reduction in the outstanding notes. The 2024 Notes declined from US$231.8 million to US$188.3 million as at 31 December 2023 and further to US$138.4 million as at the date of the release of our Annual Report. Similarly, the 2026 Notes reduced from US$181.7 million to US$143.2 million as at 31 December 2023 and to US$114.7 million as at the date of our Annual Report.

These strategic initiatives have enabled us to keep our leverage ratio below the regulatory credit limit, standing at 44.3% as at 31 December 2023. At the same time, we extended our weighted average debt maturity to 2.75 years.

We will continue to actively engage our existing and new lenders as well as explore available options to address our maturing debt obligations and maintain a sustainable capital.

	The Trust has a resilient portfolio of 29 assets strategically located across Indonesia. Fundamentally, the Trust's operational performance is recovering, except for the downsizing and exit of the hypermarket trade sector. Capitalising on the exit or downsizing of anchor leases in select malls, we have intensified our asset enhancement initiatives ("**AEIs**"). These efforts aim to ensure sustainable operational performance by optimising space utilisation, increasing mall value, and revitalising certain areas to enhance the overall shopping experience for our shoppers as well as prepare for new tenants. In the coming two years, we intend to refurbish a combined net lettable area ("**NLA**") of 163,550 square metres across nine properties, allocating a budget of approximately Rp584.2 billion for these AEIs. This strategic investment is crucial to enhancing our operational performance and ensuring sustained growth.
5.	**I note that the directors of LMIR Trust are not subject to unitholder re-election. In the name of enhancing corporate governance, and upholding high ESG standards (in particular "Governance" - see definition of "Governance" below per Investopedia). Would the REIT subject all directors of the REIT to unitholder re-election going forward? Please advise?** ***Governance: Ensures a company uses accurate and transparent accounting methods, pursues integrity and diversity in selecting its leadership, and is accountable to shareholders.*** Under Regulation 13(D) of the Securities and Futures (Licensing and Conduct of Business) Regulations, unitholders are required to vote on the re-election of directors only when independent directors do not make up at least half of the Board. The current board composition of the REIT Manager comprises 4 Directors of which 3 are independent. We also note that currently a significant majority of S-REITs do not subject their Directors to voting by unitholders. Nevertheless, the Board will continue to monitor, evaluate and adopt best practises among S-REITs in Singapore with regards to the appointment of Directors.

LIPPO MALLS INDONESIA RETAIL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007 (as amended))

RESPONSE TO QUESTIONS RECEIVED FROM UNITHOLDERS DURING LIVE Q&A SESSION (ANNEX C)

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1. I have been a Unitholder since 2021. Since my purchase, the performance of the unit price went downhill. This is one of the lowest valued S-Reits. We understand that the Trust currently faces a lot of difficulties. What is the next five-year outlook?

I suggest that for next AGM, the CEO's presentation should also include a slide on the debt maturity so that Unitholders have a better idea of the debts that are coming up. As the distribution had been withheld since 2023, Unitholders would also like to know how the distribution income had been utilised.

Can you share what is the gearing ratio as at 1 January and as at 31 December 2023?

Has Management look back and see what can be done better in order to bring the Trust forward?

Under what condition can the Trust resumes distribution to Unitholders?

The low unit price performance signifies lack of confidence. Can the major unitholder do something to inject some confidence in the market as a signal that the fundamentals of the Trust are still strong? Can the Sponsor, being the major unitholder, buy back some of the units as a signal of support?

Answer:
Having been through the pandemic, the Trust believes that the worst is over and the GDP growth in Indonesia is anticipated to be stronger in 2024 with the recent conclusion of the presidential election. On the asset front, as the Trust navigates through COVID, the Trust needs to remain financially prudent. Hence, some of the asset enhancements ("AEIs") had to be put on hold to conserve cash. The Trust is undertaking a series of strategic AEIs over the next two years across nine retail assets to enhance space utilization, rejuvenate specific areas to enrich the overall shopping experience with the view to increase occupancy and higher rental yield. At the same time, the Trust has to address the debt maturities that are coming up through extending the Singapore loans and buying back of some of the USD bonds. As the Trust navigates these challenges, the fundamentals of Indonesia and its retail market remain strong but there is still work remains to be done for the Trust.

Operationally, the Trust is cashflow positive. The Trust does not have any solvency issue but it is a liquidity issue as the market had not been conducive for any form of funding. Hence, the Manager had to utilise cash to pare down some of the loans. In November 2023, there was a repayment of approximately S$47 million loan during the loan extension exercise. The Manager is engaging the Indonesian Lenders to address the June 2024 debt. The Trust had recently secured a IDR2.5 trillion loan of which part of proceeds was used to buy back the bonds that are maturing at a discount. We will continue to address the upcoming maturing bonds. The Trust will utilise another S$11 million to pare down the SGD loans as part of the process to refinance the 2024 bonds. Hence, any excess cash that was available was solely used for addressing the debt maturities.

The acquisition of Lippo Mall Puri has helped the balance sheet of the Trust significantly especially in the current high interest rate environment. The guaranteed NPI from Lippo Mall Puri has provided stable income during challenging COVID and economic times as well as servicing the debt that came due.

For the current financial year, any cash that is not used for servicing the debts would be earmarked for AEIs.

The gearing ratio was 44.6% as at 1 January 2023 and 44.3% as at 31 December 2023. The gearing ratio was kept below 45% through the withholding of the distribution and the buying back of the USD bonds. The Trust was also faced with foreign exchange headwinds as it continues to pare down the SGD loans while the assets are in Indonesia with IDR continuing to depreciate. The IDR loan would help to counteract this foreign exchange headwind moving forward.

The Board and Management are constantly forward-looking from various perspectives such as assets enhancement, financing, liquidity and governance.

On the question of resumption of distribution to Unitholders, the Manager's key priority is to address the issue on the maturing debts and improving the capital structure and at the same time carrying out strategic AEIs with the objective of enhancing asset income. Once all these issues are put in place, the Board would look at resuming the distribution.

The Manager has been working closely with the Sponsor in the refinancing exercise and the Sponsor has played a major role in the securing the IDR loan for the Trust. The focus of the Sponsor at this juncture is also on improving the capital structure of the Trust and their active involvement is an indication of their support to the Trust. Nonetheless, the Board will take the feedback from Unitholder back to the Sponsor.

2. **I noted from the CEO's presentation that the Trust faces challenges in raising funds. With the poor credit rating, the Singapore banks are not keen to lend to the Trust. Hence in this aspect, does the Trust have to pay more to loan?**

   What is the plan to improve the credit agency rating?

   Answer:
   The majority of the Trust's lenders in Singapore are offshore banks based in Singapore. We were one the first Reits in Asia Pacific to issue USD bonds. Pre-COVID, the Trust was able to borrow at a lower interest rate from these offshore banks. However, the whole capital market was shaken up due to the rapid rise in US interest rates with the rating agency focusing on the USD bonds and downgraded the rating of the Trust in 2023 due to the difficult and challenging financing environment. The Trust has to convert from a non-secured lending structure to a secured lending structure in order for Singapore Lenders to continue lending to the Trust. The overall increase in interest cost still comes from the increase in the interest rate benchmarks. However, as the Trust continues to pare down the debts, the increase in the interest cost will be mitigated by the reduction in the overall loan principals.

   The IDR loan comes a with a floating rate of 8% with a 10-year tenure at a much lower interest rate compared to other available sources of financing. Hence, the Manager will continue to look to the Indonesia banks for potential financing at this similar level. Thus, the Manager does not envisage a significant increase in finance cost.

   The rating decision is made by the rating agency with the rating agency focusing on the maturity profile of the bonds with the Trust's bonds due in June 2024 and January 2026. Pre-COVID, rating agencies were more concerned with debts coming due in less than 6 months . However, post the sharp increase in US interest rates which negatively affected the financing environment, the rating agencies shifted their focus and started looking at 18 months ahead of the bond maturity. Hence, the rating for the Trust is unlikely to improve for the next 12 months given our outstanding bond maturity in January 2026. On the other hand, the IDR lenders do not focus solely on credit ratings but on asset valuation and cashflow generation.