



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the third quarter and nine months ended 30 September 2023

Lippo Malls Indonesia Retail Trust

Condensed interim financial statements

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Lippo Malls Indonesia Retail Trust

Introduction

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

LMIR Trust was established with the principal investment objective of owning and investing on a long-term basis in a diversified portfolio of income-producing real estate in Indonesia that is primarily used for retail and/or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 September 2023, LMIR Trust’s property portfolio comprises 22 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

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

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

Lippo Malls Indonesia Retail Trust
Summary of results

Group Performance

	Third quarter		Variance Favourable/ (Unfavourable) %	Nine months		Variance Favourable/ (Unfavourable) %
	ended 30 September			ended 30 September		
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
	\$'000	\$'000		\$'000	\$'000	
Rental revenue	28,073	29,920	(6.2%)	84,087	90,611	(7.2%)
Car park revenue	1,321	1,409	(6.2%)	4,006	4,235	(5.4%)
Service charge and utilities recovery	20,061	20,009	0.3%	60,210	58,300	3.3%
Other rental income	315	392	(19.6%)	1,075	1,197	(10.2%)
Gross revenue (Note A)	<u>49,770</u>	<u>51,730</u>	(3.8%)	<u>149,378</u>	<u>154,343</u>	(3.2%)
Net property income	<u>30,642</u>	<u>32,795</u>	(6.6%)	<u>93,796</u>	<u>98,664</u>	(4.9%)
Amount available for distribution:						
Unitholders of the Trust	-	(6,041)	(100.0%)	-	4,028	(100.0%)
Perpetual securities holders	-	4,281	(100.0%)	-	12,704	(100.0%)
Distributable amount	<u>-</u>	<u>(1,760)</u>	(100.0%)	<u>-</u>	<u>16,732</u>	(100.0%)
Distribution to Unitholders (Note B)	<u>-</u>	<u>6,927</u>	(100.0%)	<u>-</u>	<u>20,781</u>	(100.0%)
Distribution per unit ("DPU") (in cents) (Note 9)	<u>-</u>	<u>0.0900</u>	(100.0%)	<u>-</u>	<u>0.2700</u>	(100.0%)

Lippo Malls Indonesia Retail Trust
Summary of results (cont'd)

Note A

The portfolio performance in IDR terms is as follows:

	<u>Group Performance</u>					
	<u>Third quarter</u> <u>ended 30 September</u>		Variance Favourable/ (Unfavourable)	<u>Nine months</u> <u>ended 30 September</u>		Variance Favourable/ (Unfavourable)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
	IDR million	IDR million	%	IDR million	IDR million	%
Rental revenue	315,982	319,962	(1.2%)	947,091	961,796	(1.5%)
Car park revenue	14,868	15,067	(1.3%)	45,120	44,953	0.4%
Service charge and utilities recovery	225,801	213,885	5.6%	678,159	618,829	9.6%
Other rental income	3,545	4,193	(15.5%)	12,108	12,706	(4.7%)
Gross revenue	<u>560,196</u>	<u>553,107</u>	1.3%	<u>1,682,478</u>	<u>1,638,284</u>	2.7%
Net property income	<u>344,891</u>	<u>350,681</u>	(1.7%)	<u>1,056,446</u>	<u>1,047,275</u>	0.9%
Exchange rate (IDR to SGD)				<u>11,263.23</u>	<u>10,614.56</u>	(5.8%)

Note B

Although LMIR Trust's operation and financial performance have been recovering gradually from the impact of the COVID-19 pandemic, the global and domestic economic uncertainty remains elevated and have 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.

As announced on 20 March 2023, 31 May 2023 and 18 September 2023, respectively, LMIR Trust had ceased distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities, to conserve cash. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units, \$120.0 million or \$140.0 million perpetual securities, unless and until certain conditions are made.

As further announced on 16 October 2023, LMIR Trust entered into amendment and restatement agreements ("ARA Facility Agreements") in respect of its three loan facility agreements originally maturing in November 2023, January 2024 and January 2026 respectively. Under the ARA Facility Agreements, these were extended with a final maturity on 2 November 2026.

The Manager will continue to explore options available to maintain a prudent and sustainable capital structure and to address its other maturing debt obligations. Pending a clear resolution on its other debt obligations maturing in 2024, any distributions to both Unitholders and holders of the perpetual securities will likely remain curtailed.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return For the third quarter and nine months ended 30 September 2023

	Note	Group			
		Third quarter ended 30 September		Nine months ended 30 September	
		<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Gross revenue	3	49,770	51,730	149,378	154,343
Property operating expenses	4	(19,128)	(18,935)	(55,582)	(55,679)
Net property income		30,642	32,795	93,796	98,664
Interest income		646	407	1,585	1,109
Other income		-	2,887	2,249	2,887
Manager's management fees	5	(2,428)	(2,606)	(7,305)	(7,744)
Trustee's fees		(95)	(116)	(315)	(345)
Finance costs	6	(18,876)	(17,075)	(53,935)	(46,023)
Other expenses		(1,815)	(1,115)	(3,594)	(1,924)
Net income		8,074	15,177	32,481	46,624
Decrease in fair value of investment properties		-	-	-	(4,998)
Realised (losses)/gains on derivative financial instruments		(29)	(5)	99	(328)
Increase in fair value of derivative financial instruments		6,552	2,875	15,772	60
Realised foreign exchange losses	7	(9,508)	(9,542)	(15,961)	(11,005)
Unrealised foreign exchange losses	7	(10,415)	(16,134)	(7,387)	(31,858)
Amortisation of intangible assets	11	(1,361)	(1,682)	(4,080)	(5,213)
Total (loss)/return for the period before tax		(6,687)	(9,311)	20,924	(6,718)
Income tax expense	8	(5,954)	(8,116)	(19,176)	(20,644)
Total (loss)/return for the period		(12,641)	(17,427)	1,748	(27,362)
Other comprehensive (loss)/return					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations, net of tax		(8,881)	26,953	73,262	3,741
Total comprehensive (loss)/return for the period		(21,522)	9,526	75,010	(23,621)
Total (loss)/return for the period attributable to:					
Unitholders of the Trust		(12,641)	(21,708)	1,748	(40,066)
Perpetual securities holders		-	4,281	-	12,704
		<u>(12,641)</u>	<u>(17,427)</u>	<u>1,748</u>	<u>(27,362)</u>
Total comprehensive (loss)/return attributable to:					
Unitholders of the Trust		(21,522)	5,245	75,010	(36,325)
Perpetual securities holders		-	4,281	-	12,704
		<u>(21,522)</u>	<u>9,526</u>	<u>75,010</u>	<u>(23,621)</u>
		<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Earnings per unit					
Basic and diluted	9	(0.16)	(0.28)	0.02	(0.52)

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 third quarter and nine months ended 30 September 2023

	Group			
	Third quarter		Nine months	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Total (loss)/return for the period	(12,641)	(17,427)	1,748	(27,362)
Add: Net adjustments (Note A below)	12,641	11,386	(1,748)	31,390
Income available for distribution to Unitholders	<u>-</u>	<u>(6,041)</u>	<u>-</u>	<u>4,028</u>
Unitholders' distribution:				
- As distribution of Unitholders' capital contribution	-	6,927	-	20,781
	<u>-</u>	<u>6,927</u>	<u>-</u>	<u>20,781</u>
Note A – Net adjustments				
Net of deferred tax on investment properties	-	-	-	4,998
Depreciation of plant and equipment	649	726	1,944	2,085
Increase in fair value of derivative financial instruments	(6,552)	(2,875)	(15,772)	(60)
Unrealised foreign exchange losses	10,415	16,134	7,387	31,858
Amortisation of intangible assets	1,361	1,682	4,080	5,213
Amount reserved for distribution to perpetual securities holders	-	(4,281)	-	(12,704)
Gain on repurchase of Guaranteed Senior Notes	-	-	(2,249)	-
Other adjustments [#]	6,768	-	2,862	-
	<u>12,641</u>	<u>11,386</u>	<u>(1,748)</u>	<u>31,390</u>

[#] Other adjustments for 3Q 2023 mainly represent an adjustment to arrive at Nil income available for distribution for 3Q 2023.

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of financial position As at 30 September 2023

	Note	Group		Trust	
		30 September 2023 \$'000	31 December 2022 \$'000	30 September 2023 \$'000	31 December 2022 \$'000
<u>Non-current assets</u>					
Plant and equipment		5,758	5,582	-	-
Investment properties	10	1,724,997	1,655,812	-	-
Intangible assets	11	6,808	10,511	-	-
Investments in subsidiaries		-	-	1,260,594	1,346,130
Total non-current assets		1,737,563	1,671,905	1,260,594	1,346,130
<u>Current assets</u>					
Trade and other receivables	12	33,798	40,992	188,854	217,885
Other non-financial assets	13	14,620	11,738	100	80
Cash and cash equivalents	14	98,581	111,037	38,354	23,339
Total current assets		146,999	163,767	227,308	241,304
Total assets		1,884,562	1,835,672	1,487,902	1,587,434
<u>Non-current liabilities</u>					
Deferred tax liabilities		22,672	21,878	-	-
Other payables	17	-	-	281,527	692,269
Other financial liabilities	15	272,424	668,329	-	-
Other non-financial liabilities	16	80,500	77,956	-	-
Derivative financial instruments		22,814	47,922	22,814	47,922
Total non-current liabilities		398,410	816,085	304,341	740,191
<u>Current liabilities</u>					
Income tax payable		4,981	4,784	-	-
Trade and other payables	17	40,968	46,145	479,239	74,842
Other financial liabilities	15	532,436	140,435	134,799	140,310
Other non-financial liabilities	18	47,817	44,430	-	-
Derivative financial instruments		4,254	28	4,254	28
Total current liabilities		630,456	235,822	618,292	215,180
Total liabilities		1,028,866	1,051,907	922,633	955,371
Net assets		855,696	783,765	565,269	632,063
Represented by:					
Unitholders' funds		598,909	526,978	308,482	375,276
Perpetual securities	21	256,787	256,787	256,787	256,787
Net assets		855,696	783,765	565,269	632,063
Net asset value per unit attributable to Unitholders (in cents)					
	19	7.78	6.85	4.01	4.88

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

Lippo Malls Indonesia Retail Trust
Condensed interim statements of movements in unitholders' funds
For the third quarter and nine months ended 30 September 2023

	Third quarter		Nine months	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Group				
Unitholders' funds				
At beginning of period	620,431	673,887	526,978	728,018
Operations				
Total (loss)/return for the period	(12,641)	(17,427)	1,748	(27,362)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,281)	-	(12,704)
Net (decrease)/increase in net assets resulting from operations attributed to Unitholders	(12,641)	(21,708)	1,748	(40,066)
Unitholders' contributions				
Manager's management fees settled in units	-	-	-	1,272
Changes in net assets resulting from creation of units	-	-	-	1,272
Distributions	-	(6,927)	(3,079)	(20,760)
Total net assets before movements in foreign currency translation reserve and perpetual securities	<u>607,790</u>	<u>645,252</u>	<u>525,647</u>	<u>668,464</u>
Foreign currency translation reserve *				
Net movement in other comprehensive (loss)/return	(8,881)	26,953	73,262	3,741
At end of period	<u>598,909</u>	<u>672,205</u>	<u>598,909</u>	<u>672,205</u>
Perpetual securities				
At beginning of period	256,787	259,432	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	4,281	-	12,704
Distributions to perpetual securities holders	-	(4,570)	-	(13,014)
At end of period	<u>256,787</u>	<u>259,143</u>	<u>256,787</u>	<u>259,143</u>
Net assets	<u>855,696</u>	<u>931,348</u>	<u>855,696</u>	<u>931,348</u>

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

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

Lippo Malls Indonesia Retail Trust
Condensed interim statements of movements in unitholders' funds (cont'd)
For the third quarter and nine months ended 30 September 2023

	Third quarter		Nine months	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Trust				
Unitholders' funds				
At beginning of period	344,888	484,041	375,276	563,113
Operations				
Total loss for the period	(36,406)	(42,087)	(63,715)	(100,175)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,281)	-	(12,704)
Net decrease in net assets resulting from operations attributed to Unitholders	(36,406)	(46,368)	(63,715)	(112,879)
Unitholders' contributions				
Manager's management fees settled in units	-	-	-	1,272
Changes in net assets resulting from creation of units	-	-	-	1,272
Distributions	-	(6,927)	(3,079)	(20,760)
At end of period	308,482	430,746	308,482	430,746
Perpetual securities				
At beginning of period	256,787	259,432	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	4,281	-	12,704
Distributions to perpetual securities holders	-	(4,570)	-	(13,014)
At end of period	256,787	259,143	256,787	259,143
Net assets	565,269	689,889	565,269	689,889

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 third quarter and nine months ended 30 September 2023

	<u>Group</u>			
	Third quarter		Nine months	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>				
Total (loss)/return for the period before tax	(6,687)	(9,311)	20,924	(6,718)
Adjustments for:				
Interest income	(646)	(407)	(1,585)	(1,109)
Interest expense and other related costs	17,144	15,407	48,722	41,410
Amortisation of borrowing costs	1,732	1,668	5,213	4,613
Depreciation of plant and equipment	649	726	1,944	2,085
Amortisation of intangible assets	1,361	1,682	4,080	5,213
Net provision/(reversal) for impairment loss on trade and other receivables	54	(246)	(1,214)	(1,280)
Decrease in fair value of investment properties	-	-	-	4,998
Fair value gains on derivative financial instruments	(6,552)	(2,875)	(15,772)	(60)
Gain on repurchase of Guaranteed Senior Notes	-	(2,887)	(2,249)	(2,887)
Plant and equipment written off	-	-	24	-
Unrealised foreign exchange losses	10,415	16,134	7,387	31,858
Operating cash flows before changes in working capital	17,470	19,891	67,474	78,123
Trade and other receivables	2,397	(2,182)	6,938	2,071
Other non-financial assets	900	(2,979)	(3,305)	(1,458)
Trade and other payables	13,133	7,569	5,065	13,797
Other non-financial liabilities, current	362	652	1,774	1,378
Net cash flows from operations before tax	34,262	22,951	77,946	93,911
Income tax paid	(5,654)	(5,350)	(18,980)	(17,303)
Net cash flows from operating activities	<u>28,608</u>	<u>17,601</u>	<u>58,966</u>	<u>76,608</u>
<u>Cash flows from investing activities</u>				
Capital expenditure on investment properties	(3,821)	(2,182)	(9,067)	(8,248)
Purchase of plant and equipment	(601)	(1,228)	(1,944)	(2,241)
Interest received	641	414	1,549	1,101
Net cash flows used in investing activities	<u>(3,781)</u>	<u>(2,996)</u>	<u>(9,462)</u>	<u>(9,388)</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 (cont'd)
For the third quarter and nine months ended 30 September 2023**

	<u>Group</u>			
	Third quarter		Nine months	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from financing activities</u>				
Repayment of bank borrowings	-	-	(7,000)	-
Other financial liabilities, current	(34)	(2)	(304)	(205)
Other non-financial liabilities, non-current	(2,110)	4,268	(286)	1,852
Interest paid	(19,314)	(11,789)	(47,380)	(40,766)
Distributions to unitholders	-	(6,927)	(3,079)	(20,760)
Distributions to perpetual security holders	-	(4,570)	-	(13,014)
Cash restricted in use for bank facilities	(31)	(655)	(284)	(1,710)
Repurchase of Guaranteed Senior Notes	-	(9,650)	(6,970)	(9,650)
Net cash flows used in financing activities	<u>(21,489)</u>	<u>(29,325)</u>	<u>(65,303)</u>	<u>(84,253)</u>
Net increase/(decrease) in cash and cash equivalents	3,339	(14,720)	(15,798)	(17,033)
Cash and cash equivalents at beginning of period	91,609	116,785	106,975	119,881
Effect of exchange rate fluctuations on cash held	(713)	704	3,058	(79)
Cash and cash equivalents at end of period	<u>94,235</u>	<u>102,769</u>	<u>94,235</u>	<u>102,769</u>
Cash and cash equivalents per statement of cash flows	94,235	102,769	94,235	102,769
Add: Cash restricted in use for bank facilities	4,346	3,933	4,346	3,933
Cash and cash equivalents per statements of financial position (Note 14)	<u>98,581</u>	<u>106,702</u>	<u>98,581</u>	<u>106,702</u>

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio As at 30 September 2023

Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
1. Gajah Mada Plaza	Jalan Gajah Mada 19-26 Sub-District of Petojo Utara, District of Gambir, Regency of Central Jakarta, Jakarta-Indonesia	19 November 2007	82,984	Strata title constructed on HGB# Title common land, expires on 24 January 2040	81,626	9.5	75,306	9.6
2. Cibubur Junction	Jalan Jambore No.1 Cibubur, Sub-District of Ciracas, Regency of East Jakarta, Jakarta-Indonesia	19 November 2007	66,935	ABS*, expires on 28 July 2025	10,605	1.2	9,807	1.3
3. The Plaza Semanggi	Jalan Jenderal Sudirman Kav.50, Sub-District of Karet Semanggi, District of Setiabudi, Regency of South Jakarta, Jakarta-Indonesia	19 November 2007	155,122	ABS, expires on 31 March 2054	71,364	8.3	68,530	8.7
4. Mal Lippo Cikarang	Jalan MH Thamrin, Lippo Cikarang, Sub-District of Cibatu, District of Lemah Abang, Regency of Bekasi, West Java-Indonesia	19 November 2007	39,605	HGB title, expires on 5 May 2043	73,208	8.6	70,120	8.9

Hak Guna Bangunan (“HGB”)

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

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
5. Lippo Plaza Ekalokasari Bogor	Jalan Siliwangi No. 123, Sub-District of Sukasari, District of Kota Bogor Timur, Administrative City of Bogor, West Java-Indonesia	19 November 2007	58,859	ABS, expires on 27 June 2032	25,724	3.0	24,873	3.2
6. Bandung Indah Plaza	Jalan Merdeka No. 56, Sub-District of Citarum, District of Bandung Wetan, Regency of Bandung, West Java-Indonesia	19 November 2007	75,868	ABS, expires on 31 December 2030	49,534	5.8	47,517	6.1
7. Istana Plaza	Jalan Pasir Kaliki No. 121 – 123, Sub-District of Pamoyanan, District of Cicendo, Regency of Bandung, West Java-Indonesia	19 November 2007	47,534	ABS, expires on 17 January 2034	36,284	4.2	34,994	4.5
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	167,649	HGB title, expires on 24 November 2032	232,973	27.2	224,374	28.6
9. Pluit Village	Jalan Pluit Indah Raya, Sub-District of Pluit, District of Penjaringan, City of North Jakarta, Province of DKI Jakarta, Indonesia	6 December 2011	150,905	ABS, expires on 9 June 2027	45,268	5.3	43,401	5.5

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
10. Plaza Medan Fair	Jalan Jendral Gatot Subroto, Sub-District of Sekip, District of Medan Petisah, City of Medan, Province of North Sumatera, Indonesia	6 December 2011	141,866	ABS, expires on 23 July 2027	58,360	6.8	56,158	7.2
11. Palembang Square Extension	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia	15 October 2012	23,825	ABS, expires on 25 January 2041	28,204	3.3	27,275	3.5
12. Lippo Plaza Kramat Jati	Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province, Indonesia	15 October 2012	65,511	HGB title, expires on 24 October 2024	51,888	6.1	50,049	6.4
13. Tamini Square	Jalan Raya Taman Mini Pintu 1 No.15, Pinang Ranti Sub District, Makasar Distrik, East Jakarta Region, DKI Jakarta Province, Indonesia	14 November 2012	18,963	Strata title constructed on HGB title common land, expires on 26 September 2035	21,386	2.5	20,638	2.6

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
14. Palembang Square	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatra Province, Indonesia	14 November 2012	49,511	Strata title constructed on HGB title common land, expires on 1 September 2039	70,654	8.3	68,187	8.7
15. Lippo Mall Kemang	Jalan Kemang VI, Bangka Sub District, Mampang Prapatan District, South Jakarta, DKI Jakarta Province, Indonesia	17 December 2014	150,932	Strata title constructed on HGB title common land, expires on 28 June 2035	195,459	22.8	187,941	24.0
16. Lippo Plaza Batu	Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia	7 July 2015	34,340	HGB title, expires on 8 June 2031	20,449	2.4	19,348	2.5
17. Palembang Icon	Jalan POM IX, Sub District of Lorok Pakjo, District of Ilir Barat I, City of Palembang, Province of South Sumatra, Indonesia	10 July 2015	50,889	HGB title, ABS, expires on 30 April 2040	84,267	9.8	81,224	10.4

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
18. Lippo Mall Kuta	Jalan Kartika Plaza, Sub District of Kuta, District of Kuta, Regency of Badung, Province of Bali, Indonesia	29 December 2016	48,467	HGB title, expires on 22 March 2037	38,613	4.5	37,152	4.7
19. Lippo Plaza Kendari	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia	21 June 2017	34,831	ABS, expires on 7 July 2041	26,675	3.1	25,731	3.3
20. Lippo Plaza Jogja	Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia	22 December 2017	65,524	HGB title, expires on 27 December 2043	38,973	4.6	37,564	4.8
21. Kediri Town Square	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java, Indonesia	22 December 2017	28,688	HGB title, expires on 12 August 2024	34,617	4.0	33,236	4.2
22. Lippo Mall Puri	Jalan Puri Indah Raya Blok U1, RT.3/RW.2, Kembangan Sel., Kembangan, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11610, Indonesia	27 January 2021	174,645	Strata title constructed on HGB title common land, expires on 15 January 2040	345,443	40.4	331,887	42.3

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail spaces Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
1. Mall WTC Matahari Units	Jalan Raya Serpong No.39, Sub-District of Pondok Jagung, District of Serpong, Regency of Tangerang, Banten-Indonesia	19 November 2007	11,184	Strata title constructed on HGB title common land, expires on 8 April 2038	9,247	1.1	8,923	1.1
2. Metropolis Town Square Units	Jalan Hartono Raya, Sub-District of Cikokol, District of Cipete, Regency of Tangerang, Banten-Indonesia	19 November 2007	15,248	Strata title constructed on HGB title common land, expires on 27 December 2029	10,195	1.2	9,838	1.3
3. Depok Town Square Units	Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Depok, Regency of Depok, West Java-Indonesia	19 November 2007	13,045	Strata title constructed on HGB title common land, expires on 27 February 2035	13,140	1.5	12,680	1.6
4. Java Supermall Units	Jalan MT Haryono, No. 992-994, Sub-District of Jomblang, District of Semarang Selatan, Regency of Semarang, Central Java-Indonesia	19 November 2007	11,082	Strata title constructed on HGB title common land, expires on 24 September 2037	10,962	1.3	10,578	1.3

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 30 September 2023

Indonesia retail spaces (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 30 September 2023 \$'000	Percentage of net assets at 30 September 2023 %	Fair value at 31 December 2022 \$'000	Percentage of net assets at 31 December 2022 %
5. Malang Town Square Units	Jalan Veteran No. 2, Sub-District of Penanggungan, District of Klojen, Regency of Malang, East Java-Indonesia	19 November 2007	11,065	Strata title constructed on HGB title, expires on 21 April 2033	14,473	1.7	13,966	1.8
6. Plaza Madiun Units	Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Regency of Madiun, East Java-Indonesia	19 November 2007	19,991	HGB title, expires on 9 February 2032	19,162	2.2	18,490	2.4
7. Grand Palladium Units	Jalan Kapten Maulana Lubis, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia	19 November 2007	13,730	Strata title constructed on HGB title common land, expires on 9 November 2028	6,244	0.7	6,025	0.8
Investment properties					1,724,997	201.4	1,655,812	211.3
Other net liabilities					(869,301)	(101.4)	(872,047)	(111.3)
Net asset value					855,696	100.0	783,765	100.0

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

Lippo Malls Indonesia Retail Trust

Notes to the condensed interim financial statements

1. General

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

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

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

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

The parent company of the Manager is PT Lippo Karawaci Tbk (the “Sponsor”), incorporated in Indonesia, which is 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 1 #40-05 Singapore 068809.

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

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

The auditor of the Group has included a paragraph on material uncertainty related to going concern in its independent report for the latest audited financial statements for the financial year ended 31 December 2022 (“FY2022 Audited Financial Statements”). The opinion of the auditor on the FY2022 Audited Financial Statements was not modified. This matter is further explained in paragraph 2.1 below.

Lippo Malls Indonesia Retail Trust

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these condensed interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and financial position of the Trust and the Group since the latest audited annual financial statements as at and for the year ended 31 December 2022.

Uncertainties relating to current economic conditions and going concern

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

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

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

As at 30 September 2023, the Group’s current liabilities exceeded its current assets by \$483,457,000, mainly arising from the classification of bank borrowings and US\$231.8 million Guaranteed Senior Notes maturing within the next 12 months as current liabilities. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. Notwithstanding these events or conditions appear to cast significant doubt upon the Group’s ability to continue as a going concern, the Manager has prepared the financial statements on a going concern basis given the following mitigating factors:

- (a) Based on the Group’s cash flow forecast for the next 12 months, the Manager believes the Group will be able to pay its debts as when they fall due. Although the Group’s operation and financial performance had been impacted by the COVID-19 pandemic since 2020, as Indonesia gradually moves from the pandemic to endemic phase, the Indonesian authorities lifted all restrictions related to COVID-19 in December 2022. As such, the Group reported a total return of \$1,748,000 for the nine months ended 30 September 2023 compared to a total loss of \$27,362,000 in the corresponding period in prior year and generated positive cash flows from operations for both nine months end periods. As the operating environment continues to improve, the Group is expected to meet the cash flow requirements from its normal course of business through its existing and future lease agreements with tenants that are expected to generate positive cash flows over the next 12 months;

Lippo Malls Indonesia Retail Trust

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

2.1 Basis of preparation (cont'd)

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

- (b) The Group had on 16 October 2023 entered into the ARA Facility Agreements in respect of its three loan facility agreements with total outstanding loans of \$245,000,000 in aggregate, as at 30 September 2023, which are originally maturing in November 2023, January 2024 and January 2026 respectively. Under the ARA Facility Agreements, out of the total outstanding loans of \$245,000,000, \$47,000,000 had been settled on 3 November 2023, while the remaining had been extended with a final maturity on 2 November 2026 and expected to be substantially reclassified as non-current liabilities in the next reporting quarter (see note 15); and
- (c) The Group has existing banking relationships with a number of banks and is exploring options available to address the Guaranteed Senior Notes amounting to US\$231,800,000 or approximately \$316,997,000 maturing in June 2024.

Although the above process has not yet reached any conclusion with the relevant parties involved at the date of these financial statements, the Manager expects the Group to be able to find a solution to address the above.

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

2.2 Critical judgements, assumptions and estimation uncertainties

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the year ended 31 December 2022.

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

Lippo Malls Indonesia Retail Trust

3. Gross revenue

	<u>Group</u>			
	Third quarter		Nine months	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Rental revenue	28,073	29,920	84,087	90,611
Car park revenue	1,321	1,409	4,006	4,235
Service charge and utilities recovery	20,061	20,009	60,210	58,300
Other rental income	315	392	1,075	1,197
	<u>49,770</u>	<u>51,730</u>	<u>149,378</u>	<u>154,343</u>

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

Due to uncertainties in the operating environment arising from the Covid-19 pandemic where the 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, were provided to affected tenants. Such rental support and discounts on service charges granted to the tenants from time to time were accounted for and recorded in the period when the rental support and discounts were negotiated and granted and at times cover prior periods.

4. Property operating expenses

	<u>Group</u>			
	Third quarter		Nine months	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Land rental expense	371	364	1,104	1,088
Property management fees	1,669	1,776	5,012	5,274
Legal and professional fees	370	384	1,132	1,258
Depreciation of plant and equipment	649	726	1,944	2,085
Net reversal for impairment of trade receivables	20	(236)	(1,248)	(267)
Property operating and maintenance expenses	15,871	15,803	46,903	45,942
Other property operating expenses	178	118	735	299
	<u>19,128</u>	<u>18,935</u>	<u>55,582</u>	<u>55,679</u>

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

	<u>Group</u>			
	<u>Third quarter</u>		<u>Nine months</u>	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Base fee	1,173	1,244	3,495	3,712
Performance fee	1,226	1,312	3,752	3,947
Authorised investment fee	29	50	58	85
	<u>2,428</u>	<u>2,606</u>	<u>7,305</u>	<u>7,744</u>

6. Finance costs

	<u>Group</u>			
	<u>Third quarter</u>		<u>Nine months</u>	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense	17,165	15,396	48,663	41,313
Amortisation of borrowing costs	1,732	1,668	5,213	4,613
Issuance and commitment fees	(21)	11	59	97
	<u>18,876</u>	<u>17,075</u>	<u>53,935</u>	<u>46,023</u>

Issuance and commitment fees for 3Q 2023 included a waiver of commitment fee amounting to \$38,000 from a lender.

7. Foreign exchange (losses)/gains

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

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

8. Income tax

	<u>Group</u>			
	<u>Third quarter</u>		<u>Nine months</u>	
	<u>ended 30 September</u>		<u>ended 30 September</u>	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current tax				
Singapore income tax				
- Adjustments in respect of prior years	-	-	32	2
Foreign income tax	5,068	5,239	15,398	15,673
Withholding tax	886	2,877	3,746	4,969
	<u>5,954</u>	<u>8,116</u>	<u>19,176</u>	<u>20,644</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>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Total (loss)/return after tax	(12,641)	(17,427)	1,748	(27,362)
Less: Amount reserved for distribution to perpetual securities holders	-	(4,281)	-	(12,704)
Total (loss)/return attributable to Unitholders	<u>(12,641)</u>	<u>(21,708)</u>	<u>1,748</u>	<u>(40,066)</u>
Denominator				
Weighted average number of units	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,689,329,264</u>
EPU (in cents) ⁽¹⁾	<u>(0.16)</u>	<u>(0.28)</u>	<u>0.02</u>	<u>(0.52)</u>
Adjusted EPU (in cents) ⁽²⁾	<u>(0.16)</u>	<u>(0.28)</u>	<u>0.02</u>	<u>(0.46)</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>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Distribution to Unitholders	-	6,927	-	20,781
Denominator				
Number of units in issue (note 20)	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>
DPU (in cents)	<u>-</u>	<u>0.0900</u>	<u>-</u>	<u>0.2700</u>

LMIR Trust announced on 20 March 2023, 31 May 2023 and 18 September 2023, that it had ceased distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are made.

Lippo Malls Indonesia Retail Trust

10. Investment properties

			<u>Group</u>	
	30 September	31 December	30 September	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	IDR'000	IDR'000
At valuation				
At beginning of period/year	1,655,812	1,788,915	19,305,243,809	18,844,019,663
Enhancement expenditure capitalised	9,067	9,734	102,006,620	113,489,173
	<u>1,664,879</u>	<u>1,798,649</u>	<u>19,407,250,429</u>	<u>18,957,508,836</u>
Changes in fair value included in profit or loss	-	32,310	-	347,734,973
Foreign exchange translation	60,118	(175,147)	-	-
At end of period/year	<u>1,724,997</u>	<u>1,655,812</u>	<u>19,407,250,429</u>	<u>19,305,243,809</u>

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

The increase in the carrying amount of investment properties mainly relating to asset enhancement expenditure capitalised for the period ended 30 September 2023 and the strengthening of Indonesian Rupiah against Singapore dollar compared to 31 December 2022.

Measurement of fair value

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

The carrying amounts of investment properties as at 30 September 2023 were based on internal assessment by the Manager. The assessment took into consideration (a) changes in the assumptions and (b) methodologies, used in the valuation on 31 December 2022 and the information available at the date of the assessment. In determining the fair value, the valuation methods involve certain estimates. Significant unobservable inputs used in assessing the carrying amounts included: (1) discount rates; (2) growth rates; (3) terminal capitalisation rate; and (4) discounted cash flow forecasts. The Manager reviews the appropriateness of the valuation method, assumptions and estimates adopted and is of the view that they are a reasonable reflection of the current market conditions as at 30 September 2023.

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

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

Lippo Malls Indonesia Retail Trust

11. Intangible assets

	<u>Group</u>	
	30 September	31 December
	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Cost		
At beginning of period/year	60,806	67,319
Foreign exchange translation	2,214	(6,513)
At end of period/year	<u>63,020</u>	<u>60,806</u>
Accumulated amortisation		
At beginning of period/year	50,295	48,724
Amortisation for the period/year	4,080	6,813
Foreign exchange translation	1,837	(5,242)
At end of period/year	<u>56,212</u>	<u>50,295</u>
Carrying value		
At beginning of period/year	<u>10,511</u>	<u>18,595</u>
At end of period/year	<u>6,808</u>	<u>10,511</u>

Intangible assets represent unamortised aggregate rental guarantee amounts receivable by the Group from master leases upon the acquisitions of Lippo Mall Kuta in 2016, Lippo Plaza Kendari in 2017 and Lippo Plaza Jogja in 2017 respectively, as well as the Net Property Income (“NPI”) guarantee amount provided to the Group upon the acquisition of Lippo Mall Puri in 2021. The master leases range from 3 to 5 years and the NPI guarantee covers the period from the date of acquisition to 31 December 2024. As at 30 September 2023 and 31 December 2022, all master leases had expired.

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Trade receivables				
Outside parties	31,048	36,089	-	-
Related parties	4,994	7,008	-	-
Less: Allowance for impairment				
Outside parties	(8,838)	(9,726)	-	-
Related parties	(706)	(690)	-	-
	<u>26,498</u>	<u>32,681</u>	<u>-</u>	<u>-</u>
Other receivables				
Subsidiaries	-	-	188,236	217,774
Related parties	478	386	-	-
Other receivables	7,304	8,357	618	111
Less: Allowance for impairment				
Outside parties	(482)	(432)	-	-
	<u>7,300</u>	<u>8,311</u>	<u>188,854</u>	<u>217,885</u>
	<u>33,798</u>	<u>40,992</u>	<u>188,854</u>	<u>217,885</u>

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

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

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	(10,416)	(12,052)	-	-
Reversal of allowance no longer required	1,336	1,756	-	-
Charge to profit or loss	(88)	(1,244)	-	-
Foreign exchange translation	(376)	1,124	-	-
At end of period/year	<u>(9,544)</u>	<u>(10,416)</u>	<u>-</u>	<u>-</u>

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

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	(432)	(1,516)	-	-
(Allowance)/Reversal of allowance no longer required	(34)	952	-	-
Foreign exchange translation	(16)	132	-	-
At end of period/year	<u>(482)</u>	<u>(432)</u>	<u>-</u>	<u>-</u>

Lippo Malls Indonesia Retail Trust

12. Trade and other receivables (cont'd)

The trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is disclosed in the audited financial statements as at and for the year ended 31 December 2022. The loss allowance for trade receivables was as follows:

	<u>Group</u>			
	Trade receivables			
	Gross amount		Loss allowance	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Current	14,963	18,965	74	65
1 to 30 days past due	2,487	2,732	58	63
31 to 60 days past due	1,422	1,284	55	49
Over 61 days past due	7,649	9,718	1,141	1,224
12-month ECL	26,521	32,699	1,328	1,401
Lifetime ECL	9,521	10,398	8,216	9,015
	<u>36,042</u>	<u>43,097</u>	<u>9,544</u>	<u>10,416</u>

Subsequent to 30 September 2023, \$9.3 million of trade receivables were collected, of which \$2.3 million were from related party tenants and \$7.0 million were from non-related party tenants.

13. Other non-financial assets

	<u>Group</u>		<u>Trust</u>		
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	
	Prepayments	2,804	2,609	100	80
	Prepaid tax	11,816	9,129	-	-
	<u>14,620</u>	<u>11,738</u>	<u>100</u>	<u>80</u>	

14. Cash and cash equivalents

	<u>Group</u>		<u>Trust</u>		
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	
	Not restricted in use	94,235	106,975	36,027	21,094
	Cash pledged for bank facilities	4,346	4,062	2,327	2,245
	<u>98,581</u>	<u>111,037</u>	<u>38,354</u>	<u>23,339</u>	

Lippo Malls Indonesia Retail Trust

15. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	27,500	110,000	-	-
Less: Unamortised transaction costs	(560)	(2,007)	-	-
	<u>26,940</u>	<u>107,993</u>	-	-
Financial instruments with fixed interest rates				
Senior notes (unsecured)*	248,483	567,359	-	-
Less: Unamortised transaction costs	(3,559)	(7,715)	-	-
	244,924	559,644	-	-
Lease liabilities	560	692	-	-
	<u>272,424</u>	<u>668,329</u>	-	-
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured)	217,500	142,000	135,000	142,000
Less: Unamortised transaction costs	(543)	(1,690)	(201)	(1,690)
	<u>216,957</u>	<u>140,310</u>	<u>134,799</u>	<u>140,310</u>
Financial instruments with fixed interest rates				
Senior notes (unsecured)*	316,997	-	-	-
Less: Unamortised transaction costs	(1,544)	-	-	-
	315,453	-	-	-
Lease liabilities	26	125	-	-
	<u>532,436</u>	<u>140,435</u>	<u>134,799</u>	<u>140,310</u>
	<u>804,860</u>	<u>808,764</u>	<u>134,799</u>	<u>140,310</u>
Due within 2 to 5 years	272,424	668,329	-	-
Due after 5 years	-	-	-	-
	<u>272,424</u>	<u>668,329</u>	-	-

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

The Group had on 16 October 2023 entered into the ARA Facility Agreements in respect of Bridging Facility A, Facility B, Facility A1, Facility A2, Facility B1 and Facility B2 (see notes 1 and 2 below) with total outstanding loans of \$245,000,000 in aggregate, as at 30 September 2023, which are originally maturing in November 2023, January 2024 and January 2026 respectively. Under the ARA Facility Agreements, out of the total outstanding loans of \$245,000,000, \$47,000,000 had been settled on 3 November 2023, while the remaining had been extended with a final maturity on 2 November 2026. Certain properties were provided as collateral to the Lenders under the ARA Facility Agreements.

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15. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing costs)

	Notes	Maturity	Interest rate	30 September 2023 \$'000	31 December 2022 \$'000
Current borrowings					
\$67.5 million term loan (Bridging Facility A)	1	November 2023	2.50% + SORA [#]	67,500	67,500
\$67.5 million term loan (Facility B)	1	November 2023	3.25% + SOR [*]	67,500	67,500
\$60.0 million term loan (Facility A1)	2	January 2024	3.50% + SORA [#]	60,000	-
\$30.0 million term loan (Facility B1)	2	January 2024	3.50% + SORA [#]	22,500	-
US\$231.8 million (31 December 2022: US\$238.8 million) Guaranteed Senior Notes	4	June 2024	7.25%	316,997	-
Committed revolving loan facility	3	August 2023	2.10% + SORA [#]	-	7,000
Non-current borrowings					
\$60.0 million term loan (Facility A1)	2	January 2024	3.50% + SORA [#]	-	60,000
\$20.0 million term loan (Facility A2)	2	January 2026	3.92% + SORA [#]	20,000	20,000
\$30.0 million term loan (Facility B1)	2	January 2024	3.50% + SORA [#]	-	22,500
\$10.0 million term loan (Facility B2)	2	January 2026	3.92% + SORA [#]	7,500	7,500
US\$231.8 million (31 December 2022: US\$238.8 million) Guaranteed Senior Notes	4	June 2024	7.25%	-	322,200
US\$181.7 million (31 December 2022: US\$181.7 million) Guaranteed Senior Notes	5	February 2026	7.50%	248,483	245,159
				<u>810,480</u>	<u>819,359</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 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.
- 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.
The facility has been fully repaid in April 2023.
- Cross currency swap agreements were entered into to swap the US\$250.0 million Notes into SGD with a weighted average fixed interest rate of 6.71% per annum.
In December 2022, the Trust repurchased and cancelled an aggregate principal amount of US\$11.2 million of US\$250.0 million outstanding notes from the open market at a total cost of US\$8.4 million (\$11.4 million) at a gain of approximately US\$2.6 million (\$3.6 million) using internal funding. The outstanding amount of notes amounting to US\$238.8 million as at 31 December 2022.
In January and March 2023, the Trust repurchased and cancelled an aggregate principal amount of US\$7.0 million of US\$250.0 million outstanding notes from the open market at a total cost of US\$5.24 million (\$7.0 million) at a gain of approximately US\$1.7 million (\$2.2 million) using internal funding. The outstanding amount of notes amounting to US\$231.8 million as at 30 September 2023.
- Cross currency swap agreements were entered into to swap US\$180.0 million of the US\$200.0 million Notes into SGD with a weighted average interest rate of 6.97% plus 6-month SORA per annum.
In September and December 2022, the Trust repurchased and cancelled an aggregate principal amount of US\$18.3 million of US\$200.0 million outstanding notes from the open market at a total cost of US\$12.6 million (\$17.2 million) at a gain of approximately US\$5.2 million (\$7.1 million) using internal funding. The outstanding amount of notes amounting to US\$181.7 million as at 30 September 2023 and 31 December 2022.

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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>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Total gross borrowings and deferred payments	810,480	819,359
Total deposited property	1,884,562	1,835,672
Aggregated leverage ratio (%)	<u>43.0%</u>	<u>44.6%</u>
Interest coverage ratio (times) ⁽¹⁾	<u>1.8</u>	<u>2.1</u>
Adjusted interest coverage ratio (times) ⁽¹⁾	<u>1.7</u>	<u>1.7</u>

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

Interest coverage ratio was 2.0* (31 December 2022: 2.3) times in accordance with covenants of the borrowings, calculated based on ratio of consolidated NPI over consolidated interest expenses in accordance with the financial covenants of borrowings facilities. Ratio is calculated by dividing the trailing 12 months NPI by the trailing 12 months interest expense.

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

16. Other non-financial liabilities, non-current

	<u>Group</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Advance payments by tenants	<u>80,500</u>	<u>77,956</u>

This relates to rental received in advance from certain tenants.

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

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17. Trade and other payables

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
<u>Other payables, non-current</u>				
Subsidiary - LMIRT Capital	-	-	281,527	692,269
<u>Trade payables, current</u>				
Outside parties and accrued liabilities	28,747	32,472	6,642	9,006
Related parties	1,787	2,505	-	-
	<u>30,534</u>	<u>34,977</u>	<u>6,642</u>	<u>9,006</u>
<u>Other payables, current</u>				
Subsidiary - LMIRT Capital	-	-	407,781	-
Subsidiaries ^(#)	-	-	64,816	65,836
Other payables	10,434	11,168	-	-
	<u>10,434</u>	<u>11,168</u>	<u>472,597</u>	<u>65,836</u>
	<u>40,968</u>	<u>46,145</u>	<u>479,239</u>	<u>74,842</u>
Total trade and other payables	<u>40,968</u>	<u>46,145</u>	<u>760,766</u>	<u>767,111</u>

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

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

(#) Included in this balance are amount due to subsidiaries amounting to \$47,139,000 (31 December 2022: \$45,467,000) that are unsecured, bear fixed interest rates ranging from 5.00% to 9.35% (31 December 2022: 5.00% to 9.35%) per annum and with a fixed term of repayment. The carrying amount is a reasonable approximation of fair value (Level 2).

18. Other non-financial liabilities, current

	<u>Group</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Security deposits from tenants	<u>47,817</u>	<u>44,430</u>

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

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19. Net asset value per unit attributable to Unitholders

	<u>Group</u>		<u>Trust</u>	
	30 September <u>2023</u>	31 December <u>2022</u>	30 September <u>2023</u>	31 December <u>2022</u>
Numerator				
Net assets attributable to Unitholders at end of period/year (\$'000)	<u>598,909</u>	<u>526,978</u>	<u>308,482</u>	<u>375,276</u>
Net tangible assets attributable to Unitholders at end of period/year (\$'000)	<u>592,101</u>	<u>516,467</u>	<u>308,482</u>	<u>375,276</u>
Denominator				
Units in issue (Note 20)	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>	<u>7,696,809,979</u>
Net asset value (NAV) per unit attributable to Unitholders (in cents)	<u>7.78</u>	<u>6.85</u>	<u>4.01</u>	<u>4.88</u>
Net tangible assets (NTA) per unit attributable to Unitholders (in cents)	<u>7.69</u>	<u>6.71</u>	<u>4.01</u>	<u>4.88</u>

20. Units in issue

20A. Units in issue

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

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

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20. Units in issue (cont'd)

20B. Details of changes in issued and issuable units

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

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

21. Perpetual securities

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

	<u>Group and Trust</u>	
	30 September <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of period/year	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	14,319
Distributions to perpetual securities holders	-	<u>(16,985)</u>
At end of period/year	<u>256,787</u>	<u>256,787</u>

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

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

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

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

While the Manager is exploring options to maintain a sustainable capital structure and addressing its maturing debt obligations, in order to conserve cash, LMIR Trust announced on 20 March 2023, 31 May 2023 and 18 September 2023, it had ceased distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities. As a result of this discretion, no distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities, unless and until certain conditions are made.

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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, a company incorporated in Indonesia.

22A. Related party transactions

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

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

	<u>Group</u>			
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Manager				
Manager's management fees expense	2,428	2,606	7,305	7,744
Trustee				
Trustee's fees expense	95	116	315	345
Property manager				
Property manager fees expense	1,669	1,776	5,012	5,274
Affiliates of Sponsor ⁽¹⁾				
Rental revenue and service charge ⁽²⁾⁽³⁾⁽⁴⁾	<u>7,927</u>	<u>12,081</u>	<u>24,084</u>	<u>39,142</u>

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

The amount also includes revenue from PT Matahari Graha Fantasi up to the date that it ceased to be a related party.

(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 Mall Puri under the net property income guarantee agreement with PT Mandiri Cipta Gemilang.

Lippo Malls Indonesia Retail Trust

23. Financial ratios

	<u>Group</u>		<u>Trust</u>	
	Nine months ended 30 September		Nine months ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾	1.22%	0.85%	1.43%	1.08%
Expenses to average net assets ratio – including performance related fee ⁽¹⁾	1.83%	1.40%	2.26%	1.77%
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 condensed interim 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 30 September 2023 vs 31 December 2022

Investment properties

As at 30 September 2023, the carrying amounts of investment properties were based on internal assessment performed by the Manager with inputs provided by the valuers, and adjusted for capital expenditure incurred during the period under review and translation differences. The investment properties are denominated in IDR. In SGD, increase of \$69.2 million or 4.2% in investment properties was mainly due to strengthening of IDR against SGD as at 30 September 2023. In IDR terms, the investment properties were IDR102 billion or 0.5% higher in 30 September 2023 mainly due to AEI expenditure capitalised.

Intangible assets

Refer to note 11 of the condensed interim financial statements, the decrease is mainly due to amortisation for the period ended 30 September 2023.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$26.5 million (31 December 2022: \$32.7 million) and other receivables (net of allowance for impairment) of \$7.3 million (31 December 2022: \$8.3 million) as at 30 September 2023.

Trade receivables (before taking into account of allowance for impairment) was \$36.0 million (31 December 2022: \$43.1 million), of which \$5.0 million (31 December 2022: \$7.0 million) was due from related party tenants and \$31.0 million (31 December 2022: \$36.1 million) was due from non-related party tenants. Decrease in trade receivables was mainly due to continued improvement in collection from tenants.

Other receivables (before taking into account of allowance for impairment) was \$7.8 million (31 December 2022: \$8.7 million). Decrease in other receivables was mainly due to settlement of other receivables.

Subsequent to the period ended 30 September 2023, \$9.3 million of trade receivables were collected, of which \$2.3 million was from related party tenants and \$7.0 million was from non-related party tenants.

Cash and cash equivalents

The Group generated net positive cash flow from operating activities for the period under review amounted to \$59.0 million for the period ended 30 September 2023, compared to 30 September 2022 of \$76.6 million, was mainly due to higher payment for other non-financial assets and trade and other payables.

Net cash flows used in investing activities for the period under review of \$9.5 million was relating to asset enhancement initiative expenditure amounted to \$9.1 million on various properties, including \$3.6 million and \$1.5 million spent for Gajah Mada Plaza and Lippo Mall Puri respectively.

Net cash flows used in financing activities for the period under review amounting to \$65.3 million which included payment of interest expenses of \$47.4 million, repurchased part of US\$250.0 million Guaranteed Senior Notes from the open market amounting to \$7.0 million, distribution to unitholders of \$3.1 million in respect of 4Q 2022 financial results, and repayment of revolving credit facility of \$7.0 million in April 2023.

Cash and cash equivalents of the Group was \$98.6 million as at 30 September 2023 (31 December 2022: \$111.0 million).

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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 30 September 2023 vs 31 December 2022 (cont'd)

Other financial liabilities

Other financial liabilities decreased by approximately \$3.9 million to \$804.9 million as at 30 September 2023 from \$808.8 million as at 31 December 2022. This was mainly due to the Group repurchased and cancelled an aggregate principal amount of US\$7.0 million of US\$250.0 million Guaranteed Senior Notes from the open market with a total cost of US\$5.2 million (\$7.0 million) for the period ended 30 September 2023, a repayment of revolving credit facility of \$7.0 million, partially offset by the effect of translation loss on debts denominated in USD due to the weakening of SGD against USD in 30 September 2023 compared to 31 December 2022.

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 improvement in fair value of derivative financial instruments was mainly due to favourable movement of foreign exchange rate for USD to SGD compared to contracted exchange rate, partially offset by unfavourable movement in the interest rate element committed in the cross currency swap contracts.

Unitholders' funds

The increase in unitholders' fund was mainly due to strengthening of IDR against SGD during the period.

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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					
	Note	3Q 2023 \$'000	3Q 2022 \$'000	Variance % Favourable/ (Unfavourable)	YTD 2023 \$'000	YTD 2022 \$'000	Variance % Favourable/ (Unfavourable)
Statement of Total Return							
Gross rental income	(a)	28,073	29,920	(6.2%)	84,087	90,611	(7.2%)
Carpark income		1,321	1,409	(6.2%)	4,006	4,235	(5.4%)
Service charge and utilities recovery	(b)	20,061	20,009	0.3%	60,210	58,300	3.3%
Other rental income		315	392	(19.6%)	1,075	1,197	(10.2%)
Gross revenue		49,770	51,730	(3.8%)	149,378	154,343	(3.2%)
Land rental expense		(371)	(364)	(1.9%)	(1,104)	(1,088)	(1.5%)
Property management fees		(1,669)	(1,776)	6.0%	(5,012)	(5,274)	5.0%
Legal and professional fees		(370)	(384)	3.6%	(1,132)	(1,258)	10.0%
Depreciation of plant and equipment		(649)	(726)	10.6%	(1,944)	(2,085)	6.8%
Net (allowance)/reversal for impairment loss on trade receivables	(c)	(20)	236	NM	1,248	267	NM
Property operating and maintenance expenses		(15,871)	(15,803)	(0.4%)	(46,903)	(45,942)	(2.1%)
Other property operating expenses		(178)	(118)	(50.8%)	(735)	(299)	NM
Property operating expenses		(19,128)	(18,935)	(1.0%)	(55,582)	(55,679)	0.2%
Net property income		30,642	32,795	(6.6%)	93,796	98,664	(4.9%)
Interest income	(d)	646	407	58.7%	1,585	1,109	42.9%
Other income	(e)	-	2,887	(100.0%)	2,249	2,887	(22.1%)
Manager's management fees		(2,428)	(2,606)	6.8%	(7,305)	(7,744)	5.7%
Trustee's fees		(95)	(116)	18.1%	(315)	(345)	8.7%
Finance costs	(f)	(18,876)	(17,075)	(10.5%)	(53,935)	(46,023)	(17.2%)
Other expenses		(1,815)	(1,115)	(62.8%)	(3,594)	(1,924)	(86.8%)
Net income		8,074	15,177	(46.8%)	32,481	46,624	(30.3%)
Decrease in fair value of investment properties		-	-	NM	-	(4,998)	(100.0%)
Realised (losses)/gains on derivative financial instruments	(g)	(29)	(5)	NM	99	(328)	NM
Increase in fair values of derivative financial instruments	(g)	6,552	2,875	NM	15,772	60	NM
Realised foreign exchange losses	(h)	(9,508)	(9,542)	0.4%	(15,961)	(11,005)	(45.0%)
Unrealised foreign exchange losses	(i)	(10,415)	(16,134)	35.4%	(7,387)	(31,858)	76.8%
Amortisation of intangible assets		(1,361)	(1,682)	19.1%	(4,080)	(5,213)	21.7%
Total (loss)/return for the period before tax		(6,687)	(9,311)	28.2%	20,924	(6,718)	NM
Income tax expense	(j)	(5,954)	(8,116)	26.6%	(19,176)	(20,644)	7.1%
Total (loss)/return for the period		(12,641)	(17,427)	27.5%	1,748	(27,362)	NM
Other comprehensive (loss)/return:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations, net of tax	(k)	(8,881)	26,953	NM	73,262	3,741	NM
Total comprehensive (loss)/return for the period		(21,522)	9,526	NM	75,010	(23,621)	NM

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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 3Q 2023 vs 3Q 2022

- (a) Rental revenue in 3Q 2023 decreased by \$1.8 million or 6.2% as compared to 3Q 2022. In IDR terms, rental revenue decreased by IDR4.0 billion or 1.2%. The decrease was mainly due to:
- (i) depreciation of IDR against SGD where the underlying rental revenue are mainly denominated in IDR,
 - (ii) lower revenue contribution from Lippo Plaza Jogja by IDR7,621.0 million or equivalent to \$0.7 million due mainly to expiry of master leases in December 2022.
- (b) Service charge and utilities recovery in 3Q 2023 about flat as compared to 3Q 2022 due to the weakening of IDR in 3Q 2023. In IDR terms, service charge and utilities recovery in 3Q 2023 increased by IDR11.9 billion or 5.6%. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants upon a more relaxed operating environment, hence the recovery revenue in 3Q 2023.
- (c) Net allowance for impairment loss of trade receivables was \$20,000 in 3Q 2023 compared to net reversal of \$0.2 million in 3Q 2022 was mainly due to a marginal increase in allowance for impairment loss made for a specific tenant.
- (d) Interest income in 3Q 2023 increased by \$0.2 million or 58.7% was mainly due to higher fixed deposit interest during the period.
- (e) The other income was nil in 3Q 2023 compared to a gain of \$2.9 million from the repurchases of Guaranteed Senior Notes in 3Q 2022.
- (f) Finance costs in 3Q 2023 increased by \$1.8 million or 10.5% from 3Q 2022. The increase was mainly due to higher interest rates on term loans and a Guaranteed Senior Note with cross currency arrangement that swap the currency into SGD with a floating interest rate.
- (g) The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. Realised losses on derivative financial instruments in 3Q 2023 and 3Q 2022 were mainly relating to the currency option contracts. Increase in fair values of derivative financial instrument was mainly due to changes in market observable inputs, including forward foreign exchange rates and interest rate curves, used in the valuation model.
- (h) Realised foreign exchange losses at \$9.5 million in 3Q 2023 was about flat compared to 3Q 2022.
- (i) Unrealised foreign exchange losses were mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$413.5 million in aggregate where SGD weakened against USD since 30 June 2023.
- (j) Lower income tax expenses of \$2.2 million or 26.6% was mainly due to lower amount of withholding tax on dividend paid by Indonesian subsidiaries to Singapore holding companies in 3Q 2023 compared to 3Q 2022.
- (k) Exchange differences on translating foreign operations relates to foreign exchange differences arising from translating items denominated in IDR in the statement of financial position of the respective Indonesian subsidiaries, into SGD using the month end exchange rate. A translation loss of \$8.9 million was recorded in 3Q 2023 compared to a gain of \$27.0 million that of 3Q 2022 was mainly due to weakening of IDR against SGD during 3Q 2023.

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 YTD 2023 vs YTD 2022

- (a) Rental revenue in YTD 2023 decreased by \$6.5 million or 7.2% as compared to YTD 2022. In IDR terms, rental revenue decreased by IDR14.7 billion or 1.5%. The decrease was mainly due to:
 - (i) depreciation of IDR against SGD by approximately 6.1%, where the underlying rental revenue are mainly denominated in IDR,
 - (ii) lower revenue contribution from Lippo Plaza Jogja by IDR22,642.0 million or equivalent to \$2.2 million due mainly to expiry of master leases in December 2022.
- (b) Service charge and utilities recovery in YTD 2023 increased by \$1.9 million or 3.3% as compared to YTD 2022. In IDR terms, service charge and utilities recovery in YTD 2023 increased by IDR59.3 billion or 9.6%. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants upon a more relaxed operating environment, hence the recovery revenue in YTD 2023 compared to YTD 2022.
- (c) Net reversal of allowance for impairment loss on trade receivables was \$1.2 million in YTD 2023 compared to \$0.3 million in YTD 2022 mainly due to continued improvement in collection from tenants, hence reversal of the allowance for impairment loss provided in prior periods.
- (d) Interest income in YTD 2023 increased by \$0.5 million or 42.9% was mainly due to higher fixed deposit interest during the period.
- (e) Included in other income was a gain of \$2.2 million and \$2.9 million from the repurchased and cancelled of Guaranteed Senior Notes in YTD 2023 and YTD 2022 respectively.
- (f) Finance costs in YTD 2023 increased by \$7.9 million or 17.2% from YTD 2022. The increase was mainly due to higher interest rates on term loans and a Guaranteed Senior Notes with cross currency arrangement that swap the currency into SGD with a floating interest rate.
- (g) The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. Realised gains on derivative financial instruments was \$99,000 in YTD 2023 compared to realised loss on derivative financial instruments of \$0.3 million in YTD 2022 which was mainly relating to the currency option contracts. Increase in fair value of derivative financial instruments 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.
- (h) Higher realised foreign exchange losses at \$16.0 million in YTD 2023 compared to \$11.0 million in YTD 2022 was mainly due to redemption of redeemable preference shares ("RPS") in YTD 2023. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the period ended 30 September 2023 has resulted in realised foreign exchange losses.
- (i) Unrealised foreign exchange losses of \$7.4 million in YTD 2023 compared to unrealised foreign exchange loss of \$31.9 million was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$413.5 million (31 December 2022: US\$420.5 million) in aggregate where SGD weakened against USD since 31 December 2022.
- (j) Lower income tax expenses of \$1.5 million or 7.1% was mainly due to lower amount of withholding tax on dividend paid by Indonesian subsidiaries to Singapore holding companies in YTD 2023 compared to YTD 2022.
- (k) Exchange differences on translating foreign operations relates to foreign exchange differences arising from translating items denominated in IDR in the statement of financial position of the respective Indonesian subsidiaries, into SGD using the month end exchange rate. A translation gain of \$73.3 million was recorded in YTD 2023 compared to a gain of \$3.7 million that of YTD 2022 was mainly due to strengthening of IDR against SGD during the nine months ended 30 September 2023.

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SUPPLEMENTARY FINANCIAL DISCLOSURES REQUIRED BY THE MAINBOARD RULES APPENDIX 7.2

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

Not applicable.

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

October 2023's inflation rate in Indonesia inched up to 2.56% from September 2023's inflation rate of 2.28%. This was largely driven by El Nino weather conditions that has triggered an increase in food prices. Meanwhile, core inflation continued to ease to 1.98% from 2.00% in the previous month, marking the lowest figure in 21 consecutive months.¹

Despite some easing in inflation, the Indonesian Rupiah continued to weakened to its lowest level at 15,871 against the US dollar since 2020. This triggered the raising of its key rate by 25 basis points to 6.00% by Bank Indonesia ("BI") to strengthen stabilisation measures for the currency against the impact of increasing global uncertainty. The key rate is now at its highest level since June 2019. Further weakness in the IDR may trigger more rate hikes. Nevertheless, Indonesia's economic growth forecast remains at 4.5% to 5.3% for 2023.²

According to the Real Sales Survey in September 2023, Real Sales Index grew 1.0% year-on-year ("YoY") to a level of 200.2. This was mainly driven by positive sales of clothing, as well as spare parts and accessories. On a monthly basis however, retail sales contracted 1.9% YoY as most commodity groups declined in sales, while cultural and recreational goods recorded improving retail sales performance despite remaining in contractionary territory. In terms of prices, retailers expect a build-up of inflationary pressures in November 2023 before dissipating in February 2024, indicated by an increase in the 3-month Price Expectations Index ("PEI") to 119.9 from 118.7 and a decrease in the 6-month PEI to 129.7 from 134.0 respectively.³

¹ 1 November 2023, *Business Times* – Indonesia's inflation rises to 2.56% in October, fuelling talks of further rate hikes

² 19 October 2023, *Business Times* –Indonesia central bank unexpectedly raises rates amid falling rupiah

³ 10 October 2023, *Bank Indonesia* – Retail Sales Survei September 2023: Retail Sales Predicted To Remain Solid

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

4. Distributions

(a) Current financial period

Any distributions declared for the current financial period: No

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period: Yes
Name of distribution: Third quarter distribution for the period from 1 July 2022 to 30 September 2022.
Distribution Type: Capital distribution.
Distribution Rate: Capital distribution of 0.09 cents per unit.
Par value of units: NA
Tax rate: NA

(c) Date payable: Not applicable

(d) Record date: Not applicable

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

LMIR Trust announced on 20 March 2023, 31 May 2023 and 18 September 2023 that it had ceased distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applicable. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are made.

6. Interested Person Transactions Mandate

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

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

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

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

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

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

Mr Liew Chee Seng James
Executive Director and Chief Executive Officer
9 November 2023