



LIPPO MALLS INDONESIA RETAIL TRUST

Condensed interim financial statements

For the fourth quarter and full year ended 31 December 2023

Lippo Malls Indonesia Retail Trust

Condensed interim financial statements

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Lippo Malls Indonesia Retail Trust

Introduction

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

LMIR Trust was established with the principal investment objective of owning and investing on a long-term basis in a diversified portfolio of income-producing real estate in Indonesia that is primarily used for retail and/or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 31 December 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

	Fourth quarter		Variance Favourable/ (Unfavourable) %	Year		Variance Favourable/ (Unfavourable) %
	ended 31 December			ended 31 December		
	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
Rental revenue	26,482	28,595	(7.4%)	110,569	119,206	(7.2%)
Car park revenue	1,276	1,353	(5.7%)	5,282	5,588	(5.5%)
Service charge and utilities recovery	19,795	19,941	(0.7%)	80,005	78,241	2.3%
Other rental income	337	482	(30.1%)	1,412	1,679	(15.9%)
Gross revenue (Note A)	47,890	50,371	(4.9%)	197,268	204,714	(3.6%)
Net property income	28,566	31,818	(10.2%)	122,362	130,482	(6.2%)
Amount available for distribution:						
Unitholders of the Trust	-	-	NM	-	-	NM
Perpetual securities holders	-	1,615	(100.0%)	-	14,319	(100.0%)
Distributable amount	-	1,615	(100.0%)	-	14,319	(100.0%)
Distribution to Unitholders (Note B)	-	3,079	(100.0%)	-	23,860	(100.0%)
Distribution per unit ("DPU") (in cents) (Note 9)	-	0.0400	(100.0%)	-	0.3100	(100.0%)

Lippo Malls Indonesia Retail Trust

Summary of results (cont'd)

Note A

The portfolio performance in IDR terms is as follows:

Group Performance

	Fourth quarter ended 31 December		Variance Favourable/ (Unfavourable) %	Year ended 31 December		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	306,286	321,158	(4.6%)	1,253,377	1,282,954	(2.3%)
Car park revenue	14,755	15,188	(2.9%)	59,875	60,141	(0.4%)
Service charge and utilities recovery	228,754	223,239	2.5%	906,913	842,068	7.7%
Other rental income	3,898	5,364	(27.3%)	16,006	18,070	(11.4%)
Gross revenue	553,693	564,949	(2.0%)	2,236,171	2,203,233	1.5%
Net property income	330,613	357,037	(7.4%)	1,387,059	1,404,312	(1.2%)
Exchange rate (IDR to SGD)				11,335.70	10,762.50	(5.1%)

Lippo Malls Indonesia Retail Trust

Summary of results (cont'd)

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 persistently high level of inflation high interest rate and a volatile 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, 18 September 2023 and 11 December 2023, respectively, to conserve cash, LMIR Trust 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 were applied. 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 met.

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.

On 11 December 2023, LMIR Trust announced that its wholly-owned subsidiary has obtained a secured amortising term loan facility of up to IDR2.5 trillion ("IDR Facility"), subject to receiving the requisite consents from the holders of the US\$250.0 million Guaranteed Senior Notes ("2024 Notes") and US\$200.0 million Guaranteed Senior Notes ("2026 Notes") for the amendment of certain provisions of the Indentures governing the 2024 Notes and 2026 Notes, respectively, through consent solicitation exercises ("Consent Solicitation Exercises"). The proceeds from the IDR Facility will be used for the purchase of the outstanding 2024 Notes and 2026 Notes, as well as the related fees and expenses for the purchase exercises. Also, on 11 December 2023, LMIR Trust's wholly-owned subsidiary, LMIRT Capital Pte. Ltd., the issuer of 2024 Notes and 2026 Notes, launched the tender offers to purchase the 2024 Notes and 2026 Notes ("2023 Tender Offer"), as well as the Consent Solicitation Exercises.

On 27 December 2023, LMIRT Capital Pte. Ltd. announced that it has received valid requisite consents pursuant to the Consent Solicitation Exercises and the Group drawdown from the IDR Facility, repurchased and cancelled US\$43.5 million of the 2024 Notes and US\$38.5 million of the 2026 Notes pursuant to the 2023 Tender Offer.

Subsequent to the financial year ended 31 December 2023, on 16 January 2024, with the remaining balances of the IDR Facility, LMIRT Capital Pte. Ltd. launched its second tender offer for the 2024 Notes and 2026 Notes ("2024 Tender Offer"). Through the 2024 Tender Offer, LMIR Trust repurchased and cancelled US\$49.8 million of the 2024 Notes and US\$28.4 million of the 2026 Notes.

Following the 2023 Tender Offer and 2024 Tender Offer that was primary to address the issue of LMIR Trust's existing capital structure and its maturing debts, the outstanding 2024 Notes was reduced from US\$231.8 million to US\$188.3 million as at 31 December 2023 and to US\$138.4 million at the date of this announcement, while the 2026 Notes was reduced from US\$181.7 million to US\$143.2 million as at 31 December 2023 and to US\$114.7 million as the date of this announcement.

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 and potentially in 2026 and achieving a sustainable capital structure, the Manager will continue to exercise prudence with respect to any distributions to be made to both Unitholders and holders of the perpetual securities.

Lippo Malls Indonesia Retail Trust

Condensed interim statements of total return For the fourth quarter and full year ended 31 December 2023

	Note	Group			
		Fourth quarter ended 31 December		Year ended 31 December	
		<u>2023</u> \$'000	<u>2022</u> \$'000	<u>2023</u> \$'000	<u>2022</u> \$'000
Gross revenue	3	47,890	50,371	197,268	204,714
Property operating expenses	4	(19,324)	(18,553)	(74,906)	(74,232)
Net property income		28,566	31,818	122,362	130,482
Interest income		557	532	2,142	1,641
Other income		18,719	7,755	20,968	10,642
Manager's management fees	5	(2,238)	(2,435)	(9,543)	(10,179)
Trustee's fees		(108)	(128)	(423)	(473)
Finance costs	6	(18,046)	(16,716)	(71,981)	(62,739)
Other expenses		(4,089)	(2,199)	(7,683)	(4,123)
Net income		23,361	18,627	55,842	65,251
(Decrease)/Increase in fair value of investment properties		(133,467)	37,308	(133,467)	32,310
Realised gains/(losses) on derivative financial instruments		-	24	99	(304)
(Decrease)/Increase in fair value of derivative financial instruments		(12,588)	(29,909)	3,184	(29,849)
Realised foreign exchange losses	7	(22,051)	(806)	(38,012)	(11,811)
Unrealised foreign exchange gains/(losses)	7	18,739	31,295	11,352	(563)
Amortisation of intangible assets	11	(1,326)	(1,600)	(5,406)	(6,813)
Total (loss)/return for the period/year before tax		(127,332)	54,939	(106,408)	48,221
Income tax expense	8	(402)	(25,994)	(19,578)	(46,638)
Total (loss)/return for the period/year		(127,734)	28,945	(125,986)	1,583
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		(37,710)	(165,630)	35,552	(161,889)
Total comprehensive loss for the period/year		(165,444)	(136,685)	(90,434)	(160,306)
Total (loss)/return for the period attributable to:					
Unitholders of the Trust		(127,734)	27,330	(125,986)	(12,736)
Perpetual securities holders		-	1,615	-	14,319
		<u>(127,734)</u>	<u>28,945</u>	<u>(125,986)</u>	<u>1,583</u>
Total comprehensive loss attributable to:					
Unitholders of the Trust		(165,444)	(138,300)	(90,434)	(174,625)
Perpetual securities holders		-	1,615	-	14,319
		<u>(165,444)</u>	<u>(136,685)</u>	<u>(90,434)</u>	<u>(160,306)</u>
		<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
Earnings per unit					
Basic and diluted	9	(1.66)	0.36	(1.64)	(0.17)

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of distribution For the fourth quarter and full year ended 31 December 2023

	Group			
	Fourth quarter		Year	
	ended 31 December		ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Total (loss)/return for the period/year	(127,734)	28,945	(125,986)	1,583
Add: Net adjustments (Note A below)	127,734	(28,945)	125,986	(1,583)
Income available for distribution to Unitholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unitholders' distribution:				
- As distribution of Unitholders' capital contribution	-	3,079	-	23,860
	<u>-</u>	<u>3,079</u>	<u>-</u>	<u>23,860</u>
Note A – Net adjustments				
Net of deferred tax on investment properties	127,160	(21,632)	127,160	(16,634)
Depreciation of plant and equipment	781	347	2,725	2,432
Decrease/(Increase) in fair value of derivative financial instruments	12,588	29,909	(3,184)	29,849
Unrealised foreign exchange (gains)/losses	(18,739)	(31,295)	(11,352)	563
Amortisation of intangible assets	1,326	1,600	5,406	6,813
Amount reserved for distribution to perpetual securities holders	-	(1,615)	-	(14,319)
Gain on repurchase of Guaranteed Senior Notes	(18,719)	(7,755)	(20,968)	(10,642)
Other adjustments [#]	23,337	1,496	26,199	355
	<u>127,734</u>	<u>(28,945)</u>	<u>125,986</u>	<u>(1,583)</u>

[#] Other adjustments for 4Q 2023 mainly represent an adjustment to arrive at Nil income available for distribution for 4Q 2023.

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

Lippo Malls Indonesia Retail Trust

Condensed interim statements of financial position As at 31 December 2023

		<u>Group</u>		<u>Trust</u>	
	<u>Note</u>	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
<u>Non-current assets</u>					
Plant and equipment		5,879	5,582	-	-
Investment properties	10	1,531,578	1,655,812	-	-
Intangible assets	11	5,232	10,511	-	-
Investments in subsidiaries		-	-	1,035,034	1,346,130
Total non-current assets		<u>1,542,689</u>	<u>1,671,905</u>	<u>1,035,034</u>	<u>1,346,130</u>
<u>Current assets</u>					
Trade and other receivables	12	29,018	40,992	170,699	217,885
Other non-financial assets	13	11,262	11,738	27	80
Cash and cash equivalents (non-restricted)	14	39,725	106,975	2,678	21,094
Cash and cash equivalents (restricted)	14	100,609	4,062	3,668	2,245
Total current assets		<u>180,614</u>	<u>163,767</u>	<u>177,072</u>	<u>241,304</u>
Total assets		<u>1,723,303</u>	<u>1,835,672</u>	<u>1,212,106</u>	<u>1,587,434</u>
<u>Non-current liabilities</u>					
Deferred tax liabilities		15,675	21,878	-	-
Other payables	17	-	-	292,300	692,269
Other financial liabilities	15	532,123	668,329	86,172	-
Other non-financial liabilities	16	75,178	77,956	-	-
Derivative financial instruments		26,586	47,922	26,586	47,922
Total non-current liabilities		<u>649,562</u>	<u>816,085</u>	<u>405,058</u>	<u>740,191</u>
<u>Current liabilities</u>					
Income tax payable		1,934	4,784	-	-
Trade and other payables	17	51,079	46,145	359,725	74,842
Other financial liabilities	15	269,932	140,435	9,838	140,310
Other non-financial liabilities	18	46,614	44,430	-	-
Derivative financial instruments		13,930	28	13,930	28
Total current liabilities		<u>383,489</u>	<u>235,822</u>	<u>383,493</u>	<u>215,180</u>
Total liabilities		<u>1,033,051</u>	<u>1,051,907</u>	<u>788,551</u>	<u>955,371</u>
Net assets		<u>690,252</u>	<u>783,765</u>	<u>423,555</u>	<u>632,063</u>
Represented by:					
Unitholders' funds		433,465	526,978	166,768	375,276
Perpetual securities	21	256,787	256,787	256,787	256,787
Net assets		<u>690,252</u>	<u>783,765</u>	<u>423,555</u>	<u>632,063</u>
Net asset value per unit attributable to Unitholders (in cents)					
	19	<u>5.63</u>	<u>6.85</u>	<u>2.17</u>	<u>4.88</u>

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 fourth quarter and full year ended 31 December 2023

	Fourth quarter ended 31 December		Year ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Group				
Unitholders' funds				
At beginning of period/year	598,909	672,205	526,978	728,018
Operations				
Total (loss)/return for the period/year	(127,734)	28,945	(125,986)	1,583
Less: Amount reserved for distribution to perpetual securities holders	-	(1,615)	-	(14,319)
Net (decrease)/increase in net assets resulting from operations attributed to Unitholders	(127,734)	27,330	(125,986)	(12,736)
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)	(27,687)
Total net assets before movements in foreign currency translation reserve and perpetual securities	<u>471,175</u>	<u>692,608</u>	<u>397,913</u>	<u>688,867</u>
Foreign currency translation reserve *				
Net movement in other comprehensive (loss)/return	(37,710)	(165,630)	35,552	(161,889)
At end of period/year	<u>433,465</u>	<u>526,978</u>	<u>433,465</u>	<u>526,978</u>
Perpetual securities				
At beginning of period/year	256,787	259,143	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	1,615	-	14,319
Distributions to perpetual securities holders	-	(3,971)	-	(16,985)
At end of period/year	<u>256,787</u>	<u>256,787</u>	<u>256,787</u>	<u>256,787</u>
Net assets	<u>690,252</u>	<u>783,765</u>	<u>690,252</u>	<u>783,765</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 fourth quarter and full year ended 31 December 2023

	Fourth quarter		Year	
	ended 31 December		ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Trust				
Unitholders' funds				
At beginning of period/year	308,482	430,746	375,276	563,113
Operations				
Total loss for the period/year	(141,714)	(46,928)	(205,429)	(147,103)
Less: Amount reserved for distribution to perpetual securities holders	-	(1,615)	-	(14,319)
Net decrease in net assets resulting from operations attributed to Unitholders	(141,714)	(48,543)	(205,429)	(161,422)
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)	(27,687)
At end of period/year	166,768	375,276	166,768	375,276
Perpetual securities				
At beginning of period/year	256,787	259,143	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	1,615	-	14,319
Distributions to perpetual securities holders	-	(3,971)	-	(16,985)
At end of period/year	256,787	256,787	256,787	256,787
Net assets	423,555	632,063	423,555	632,063

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

Lippo Malls Indonesia Retail Trust

Condensed interim statement of cash flows

For the fourth quarter and full year ended 31 December 2023

	<u>Group</u>			
	Fourth quarter		Year	
	ended 31 December		ended 31 December	
	<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/year before tax	(127,332)	54,939	(106,408)	48,221
Adjustments for:				
Interest income	(557)	(532)	(2,142)	(1,641)
Interest expense and other related costs	15,736	15,047	64,458	56,457
Amortisation of borrowing costs	2,310	1,669	7,523	6,282
Depreciation of plant and equipment	781	347	2,725	2,432
Amortisation of intangible assets	1,326	1,600	5,406	6,813
Net reversal for impairment loss on trade and other receivables	(488)	(184)	(1,702)	(1,464)
Decrease/(Increase) in fair value of investment properties	133,467	(37,308)	133,467	(32,310)
Fair value losses/(gains) on derivative financial instruments	12,588	29,909	(3,184)	29,849
Gain on repurchase of Guaranteed Senior Notes	(18,719)	(7,755)	(20,968)	(10,642)
Plant and equipment written-off	21	8	45	8
Unrealised foreign exchange (gains)/losses	(18,739)	(31,295)	(11,352)	563
Realised foreign exchange losses	22,051	806	38,012	11,811
Operating cash flows before changes in working capital	22,445	27,251	105,880	116,379
Trade and other receivables	7,376	11,750	14,314	13,821
Other non-financial assets	3,741	34,329	436	32,871
Trade and other payables	19,270	194	8,374	2,402
Other non-financial liabilities, current	688	(381)	2,462	997
Net cash flows from operations before tax	53,520	73,143	131,466	166,470
Income tax paid	(9,824)	(11,989)	(28,804)	(29,292)
Net cash flows from operating activities	43,696	61,154	102,662	137,178
<u>Cash flows from investing activities</u>				
Capital expenditure on investment properties	(3,313)	(1,486)	(12,380)	(9,734)
Purchase of plant and equipment	(1,059)	-	(3,003)	(1,657)
Interest received	593	546	2,142	1,647
Net cash flows used in investing activities	(3,779)	(940)	(13,241)	(9,744)

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

Lippo Malls Indonesia Retail Trust

Condensed interim statement of cash flows (cont'd) For the fourth quarter and full year ended 31 December 2023

	<u>Group</u>			
	Fourth quarter		Year	
	<u>ended 31 December</u>		<u>ended 31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from financing activities</u>				
Proceeds from bank borrowings	179,309	67,500	179,309	67,500
Repayment of bank borrowings	(47,000)	(67,500)	(54,000)	(67,500)
Transaction costs on bank borrowings	(8,901)	(1,472)	(8,901)	(1,472)
Other financial liabilities, current	(33)	(29)	(337)	(234)
Other non-financial liabilities, non-current	(2,223)	189	(2,509)	2,041
Interest paid	(20,391)	(16,112)	(67,771)	(56,878)
Distributions to unitholders	-	(6,927)	(3,079)	(27,687)
Distributions to perpetual security holders	-	(3,971)	-	(16,985)
Cash restricted in use (see Note 14)	(100,325)	(129)	(100,609)	(1,839)
Repurchase of Guaranteed Senior Notes	(89,988)	(18,958)	(96,958)	(28,608)
Net cash flows used in financing activities	<u>(89,552)</u>	<u>(47,409)</u>	<u>(154,855)</u>	<u>(131,662)</u>
Net increase/(decrease) in cash and cash equivalents	(49,635)	12,805	(65,434)	(4,228)
Cash and cash equivalents at beginning of period/year	94,235	102,769	106,975	119,881
Effect of exchange rate fluctuations on cash held	(4,875)	(8,599)	(1,816)	(8,678)
Cash and cash equivalents at end of period/year	<u>39,725</u>	<u>106,975</u>	<u>39,725</u>	<u>106,975</u>
Cash and cash equivalents per statement of cash flows	39,725	106,975	39,725	106,975
Add: Cash restricted in use	100,609	4,062	100,609	4,062
Cash and cash equivalents per statements of financial position (Note 14)	<u>140,334</u>	<u>111,037</u>	<u>140,334</u>	<u>111,037</u>

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio As at 31 December 2023

Indonesia retail malls Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	86,894	Strata title constructed on HGB# Title common land, expires on 24 January 2040	77,017	11.2	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^	5,613	0.8	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	33,545	4.9	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	47,946	HGB title, expires on 5 May 2043	71,998	10.4	70,120	8.9

Hak Guna Bangunan ("HGB")

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

^ On 31 January 2024, Cibubur Junction's right to operate has been extended to 29 July 2045. Had the extension been completed by 31 December 2023, the valuation of the property would have been IDR416.5 billion (equivalent to \$35,560,000)

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	18,640	2.7	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	34,285	5.0	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	23,988	3.5	34,994	4.5
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	166,070	HGB title, expires on 24 November 2032	226,250	32.8	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	27,280	4.0	43,401	5.5

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd)

As at 31 December 2023

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	46,266	6.7	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	24,159	3.5	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	46,251	6.7	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 25 September 2035	14,716	2.1	20,638	2.6

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 2023

Indonesia retail malls (cont'd) Group

<u>Description of property</u>	<u>Location</u>	<u>Acquisition date</u>	<u>Gross floor area in sqm</u>	<u>Tenure of land</u>	<u>Carrying value at 31 December 2023</u> \$'000	<u>Percentage of net assets at 31 December 2023</u> %	<u>Fair value at 31 December 2022</u> \$'000	<u>Percentage of net assets at 31 December 2022</u> %
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	63,651	9.2	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	187,335	27.1	187,941	24.0
16. Lippo Plaza Batu	Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia	7 July 2015	34,340	HGB title, expires on 8 June 2031	19,297	2.8	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	78,630	11.4	81,224	10.4

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 2023

Indonesia retail malls (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	49,487	HGB title, expires on 22 March 2037	26,982	3.9	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	21,893	3.2	25,731	3.3
20. Lippo Plaza Jogja	Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia	22 December 2017	65,524	HGB title, expires on 27 December 2043	18,443	2.7	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	33,727	4.9	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	352,702	51.1	331,887	42.3

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 2023

Indonesia retail spaces Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	8,630	1.3	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	7,570	1.1	9,838	1.3
3. Depok Town Square Units	Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Depok, Regency of Depok, West Java-Indonesia	19 November 2007	13,045	Strata title constructed on HGB title common land, expires on 27 February 2035	12,841	1.9	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	10,895	1.6	10,578	1.3

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

Lippo Malls Indonesia Retail Trust

Statement of portfolio (cont'd) As at 31 December 2023

Indonesia retail spaces (cont'd) Group

Description of property	Location	Acquisition date	Gross floor area in sqm	Tenure of land	Carrying value at 31 December 2023 \$'000	Percentage of net assets at 31 December 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	14,365	2.1	13,966	1.8
6. Plaza Madiun Units	Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Regency of Madiun, East Java-Indonesia	19 November 2007	19,991	HGB title, expires on 9 February 2032	18,984	2.8	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	5,625	0.8	6,025	0.8
Investment properties					1,531,578	222.2	1,655,812	211.3
Other net liabilities					(841,326)	(122.2)	(872,047)	(111.3)
Net asset value					690,252	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

As much of the world are emerging into a post-pandemic normal, the global economic uncertainties remains elevated with persistently high level of inflation, high interest rate and a volatile foreign exchange environment. 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) and the sustainability of its existing capital structure, its leverage ratio and credit ratings.

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

As at 31 December 2023, the Group’s current liabilities exceeded its current assets by \$202,875,000, mainly arising from the classification of 2024 Notes amounting to US\$188,290,000 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. The Group continues to generate positive cash flows from operations for both current financial year and prior year and 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) On 11 December 2023, The Group obtained a secured amortising term loan facility of up to IDR2.5 trillion (“IDR Facility”), subject to receiving the requisite consents from the holders of the 2024 Notes and the 2026 Notes for the amendment of certain provisions of the Indentures governing the 2024 Notes and 2026 Notes, respectively, through consent solicitation exercises (“Consent Solicitation Exercises”). The proceeds from the IDR Facility will be used for the purchase of the outstanding 2024 Notes and 2026 Notes, as well as the related fees and expenses for the purchase exercises. Also, on 11 December 2023, LMIR Trust’s wholly-owned subsidiary, LMIRT Capital Pte. Ltd., the issuer of 2024 Notes and 2026 Notes, launched the tender offers to purchase the 2024 Notes and 2026 Notes (“2023 Tender Offer”), as well as the Consent Solicitation Exercises.

On 27 December 2023, LMIRT Capital Pte. Ltd. announced that it has received valid requisite consents pursuant to the Consent Solicitation Exercises and the Group drawdown from the IDR Facility, repurchased and cancelled US\$43,510,000 of the 2024 Notes and US\$38,545,000 of the 2026 Notes pursuant to the 2023 Tender Offer.

Subsequent to the financial year ended 31 December 2023, on 16 January 2024, with the remaining balances of the IDR Facility, LMIRT Capital Pte. Ltd. launched its second tender offer for the 2024 Notes and 2026 Notes (“2024 Tender Offer”). Through the 2024 Tender Offer, LMIR Trust repurchased and cancelled US\$49,846,000 of the 2024 Notes and US\$28,435,000 of the 2026 Notes.

Following the 2023 Tender Offer and 2024 Tender Offer, the outstanding 2024 Notes was reduced from US\$231,800,000 to US\$188,290,000 as at 31 December 2023 and to US\$138,444,000 at the date of this announcement, while the 2026 Notes was reduced from US\$181,700,000 to US\$143,155,000 as at 31 December 2023 and to US\$114,720,000 as the date of this announcement. As at the date of this announcement, the balance of the IDR Facility not drawdown amounting to IDR 230 billion.

- (c) The Group has existing banking relationships with a number of banks and is exploring options available to address the remaining debts that are maturing in the next 12 months.

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.

Lippo Malls Indonesia Retail Trust

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

2.2 Critical judgements, assumptions and estimation uncertainties

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

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

3. Gross revenue

	<u>Group</u>			
	Fourth quarter		Year	
	ended 31 December		ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Rental revenue	26,482	28,595	110,569	119,206
Car park revenue	1,276	1,353	5,282	5,588
Service charge and utilities recovery	19,795	19,941	80,005	78,241
Other rental income	337	482	1,412	1,679
	<u>47,890</u>	<u>50,371</u>	<u>197,268</u>	<u>204,714</u>

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

4. Property operating expenses

	<u>Group</u>			
	Fourth quarter		Year	
	ended 31 December		ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Land rental expense	360	351	1,464	1,439
Property management fees	1,707	1,690	6,719	6,964
Legal and professional fees	353	395	1,485	1,653
Depreciation of plant and equipment	781	347	2,725	2,432
Net reversal for impairment of trade receivables	(488)	(245)	(1,736)	(512)
Property operating and maintenance expenses	16,411	15,902	63,314	61,844
Other property operating expenses	200	113	935	412
	<u>19,324</u>	<u>18,553</u>	<u>74,906</u>	<u>74,232</u>

Lippo Malls Indonesia Retail Trust

5. Manager's management fees

	<u>Group</u>			
	Fourth quarter		Year	
	<u>ended 31 December</u>		<u>ended 31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Base fee	1,076	1,152	4,571	4,864
Performance fee	1,142	1,272	4,894	5,219
Authorised investment fee	20	11	78	96
	<u>2,238</u>	<u>2,435</u>	<u>9,543</u>	<u>10,179</u>

6. Finance costs

	<u>Group</u>			
	Fourth quarter		Year	
	<u>ended 31 December</u>		<u>ended 31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Interest expense	15,736	15,010	64,399	56,323
Amortisation of borrowing costs	2,310	1,669	7,523	6,282
Issuance and commitment fees	-	37	59	134
	<u>18,046</u>	<u>16,716</u>	<u>71,981</u>	<u>62,739</u>

7. Foreign exchange (losses)/gains

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

Unrealised foreign exchange movements mainly relate to revaluation of USD Guaranteed Senior Notes amounting to US\$331.4 million (31 December 2022: US\$420.5 million) in aggregate.

8. Income tax

	<u>Group</u>			
	Fourth quarter		Year	
	<u>ended 31 December</u>		<u>ended 31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Current tax				
Singapore income tax				
- Adjustments in respect of prior years	-	-	32	2
Foreign income tax	5,886	6,076	21,284	21,749
Withholding tax	823	4,242	4,569	9,211
	<u>6,709</u>	<u>10,318</u>	<u>25,885</u>	<u>30,962</u>
Deferred tax				
Deferred tax expense	(6,307)	15,676	(6,307)	15,676
	<u>402</u>	<u>25,994</u>	<u>19,578</u>	<u>46,638</u>

Lippo Malls Indonesia Retail Trust

9. Earnings per unit

9A. Earnings per unit

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

	<u>Group</u>			
	Fourth quarter ended 31 December		Year ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Total (loss)/return after tax	(127,734)	28,945	(125,986)	1,583
Less: Amount reserved for distribution to perpetual securities holders	-	(1,615)	-	(14,319)
Total (loss)/return attributable to Unitholders	<u>(127,734)</u>	<u>27,330</u>	<u>(125,986)</u>	<u>(12,736)</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>7,691,214,814</u>
EPU (in cents) ⁽¹⁾	<u>(1.66)</u>	<u>0.36</u>	<u>(1.64)</u>	<u>(0.17)</u>
Adjusted EPU (in cents) ⁽²⁾	<u>(0.01)</u>	<u>0.07</u>	<u>0.02</u>	<u>(0.38)</u>

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

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

9B. Distribution per unit

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

	<u>Group</u>			
	Fourth quarter ended 31 December		Year ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Numerator				
Distribution to Unitholders	-	3,079	-	23,860
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>0.0400</u>	<u>-</u>	<u>0.3100</u>

LMIR Trust announced on 20 March 2023, 31 May 2023, 18 September 2023 and 11 December 2023, respectively, 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 applied. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are met.

Lippo Malls Indonesia Retail Trust

10. Investment properties

			<u>Group</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> IDR'000	31 December <u>2022</u> IDR'000
At valuation				
At beginning of year	1,655,812	1,788,915	19,305,243,809	18,844,019,663
Enhancement expenditure capitalised	12,380	9,734	144,992,938	113,489,173
	<u>1,668,192</u>	<u>1,798,649</u>	<u>19,450,236,747</u>	<u>18,957,508,836</u>
Changes in fair value included in profit or loss	(133,467)	32,310	(1,512,942,342)	347,734,973
Foreign exchange translation	<u>(3,147)</u>	<u>(175,147)</u>	-	-
At end of year	<u><u>1,531,578</u></u>	<u><u>1,655,812</u></u>	<u><u>17,937,294,405</u></u>	<u><u>19,305,243,809</u></u>

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

Security

As at 31 December 2023, certain investment properties of the Group are pledged as security on bank loans (see Note 15).

Measurement of fair value

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

In determining the fair value, the valuers have used valuation method which involve certain estimates. The key valuation assumptions used to determine the fair value of investment properties include discount rates, growth rates, terminal capitalisation rates and expected rental cashflows. The Manager reviews the appropriateness of the valuation method, assumptions and estimates adopted and is of the view that they are reflective of the current market conditions as at 31 December 2023.

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

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10. Investment properties (cont'd)

Significant unobservable inputs

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

Valuation methods	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Discounted cash flows method	<ul style="list-style-type: none"> • Discount rates from 11.1% to 13.7% per annum (2022: from 11.5% to 12.6%) • Growth rates from 0% to 6.0% (2022: from 0% to 6.0%) • Terminal capitalisation rates from 7.5% to 10.0% (2022: from 8.0% to 9.3%) • Discounted cash flow forecasts: <ul style="list-style-type: none"> - over remaining lease period for Bandung Indah Plaza, Cibubur Junction, Lippo Plaza Ekalokasari Bogor, Istana Plaza, Lippo Plaza Kendari, The Plaza Semanggi, Pluit Village and Plaza Medan Fair - over 10-year projection for Lippo Mall Puri, Sun Plaza, Mal Lippo Cikarang, Lippo Plaza Jogja, Lippo Mall Kuta, Lippo Mall Kemang, Kediri Town Square, Gajah Mada Plaza, Tamini Square, Lippo Plaza Kramat Jati, Palembang Square, Palembang Square Extension, Palembang Icon, Palembang Square Extension, Palembang Icon Lippo Plaza Batu, and Plaza Madiun - over 6-year projection for retail spaces 	<ul style="list-style-type: none"> • The higher the discount rates, the lower the fair value • The higher the growth rates the higher the fair value • The higher the terminal capitalisation rates, the lower the fair value • The higher the cash flow forecasts, the higher the fair value
Direct capitalisation method	<ul style="list-style-type: none"> • Capitalisation rates from 8.5% to 9.0% (2022: 8.3% to 9.3%) 	<ul style="list-style-type: none"> • The higher the capitalisation rates, the lower the fair value

The external valuers' reports highlighted that the Indonesia 30-year bond yield has remained stable at 6.89% (31 December 2022: 7.27%) per annum as of December 2023. This has resulted discount rates range from 11.1% to 13.7% (31 December 2022: from 11.5% to 12.6%) per annum were adopted for the valuation.

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11. Intangible assets

	<u>Group</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Cost		
At beginning of year	60,806	67,319
Foreign exchange translation	(273)	(6,513)
At end of year	<u>60,533</u>	<u>60,806</u>
Accumulated amortisation		
At beginning of year	50,295	48,724
Amortisation for the year	5,406	6,813
Foreign exchange translation	(400)	(5,242)
At end of year	<u>55,301</u>	<u>50,295</u>
Carrying value		
At beginning of year	<u>10,511</u>	<u>18,595</u>
At end of year	<u>5,232</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 31 December 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>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Trade receivables				
Outside parties	28,443	36,089	-	-
Related parties	4,543	7,008	-	-
Less: Allowance for impairment				
Outside parties	(7,966)	(9,726)	-	-
Related parties	(722)	(690)	-	-
	<u>24,298</u>	<u>32,681</u>	<u>-</u>	<u>-</u>
Other receivables				
Subsidiaries	-	-	170,620	217,774
Related parties	289	386	-	-
Other receivables	4,894	8,357	79	111
Less: Allowance for impairment				
Outside parties	(463)	(432)	-	-
	<u>4,720</u>	<u>8,311</u>	<u>170,699</u>	<u>217,885</u>
	<u>29,018</u>	<u>40,992</u>	<u>170,699</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 of trade receivables are as follows:

	<u>Group</u>		<u>Trust</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of year	(10,416)	(12,052)	-	-
Reversal of allowance no longer required	1,947	1,756	-	-
Charge to profit or loss	(211)	(1,244)	-	-
Foreign exchange translation	(8)	1,124	-	-
At end of year	<u>(8,688)</u>	<u>(10,416)</u>	<u>-</u>	<u>-</u>

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

	<u>Group</u>		<u>Trust</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of year	(432)	(1,516)	-	-
Charge to profit and loss	(34)	952	-	-
Foreign exchange translation	3	132	-	-
At end of year	<u>(463)</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	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Current	15,387	18,965	64	65
1 to 30 days past due	1,795	2,732	72	63
31 to 60 days past due	485	1,284	37	49
Over 61 days past due	7,041	9,718	1,320	1,224
12-month ECL	24,708	32,699	1,493	1,401
Lifetime ECL	8,278	10,398	7,195	9,015
	<u>32,986</u>	<u>43,097</u>	<u>8,688</u>	<u>10,416</u>

Subsequent to 31 December 2023, \$7.4 million of trade receivables were collected, of which \$1.6 million were from related party tenants and \$5.8 million were from non-related party tenants.

13. Other non-financial assets

	<u>Group</u>		<u>Trust</u>		
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	
	Prepayments	2,252	2,609	27	80
	Prepaid tax	9,010	9,129	-	-
	<u>11,262</u>	<u>11,738</u>	<u>27</u>	<u>80</u>	

14. Cash and cash equivalents

	<u>Group</u>		<u>Trust</u>		
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	
	Not restricted in use	39,725	106,975	2,678	21,094
	Restricted in use	100,609	4,062	3,668	2,245
	<u>140,334</u>	<u>111,037</u>	<u>6,346</u>	<u>23,339</u>	

Included in restricted in use of the Group are (i) cash pledged for bank facilities totalling \$10,217,000, and (ii) funds withdrawn from the IDR Facility for the purpose of the 2024 Tender Offer that was launched on 16 January 2024 amounted to \$90,392,000. Included in restricted in use of the Trust is cash pledged for bank facilities.

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15. Other financial liabilities

	<u>Group</u>		<u>Trust</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (secured)	351,723	110,000	88,000	-
Less: Unamortised transaction costs	(6,207)	(2,007)	(1,828)	-
	<u>345,516</u>	<u>107,993</u>	<u>86,172</u>	<u>-</u>
Financial instruments with fixed interest rates				
Senior notes (unsecured)*	188,435	567,359	-	-
Less: Unamortised transaction costs	(2,376)	(7,715)	-	-
	186,059	559,644	-	-
Lease liabilities	548	692	-	-
	<u>532,123</u>	<u>668,329</u>	<u>86,172</u>	<u>-</u>
Current				
Financial instruments with floating interest rates				
Bank loans (secured)	25,586	142,000	11,000	142,000
Less: Unamortised transaction costs	(2,714)	(1,690)	(1,162)	(1,690)
	<u>22,872</u>	<u>140,310</u>	<u>9,838</u>	<u>140,310</u>
Financial instruments with fixed interest rates				
Senior notes (unsecured)	247,846	-	-	-
Less: Unamortised transaction costs	(814)	-	-	-
	247,032	-	-	-
Lease liabilities	28	125	-	-
	<u>269,932</u>	<u>140,435</u>	<u>9,838</u>	<u>140,310</u>
	<u>802,055</u>	<u>808,764</u>	<u>96,010</u>	<u>140,310</u>
Due within 2 to 5 years	400,497	668,329	86,172	-
Due after 5 years	131,626	-	-	-
	<u>532,123</u>	<u>668,329</u>	<u>86,172</u>	<u>-</u>

* Cross currency arrangements were entered into to swap US\$180.0 million into SGD with a weighted average interest rate of margin 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 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.

The Group further on 11 December 2023 obtained a secured amortising term loan facility up to IDR2.5 trillion (\$213.5 million) with an average maturity of approximately 6 years ("IDR Facility"). The proceeds from the IDR term loan are used to finance the repurchase of the Group's 2024 Notes and 2026 Notes and its related costs. The Group has drawdown IDR2.1 trillion (\$179.3 million) and utilised IDR1.04 trillion (\$88.9 million) as of 31 December 2023. The unutilised cash that was drawdown from the IDR Facility is included in restricted cash (see Note 14).

Where secured, bank loans are collateralised by:

- mortgages on certain investment properties;
- assignment of all rights and benefits to sale, receivable, certain bank accounts and insurance proceeds in respect of certain investment properties; and
- pledge of shares of certain Singapore subsidiaries of the Trust.

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15. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing costs)

	<u>Note</u>	<u>Maturity</u>	<u>Interest rate</u>	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Current borrowings					
SGD term loan (Bridging Facility A)		November 2026	margin + SORA [#]	6,750	67,500
SGD term loan (Facility B)		November 2026	margin + SORA [#]	4,250	67,500
SGD term loan (Facility A1, Facility A2, Facility B1 and Facility B2)		November 2026	margin + SORA [#]	11,000	-
IDR term loan (IDR Facility)		June 2034	margin + BI7DRR*	3,586	-
Guaranteed Senior Notes (2024 Notes)	1	June 2024	7.25%	247,846	-
Committed revolving loan facility		August 2023	margin + SORA [#]	-	7,000
Non-current borrowings					
SGD term loan (Bridging Facility A)		November 2026	margin + SORA [#]	54,000	-
SGD term loan (Facility B)		November 2026	margin + SORA [#]	34,000	-
SGD term loan (Facility A1, Facility A2, Facility B1 and Facility B2)		November 2026	margin + SORA [#]	88,000	110,000
IDR term loan (IDR Facility)		June 2034	margin + BI7DRR*	175,723	-
Guaranteed Senior Notes (2024 Notes)	1	June 2024	7.25%	-	322,200
Guaranteed Senior Notes (2026 Notes)	2	February 2026	7.50%	188,435	245,159
				<u>813,590</u>	<u>819,359</u>

[#] SORA refers to Singapore Overnight Rate Average

* BI7DRR refers to BI 7-Day (Reverse) Repo Rate

1. Cross currency swap agreements were entered into to swap the original principal amount of US\$250.0 million of 2024 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 outstanding 2024 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.

The Trust repurchased and cancelled (i) an aggregate principal amount of US\$7 million of outstanding 2024 Notes from the open market in January and March 2023 using internal funding, and (ii) US\$43.51 million of outstanding 2024 Notes from the 2023 Tender Offers as announced on 11 December 2023, that was financed by IDR Facility. The aggregate cost for the repurchases during the financial year amounting to US\$43.0 million (\$57.4 million), and the total gain arising from the repurchases amounting to approximately US\$7.3 million (\$9.8 million). The outstanding amount of 2024 Notes amounting to US\$188.29 million as at 31 December 2023.

2. Cross currency swap agreements were entered into to swap US\$180.0 million of the 2026 Notes into SGD with a weighted average interest rate of margin 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 outstanding 2026 Notes from the open market at a total cost of US\$12.6 million (\$17.2 million) at a gain of approximately US\$5.2 million (\$7.1 million) using internal funding. The outstanding amount of notes amounting to US\$181.7 million as at 31 December 2022.

In December 2023, the Trust repurchased and cancelled an aggregate principal amount of US\$38.6 million of outstanding 2026 Notes from the 2023 Tender Offer as announced on 11 December 2023, that was financed by the IDR Facility. The aggregate cost for the repurchases amounting to US\$29.5 million (\$39.5 million) and the total gain arising from the repurchases amounting to approximately US\$8.4 million (\$11.2 million). The outstanding amount of 2026 Notes amounting to US\$143.2 million as at 31 December 2023.

Lippo Malls Indonesia Retail Trust

15. Other financial liabilities (cont'd)

Borrowings and debt securities (excluding unamortised borrowing costs) (cont'd)

Financial risk management

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

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

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Total gross borrowings and deferred payments ⁽¹⁾	723,198	819,359
Total deposited property ⁽¹⁾	1,632,911	1,835,672
Aggregated leverage ratio (%)	<u>44.3%</u>	<u>44.6%</u>
Interest coverage ratio (times) ⁽²⁾	<u>1.8</u>	<u>2.1</u>
Adjusted interest coverage ratio (times) ⁽²⁾	<u>1.8</u>	<u>1.7</u>

⁽¹⁾ The funds set aside with sole purpose for the 2024 Tender Offer announced on 16 January 2024 (see Note 14) were excluded from the total gross borrowings and deferred payments and the total deposited property to calculate the percentage of aggregated leverage ratio in accordance with the Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6 (the "MAS guidelines").

⁽²⁾ Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with 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 1.9* (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.

* Ratio of consolidated NPI over consolidated interest expense under the ARA Facility Agreements in respect of Bridging Facility A, Facility B, Facility A1, Facility B1, Facility A2, Facility B2 as disclosed in Note 15, is to maintain the ratio of not less than 1.75 times for the quarter periods ending up to 31 December 2025 and not less than 2.0 times from year 2026 onwards.

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16. Other non-financial liabilities, non-current

	<u>Group</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Advance payments by tenants	<u>75,178</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.

17. Trade and other payables

	<u>Group</u>		<u>Trust</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
<u>Other payables, non-current</u>				
Subsidiary - LMIRT Capital	-	-	292,300	692,269
<u>Trade payables, current</u>				
Outside parties and accrued liabilities	41,488	32,472	15,061	9,006
Related parties	1,002	2,505	-	-
	<u>42,490</u>	<u>34,977</u>	<u>15,061</u>	<u>9,006</u>
<u>Other payables, current</u>				
Subsidiary - LMIRT Capital	-	-	281,902	-
Subsidiaries ^(#)	-	-	62,762	65,836
Other payables	8,589	11,168	-	-
	<u>8,589</u>	<u>11,168</u>	<u>344,664</u>	<u>65,836</u>
	<u>51,079</u>	<u>46,145</u>	<u>359,725</u>	<u>74,842</u>
Total trade and other payables	<u>51,079</u>	<u>46,145</u>	<u>652,025</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 \$43,395,000 (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).

Lippo Malls Indonesia Retail Trust

18. Other non-financial liabilities, current

	<u>Group</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
Security deposits from tenants	<u>46,614</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.

19. Net asset value per unit attributable to Unitholders

	<u>Group</u>		<u>Trust</u>	
	31 December <u>2023</u>	31 December <u>2022</u>	31 December <u>2023</u>	31 December <u>2022</u>
Numerator				
Net assets attributable to Unitholders at end of year (\$'000)	<u>433,465</u>	<u>526,978</u>	<u>166,768</u>	<u>375,276</u>
Net tangible assets attributable to Unitholders at end of year (\$'000)	<u>428,233</u>	<u>516,467</u>	<u>166,768</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>5.63</u>	<u>6.85</u>	<u>2.17</u>	<u>4.88</u>
Net tangible assets (NTA) per unit attributable to Unitholders (in cents)	<u>5.56</u>	<u>6.71</u>	<u>2.17</u>	<u>4.88</u>

20. Units in issue

20A. Units in issue

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

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

21. Perpetual securities

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

	<u>Group and Trust</u>	
	31 December <u>2023</u> \$'000	31 December <u>2022</u> \$'000
At beginning of year	256,787	259,453
Amount reserved for distribution to perpetual securities holders	-	14,319
Distributions to perpetual securities holders	-	(16,985)
At end of 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, 18 September 2023 and 11 December 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, no distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities, unless and until certain conditions are met.

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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>			
	Fourth quarter		Year	
	<u>ended 31 December</u>		<u>ended 31 December</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$'000	\$'000	\$'000	\$'000
Manager				
Manager's management fees expense	2,238	2,435	9,543	10,179
Trustee				
Trustee's fees expense	108	128	423	473
Property manager				
Property manager fees expense	1,707	1,690	6,719	6,964
Affiliates of Sponsor ⁽¹⁾				
Rental revenue and service charge ⁽²⁾⁽³⁾⁽⁴⁾	<u>7,465</u>	<u>9,488</u>	<u>31,462</u>	<u>48,654</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> Year ended 31 December		<u>Trust</u> Year ended 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾	1.73%	1.08%	2.16%	1.06%
Expenses to average net assets ratio – including performance related fee ⁽¹⁾	2.39%	1.67%	3.08%	1.78%
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 31 December 2023 (“FY2023”) vs 31 December 2022 (“FY2022”)

Investment properties

As at FY2023, the carrying amounts of investment properties were based on valuations performed by external independent valuers. The investment properties are denominated in IDR. The decrease of \$124.2 million or 7.5% in the valuation of the investment properties was mainly due to lower expected rental cashflow for certain malls which are (i) under ABS (formerly known as BOT) arrangement where remaining land tenure are shortened with passage of time, (ii) under asset enhancement initiatives where rental revenue will be disrupted in near term, (iii) facing competition in the market and (iv) still in its recovery stage from the pandemic.

Intangible assets

Refer to note 11 of the condensed interim financial statements, the decrease is mainly due to amortisation for FY2023.

Trade and other receivables

Trade and other receivables consist of trade receivables (net of allowance for impairment) of \$24.3 million (FY2022: \$32.7 million) and other receivables (net of allowance for impairment) of \$4.7 million (FY2022: \$8.3 million) as at FY2023.

Trade receivables (before taking into account of allowance for impairment) was \$33.0 million (FY2022: \$43.1 million), of which \$4.5 million (FY2022: \$7.0 million) was due from related party tenants and \$28.5 million (FY2022: \$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 \$5.2 million (FY2022: \$8.7 million). Decrease in other receivables was mainly due collection of other receivables and weakening of IDR against SGD as at FY2023.

Subsequent to the period ended FY2023, \$7.4 million of trade receivables were collected, of which \$1.6 million was from related party tenants and \$5.8 million was from non-related party tenants.

Cash and cash equivalents

The Group generated net positive cash flow from operating activities for the year under review amounted to \$102.7 million for FY2023, compared to FY2022 of \$137.2 million. Despite a better collection from tenants, the lower cash inflow from the operating expenses was attributable to the weakening of IDR against SGD, as well as the absence of refund of \$33.7 million VAT that took place in FY2022.

Net cash flows used in investing activities for the year under review of \$13.2 million was relating to asset enhancement initiative expenditure amounted to \$12.4 million on various properties, including \$6.3 million, \$1.1 million and \$0.9 million spent for Gajah Mada Plaza, Sun Plaza and Lippo Mall Puri respectively.

Net cash flows used in financing activities for the year under review amounting to \$154.9 million which included payment of interest expenses of \$67.8 million, repurchased part of Guaranteed Senior Notes from the open market and the 2023 Tender Offers amounted to \$97.0 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 and partial settlement of \$47.0 million term loan in November 2023, these was partially offset by drawdown of the IDR Facility that was secured in December 2023.

Cash and cash equivalents of the Group was \$140.3 million as at FY2023 (FY2022: \$111.0 million), including \$39.7 million (FY2022: \$107.0 million) not restricted in use and \$100.6 million (FY2022: \$4.1 million) restricted in use.

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

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

Financial Position as of 31 December 2023 ("FY2023") vs 31 December 2022 ("FY2022") (cont'd)

Other financial liabilities

Other financial liabilities decreased by approximately \$6.7 million to \$802.1 million as at FY2023 from \$808.8 million as at FY2022. This was mainly due to the Group (i) repurchased and cancelled an aggregate principal amount of US\$50.5 million of 2024 Notes and US\$38.5 million of 2026 Notes from the open market in January and March 2023 and the Tender Offer launched in December 2023; (ii) repayment of revolving credit facility of \$7.0 million; (iii) partial settlement of \$47.0 million term loans pursuant to the ARA Facility Agreements; and (iv) the effect of translation gain on debts denominated in USD due to the strengthening of SGD against USD in FY2023 compared to FY2022. Part of the repurchased and cancelled of Notes were financed by the newly drawdown IDR Facility in FY2023.

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 slight improvement in fair value of derivative financial instruments was mainly due to favourable movement of the interest rate element committed in the cross currency swap contracts as well as favourable movement of the foreign exchange rate for USD to SGD compared to contracted exchange rate.

Unitholders' funds

The decrease in unitholders' fund was mainly due to the loss incurred for FY2023 and weakening of IDR against SGD during the year.

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

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

		Group					
	Note	4Q 2023 \$'000	4Q 2022 \$'000	Variance % Favourable/ (Unfavourable)	YTD 2023 \$'000	YTD 2022 \$'000	Variance % Favourable/ (Unfavourable)
Statement of Total Return							
Gross rental income	(a)	26,482	28,595	(7.4%)	110,569	119,206	(7.2%)
Carpark income		1,276	1,353	(5.7%)	5,282	5,588	(5.5%)
Service charge and utilities recovery	(b)	19,795	19,941	(0.7%)	80,005	78,241	2.3%
Other rental income		337	482	(30.1%)	1,412	1,679	(15.9%)
Gross revenue		47,890	50,371	(4.9%)	197,268	204,714	(3.6%)
Land rental expense		(360)	(351)	(2.6%)	(1,464)	(1,439)	(1.7%)
Property management fees		(1,707)	(1,690)	(1.0%)	(6,719)	(6,964)	3.5%
Legal and professional fees		(353)	(395)	10.6%	(1,485)	(1,653)	10.2%
Depreciation of plant and equipment		(781)	(347)	NM	(2,725)	(2,432)	(12.0%)
Net reversal for impairment loss on trade receivables	(c)	488	245	99.2%	1,736	512	NM
Property operating and maintenance expenses		(16,411)	(15,902)	(3.2%)	(63,314)	(61,844)	(2.4%)
Other property operating expenses		(200)	(113)	(77.0%)	(935)	(412)	NM
Property operating expenses		(19,324)	(18,553)	(4.2%)	(74,906)	(74,232)	(0.9%)
Net property income		28,566	31,818	(10.2%)	122,362	130,482	(6.2%)
Interest income	(d)	557	532	4.7%	2,142	1,641	30.5%
Other income	(e)	18,719	7,755	NM	20,968	10,642	97.0%
Manager's management fees		(2,238)	(2,435)	8.1%	(9,543)	(10,179)	6.2%
Trustee's fees		(108)	(128)	15.6%	(423)	(473)	10.6%
Finance costs	(f)	(18,046)	(16,716)	(8.0%)	(71,981)	(62,739)	(14.7%)
Other expenses		(4,089)	(2,199)	(85.9%)	(7,683)	(4,123)	(86.3%)
Net income		23,361	18,627	25.4%	55,842	65,251	(14.4%)
(Decrease)/Increase in fair value of investment properties	(g)	(133,467)	37,308	NM	(133,467)	32,310	NM
Realised gains/(losses) on derivative financial instruments		-	24	(100.0%)	99	(304)	NM
(Decrease)/Increase in fair values of derivative financial instruments	(h)	(12,588)	(29,909)	(57.9%)	3,184	(29,849)	NM
Realised foreign exchange losses	(i)	(22,051)	(806)	NM	(38,012)	(11,811)	NM
Unrealised foreign exchange gains/(losses)	(j)	18,739	31,295	(40.1%)	11,352	(563)	NM
Amortisation of intangible assets		(1,326)	(1,600)	17.1%	(5,406)	(6,813)	20.7%
Total (loss)/return for the period/year before tax		(127,332)	54,939	NM	(106,408)	48,221	NM
Income tax expense	(k)	(402)	(25,994)	98.5%	(19,578)	(46,638)	58.0%
Total (loss)/return for the period/year		(127,734)	28,945	NM	(125,986)	1,583	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	(l)	(37,710)	(165,630)	(77.2%)	35,552	(161,889)	NM
Total comprehensive loss for the period/year		(165,444)	(136,685)	(21.0%)	(90,434)	(160,306)	43.6%

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

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

Financial results 4Q 2023 vs 4Q 2022

- (a) Rental revenue in 4Q 2023 decreased by \$2.1 million or 7.4% as compared to 4Q 2022. In IDR terms, rental revenue decreased by IDR14.9 billion or 4.6%. 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 IDR6,768.4 million or equivalent to \$0.6 million due mainly to expiry of master leases in December 2022,
 - (iii) The effect of the downsizing and/or early termination of lease agreement of certain tenants typically from the hypermarket sector as well as changes in lease agreement structure to revenue base for certain tenants.
- (b) Service charge and utilities recovery in 4Q 2023 was about flat as compared to 4Q 2022. In IDR terms, service charge and utilities recovery in 4Q 2023 increased by IDR5.5 billion or 2.5%. Higher service charge and utilities recovery was mainly due to higher usage of utilities by tenants upon a more relaxed operating environment.
- (c) Net reversal for impairment loss of trade receivables was \$0.5 million in 4Q 2023 compared to \$0.2 million in 4Q 2022 was mainly due to improvement in collection from certain specific tenant under lifetime ECL.
- (d) Interest income in 4Q 2023 increased by \$25,000 or 4.7% was mainly due to higher fixed deposit interest during the period.
- (e) Included in other income was a gain of \$18.7 million and \$7.8 million from the repurchased and cancelled of Guaranteed Senior Notes in 4Q 2023 and 4Q 2022 respectively.
- (f) Finance costs in 4Q 2023 increased by \$1.3 million or 8.0% from 4Q 2022. The increase was mainly due to higher interest rates on SGD term loans and a Guaranteed Senior Note with cross currency arrangement that swap the currency into SGD with a floating interest rate.
- (g) Decrease in fair value of investment properties of \$133.5 million in 4Q 2023 compared to an increase in fair value of investment properties of \$37.3 million in 4Q 2022 was mainly due to mainly due to lower expected rental cashflow for certain malls which are (i) under ABS (formerly known as BOT) arrangement where remaining land tenure are shortened with passage of time, (ii) under asset enhancement initiatives where rental revenue will be disrupted in near term, (iii) facing competition in the market and (iv) still in its recovery stage from the pandemic.
- (h) The Trust has entered into various hedging contracts to mitigate its exposure to foreign currencies and interest rates. 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.
- (i) Higher realised foreign exchange losses at \$22.1 million in 4Q 2023 compared to \$0.8 million in 4Q 2022 was mainly due to redemption of RPS in 4Q 2023. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the year ended 31 December 2023 has resulted in realised foreign exchange losses.
- (j) Unrealised foreign exchange gain were mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$331.4 million in aggregate where SGD strengthen against USD in FY2023.

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

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

Financial results 4Q 2023 vs 4Q 2022 (cont'd)

- (k) Lower income tax expenses of \$25.6 million or 98.5% was mainly due to (i) lower withholding tax expenses as the dividend paid by Indonesian subsidiaries to Singapore holding companies is lower in 4Q 2023 compared to 4Q 2022, and (ii) the deferred tax benefits arising from the decrease in fair value of investment properties recognised in 4Q 2023.
- (l) 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 \$37.7 million was recorded in 4Q 2023 compared to a loss of \$165.6 million that of 4Q 2022 was mainly due to weakening of IDR against SGD during 4Q 2023.

Financial results FY2023 vs FY2022

- (a) Rental revenue in FY2023 decreased by \$8.6 million or 7.2% as compared to FY2022. In IDR terms, rental revenue decreased by IDR29.6 billion or 2.3%. The decrease was mainly due to:
 - (i) depreciation of IDR against SGD by approximately 5.1%, where the underlying rental revenue are mainly denominated in IDR,
 - (ii) lower revenue contribution from Lippo Plaza Jogja by IDR29,410.5 million or equivalent to \$2.8 million due mainly to expiry of master leases in December 2022,
 - (iii) The effect of the downsizing and/or early termination of lease agreement of certain tenants typically from the hypermarket sector as well as changes in lease agreement structure to revenue base for certain tenants.
- (b) Service charge and utilities recovery in FY2023 increased by \$1.8 million or 2.3% as compared to FY2022. In IDR terms, service charge and utilities recovery in FY2023 increased by IDR64.8 billion or 7.7%. 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 FY2023 compared to FY2022.
- (c) Net reversal of allowance for impairment loss on trade receivables was \$1.7 million in FY2023 compared to \$0.5 million in FY2022 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 FY2023 increased by \$0.5 million or 30.5% was mainly due to higher fixed deposit interest during the year.
- (e) Included in other income was a gain of \$21.0 million and \$10.6 million from the repurchased and cancelled of Guaranteed Senior Notes in FY2023 and FY2022 respectively.
- (f) Finance costs in FY2023 increased by \$9.2 million or 14.7% from FY2022. The increase was mainly due to higher interest rates on SGD term loans and a Guaranteed Senior Notes with cross currency arrangement that swap the currency into SGD with a floating interest rate.

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 FY2023 vs FY2022 (cont'd)

- (g) Decrease in fair value of investment properties of \$133.5 million in FY2023 compared to an increase in fair value of investment properties of \$32.3 million in FY2022 was mainly due to lower expected rental cashflow for certain malls which are (i) under ABS (formerly known as BOT) arrangement where remaining land tenure are shortened with passage of time, (ii) under asset enhancement initiatives where rental revenue will be disrupted in near term, (iii) facing competition in the market and (iv) still in its recovery stage from the pandemic.
- (h) 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 \$0.1 million in FY2023 compared to realised loss on derivative financial instruments of \$0.3 million in FY2022 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.
- (i) Higher realised foreign exchange losses at \$38.0 million in FY2023 compared to \$11.8 million in FY2022 was mainly due to redemption of RPS in FY2023. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during the year ended 31 December 2023 has resulted in realised foreign exchange losses.
- (j) Unrealised foreign exchange gain of \$11.4 million in FY2023 compared to unrealised foreign exchange loss of \$0.6 million was mainly due to revaluation of USD Guaranteed Senior Notes amounting to US\$331.4 million (FY2022: US\$420.5 million) in aggregate where SGD strengthen against USD since FY2022.
- (k) Lower income tax expenses of \$27.1 million or 58.0% was mainly due to (i) lower withholding tax expenses as the dividend paid by Indonesian subsidiaries to Singapore holding companies is lower in FY2023 compared to FY2022, and (ii) the deferred tax benefits arising from the decrease in fair value of investment properties recognised in FY2023.
- (l) 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 \$35.6 million was recorded in FY2023 compared to a loss of \$161.9 million that of FY2022.

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

Not applicable.

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

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

Annual inflation slowed to 2.57% in January 2024, from 2.61% in December 2023. This was mainly driven by lower chilli prices and transportation. Likewise, core inflation also decreased to 1.68% due to cooling real estate prices and gold jewellery, making this the 13th consecutive month where the gauge has slowed.¹ Inflation was kept under control due to consistent monetary policies and rupiah stabilisation measures by Bank Indonesia (“BI”).

For a third straight meeting in January 2024, BI retained its key rate at 6% following a slowdown in inflation to ensure the stability of the rupiah, which traded at around 15,640 per US dollar after the announcement. Amid global uncertainty and volatility surrounding inflation, BI does not expect to lower its policy rate yet, provided the rupiah strengthens earlier or inflation stays low. Otherwise, BI is forecasted to gradually ease its policy starting mid-2024.² Moving forward, the tourism sector is expected to continue on its recovery trajectory, as marked by an increase to 11.7 million in foreign tourist arrivals, a 20.2% jump compared to 2022. Bringing a boost to the economy with a projected growth at 4.7% to 5.5% in 2024, with inflation within a target range of 1.5% to 3.5%.³

On the retail front, Real Sales Index grew 3.7% year-on-year (“YoY”) to a level of 216.0 in January 2024, mainly driven by stronger retail sales across most commodity groups, particularly, clothing, other household equipment, as well as food, beverages, and tobacco. On a monthly basis, retail sales contracted marginally at 1.0% due to normalising demand after the Christmas and New Year festive period on top of weather factors. In terms of prices, retailers expect the Price Expectations Index (“PEI”) in March 2024 to reach 137.2 from 129.3 in February 2024, given the rising prices during the holy fasting month of Ramadan. However, PEI in June 2024 is anticipated to retreat from 132.4 in May 2024 to 125.8, due to smooth distribution and supply availability that will result in lower price.⁴

LMIR Trust continues to maintain a prudent and proactive approach to its capital management policy to ensure adequate financial flexibility to stabilise the performance of the Trust. As announced in October 2023, the Trust was granted an extension for the following loan facilities: (i) two loan facilities of \$67.5 million each maturing on 9 November 2023; and (ii) a \$110.0 million loan facility with \$82.5 million maturing on 6 January 2024 and \$27.5 million maturing on 6 January 2026, with a final maturity date in November 2026.

Subsequently in December 2023, the Trust obtained a secured amortising term loan facility of up to IDR2.5 trillion with an average life of approximately six years to finance the purchase of the outstanding 2024 Notes and 2026 Notes. The 2023 Tender Offer and 2024 Tender Offer for both 2024 Notes and 2026 Notes in December 2023 and January 2024 respectively, thus reducing the Trust’s debt obligations and bringing the aggregate leverage ratio to be 44.3% as at 31 December 2023.

The Trust remains committed to maintain a sustainable capital structure and will continue to explore comprehensive financing options to provide sustainable value for all its stakeholders.

¹ 1 February 2024, *Business Times* – Indonesia January inflation eases to 2.57%, in line with forecast

² 17 January 2024, *Business Times* – Bank Indonesia leaves key rate unchanged to keep rupiah stable

³ 12 January 2024, *Business Times* – Bank Indonesia to stay put on Jan 17, no cut until at least Q3: poll

⁴ 16 February 2024, *Bank Indonesia* – Retail Sales Survey January 2024: Increasing Retail Sales Predicted

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

4. Distributions

(a) Current financial period

Any distributions declared for the current financial period: No

(b) Corresponding period of the preceding financial period

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

Name of distribution:

Yes

Fourth quarter distribution for the period from 1 October 2022 to 31 December 2022.

Distribution Type:

Capital distribution.

Distribution Rate:

Capital distribution of 0.04 cents per unit.

Par value of units:

NA

Tax rate:

NA

(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, 18 September 2023 and 11 December 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. Breakdown of revenue and total return after income tax before and after changes in fair value of investment properties are as follows

	31-Dec-23	31-Dec-22	Variance
	\$'000	\$'000	Favourable/ (Unfavourable)
			%
Gross revenue reported for first half year	99,608	93,258	6.8%
Total return/(loss) after income tax for first half year	14,389	(22,488)	NM
Total return after income tax but before changes in fair values of investment properties net of deferred tax for first half year	14,389	7,158	NM
Gross revenue reported for second half year	97,660	81,809	19.4%
Total loss after income tax for second half year	(140,375)	(10,025)	NM
Total loss after income tax but before changes in fair values of investment properties net of deferred tax for second half year	(13,215)	(7,951)	(66.2%)

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SUPPLEMENTARY FINANCIAL DISCLOSURES REQUIRED BY THE MAINBOARD RULES APPENDIX 7.2

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

	31-Dec-23	31-Dec-22
	\$'000	\$'000
In respect of period:		
1 January to 31 March 2022 (paid)	-	6,927
1 April to 30 June 2022 (paid)	-	6,927
1 July to 30 September 2022 (paid)	-	6,927
1 October to 31 December 2022 (paid)	-	3,079
Total distribution to Unitholders	-	23,860

On 20 March 2023, 31 May 2023, 18 September 2023 and 11 December 2023, the Group announced 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.

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

Pursuant to Rule 704(13) of the Listing Manual, LMIRT Management Limited (the "Company"), as manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust"), wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of LMIR Trust for the financial year ended 31 December 2023.

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

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

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

Mr Liew Chee Seng James
 Executive Director and Chief Executive Officer
 29 February 2024