



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

ANNOUNCEMENT RESPONSE TO SGX-ST QUERY

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**”), and as manager of LMIR Trust, the “**Manager**”), sets out its response to the queries raised by the Singapore Exchange Trading Securities Trading Limited (“**SGX-ST**”) on 14 August 2023 in relation to LMIR Trust’s unaudited financial statements for the second quarter (“**2Q 2023**”) and half year ended 30 June 2023 (“**1H 2023**”) dated 8 August 2023 (the “**Interim Financial Statements**”):

Question 1:

We note from pages 15 and 17 that certain “HGB titles” of the REIT’s properties will expire in 2024 and the aggregate value of such properties exceeds 5% of the NAV of the REIT. Please disclose what is the financial impact to the REIT’s income statement and balance sheet when these titles expire and whether the assets will be written off.

Manager’s Response to Question 1:

There are two properties whose underlying HGB titles are expiring in 2024. They are (1) Lippo Plaza Kramat Jati expiring on 25 October 2024 and (2) Kediri Town Square expiring on 12 August 2024.

The Manager has initiated the renewal process of the HGB titles for both properties with the renewal costs estimated to be approximately S\$340,000 for both properties. Such renewal costs consist of processing service fee by the notary or professionals and the applicable statutory fees based on a formula stipulated by the National Land Office in Indonesia.

A HGB title gives the right to construct and own buildings on a plot of land. The right is transferable and may be encumbered. While HGB is a leasehold title where the state retains “ownership”, for practical purposes, there is little difference from a freehold title. HGB title is granted for an initial period of up to 30 years and is extendable for a subsequent 20-year period and another 30-year period. Upon expiration of such extensions, a new HGB title may be granted on the same land.

LMIRT has historically been able to renew the HGB titles of its properties upon their expiry. Thus the Manager similarly expects to be able to renew the HGB titles of the above properties and does not foresee any financial impact to the REIT's income and balance sheet.

Question 2:

We note from page 31 that certain borrowings of the REIT will mature in November 2023. Please disclose the REIT's plan in relation to repayment of such borrowings due in November 2023 and the basis for the Board's view that it will be able to meet its short-term obligations as and when they fall due.

Manager's Response to Question 2:

The Board of the Manager has assessed that the LMIR Trust is able to meet its short-term obligations as and when they fall due on the basis as disclosed in note 2.1 to the Interim Financial Statements.

LMIR Trust has existing long term banking relationships with a number of banks and is in active discussion with them for a solution to resolve the borrowings maturing in November 2023. The Manager will make further announcements when definitive agreements have been concluded between LMIR Trust and the banks.

Question 3:

We note from page 42 that the decrease in rental revenue in 2Q 2023 was mainly due to, inter alia, lower revenue contribution from Lippo Plaza Kendari and Lippo Plaza Jogja due mainly to expiry of master leases in June 2022 and December 2022 respectively. Please disclose whether the REIT has found new tenants to take over the vacancies.

Manager's Response to Question 3:

The Manager wishes to clarify that, pursuant to the master lease agreements ("MLA") of Lippo Plaza Kendari and Lippo Plaza Jogja, the master lessees of the MLA leased certain shopping mall area and/or carpark (for the case of Lippo Plaza Jogja), and sub-leased these area to third-party retailers/operators ("Underlying Tenants").

During the Covid-19 pandemic, the operations of certain Underlying Tenants were negatively affected with some of the sub-leases being early terminated or not renewed upon expiry. Upon expiry of the MLA, the lease agreements between the master lessees and the remaining operating Underlying Tenants, were novated to LMIR Trust. For Lippo Plaza Kendari,

approximately 1,501 sqm of retail space occupied by the remaining Underlying Tenants, out of the MLA area of 3,911 sqm were novated to LMIR Trust upon the expiry of MLA in June 2022, while for Lippo Plaza Jogja, approximately 7,000 sqm of retail space occupied by the remaining Underlying Tenants, out of the MLA area of 14,171 sqm were novated to LMIR Trust upon the expiry of MLA in December 2022.

Up to the date of this announcement, owing to continued operational challenges in Lippo Plaza Jogja, including increased competition from other new retail malls, the vacancies take-up rate at this mall remains slow with the occupancy at 72.0% compared to 86.7% prior to expiry of MLA, while for Lippo Plaza Kendari, the occupancy has been stabilized at 94.1% compared to 97.4% prior to expiry of MLA.

The Manager is actively working with the Property Manager to improve the occupancy of Lippo Plaza Jogja, including a minor re-layout of the shopping area to attract new tenants from the entertainment and F&B segment and increasing promotional activities at the mall to attract shoppers.

By Order of the Board

LMIRT MANAGEMENT LTD.

(As manager of Lippo Malls Indonesia Retail Trust)

(UEN/Company registration number: 200707703M)

Liew Chee Seng James

Executive Director and Chief Executive Officer

16 August 2023

IMPORTANT NOTICE

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

Investors have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.