



(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 21 November 2023 in relation to LMIR Trust’s unaudited financial statements for the third quarter (“**3Q 2023**”) and nine months ended 30 September 2023 (“**YTD 2023**”) dated 9 November 2023 (the “**Results Announcement**”):

Question 1:

We note from page 43 that rental revenue in YTD 2023 decreased due to, amongst others, expiry of master leases in respect of Lippo Plaza Jogja in December 2022. Please disclose whether the Manager has secured any new tenants to take over the vacancies. Please also disclose what are the steps being taken by the Manager to improve the occupancy at Lippo Plaza Jogja.

Manager’s Response to Question 1:

The Manager wishes to clarify that pursuant to the master lease agreement (“**MLA**”) of Lippo Plaza Jogja, the master lessee of the MLA leased certain shopping mall area and/or carpark 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 lessee and the Underlying Tenants, which are still in-force, had been novated to LMIR Trust’s subsidiary company. Approximately 7,000 sqm of the retail MLA area of 14,171 sqm were novated to LMIR Trust’s subsidiary company 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 occupancy of the mall stands at 66.0%.

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. The Property Manager is actively negotiating with several major tenants in these segments that are targeting to start their tenancies from second quarter 2024 onward.

Question 2:

Please disclose the tax effects on the REIT's operations, financial and cash position arising from the cessation of distributions to holders of perpetual securities and dividends of the units.

Manager's Response to Question 2:

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

The Manager is not aware of any additional tax effects on LMIR Trust's operations, financial and cash position arising from the cessation of distributions to holders of perpetual securities and the unitholders. For avoidance of doubt, (i) the tax transparency treatment applicable to S-REITs that derive specified income from Singapore immovable properties ("taxable income") require 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, (ii) LMIR Trust's rental and related income derived from the Indonesian properties are subject to corporate tax in Indonesia, dividend declared and interest expenses paid by the Indonesian subsidiaries to Singapore subsidiaries of LMIR Trust are subject to withholding tax in Indonesia, do not change as a result of the cessation of the said distributions.

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

23 November 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.