



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

ANNOUNCEMENT

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 21 APRIL 2021

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust (the “**LMIR Trust**” and as manager of LMIR Trust, the “**Manager**”) wishes to inform unitholders that in accordance with the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period jointly published by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020 (and subsequently updated on 27 April 2020, 22 June 2020 and 1 October 2020), minutes of the twelfth annual general meeting (“**AGM**”) of LMIR Trust which was convened and held by way of electronic means on Wednesday, 21 April 2021 at 10:00 a.m. has been recorded and is attached hereto as **Appendix A**.

The Manager had on 20 April 2021 released on SGXNET its responses to substantial and relevant questions received from unitholders and the Securities Investors Association (Singapore) relating to the agenda of the AGM.

BY ORDER OF THE BOARD

LMIRT Management Ltd.
(Company registration no. 200707703M)
As manager of Lippo Malls Indonesia Retail Trust

Liew Chee Seng James
Executive Director and Chief Executive Officer

Singapore
20 May 2021

LIPPO MALLS INDONESIA RETAIL TRUST

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

MINUTES OF ANNUAL GENERAL MEETING

- PLACE** : Via “live” audio-visual webcast and “live” audio-only stream in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“**Electronic Means**”)
- DATE** : 21 April 2021 (Wednesday)
- TIME** : 10.00 a.m.
- PRESENT** : Mr Murray Dangar Bell - Chairman of the Board, Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee
- IN ATTENDANCE VIA ELECTRONIC MEANS** : Mr Liew Chee Seng James - Executive Director and Chief Executive Officer
 Ms Gouw Vi Ven - Non-Executive Non-Independent Director
 Mr Mark Leong Kei Wei - Independent Director and Chairman of Audit and Risk Committee
 Mr Sandip Talukdar - Independent Director
 Ms Ella Jia - Financial Controller
 Ms Sin Li Choo - Representative from the Trustee, Perpetual (Asia) Limited
- UNITHOLDERS PRESENT VIA ELECTRONIC MEANS** : As set out in the attendance record maintained by the Manager.
- CHAIRMAN** : Mr Murray Dangar Bell

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

2 The Chairman shared some updates of LMIR Trust and Indonesia’s retail outlook as follows.

Updates of LMIR Trust

- 2.1 With sustainability and tenacity constituting the cornerstone of the Trust’s business model in 2020, LMIR Trust has stayed vigilant and agile in navigating through the challenges presented by the coronavirus.
- 2.2 The Manager had executed a number of strategic actions to manage the impact of the effects of Covid-19 to reinvigorate and reposition the Trust for sustained growth.
- 2.3 At the asset level, since the outbreak, LMIR Trust had acted swiftly to implement stringent precautionary measures to ensure the safety of shoppers, staff, tenants, and visitors to the malls. All the necessary space and configuration adjustments were made in the malls to accommodate

all safety measure requirements and to ensure continued smooth operations of the malls after they reopened for business.

- 2.4 At the Trust level, two mature assets were divested – Pejaten Village and Binjai Supermall that were acquired back in 2012. Both properties were divested at a premium to their acquisition prices and timely in capturing opportunities to unlock capital for the Trust to ensure financial stability at such unprecedented times.
- 2.5 The Manager adhered to a disciplined approach in managing LMIR Trust's capital structure, securing financing through bank loans, rights issue and US dollar bond offering, which bolstered LMIR Trust's financial flexibility and balance sheet.
- 2.6 Funds raised were used towards early refinancing and repayment of loans due in 2021, relieving the Trust of any refinancing obligations for the year. Part of the funds were also used for the acquisition of the iconic Lippo Mall Puri in January 2021. The injection of this flagship mall, together with its rental support till 2024, would provide the Trust with a steady stream of income in the short term. In the long term, its salient selling points will reposition and anchor LMIR Trust for sustainable growth.

Outlook

- 2.7 The Indonesian government has played an active role in fighting the pandemic in Indonesia, with the implementation of large-scale social distancing restrictions and comprehensive health protocols, as well as substantial stimulus packages to boost the recovery of its economy. It has also started vaccinating its population since beginning of this year, with the intention to inoculate at least two thirds of its population by early 2022.
- 2.8 As the situation gradually stabilises and with the operating environment slowly returning to normal or adjusting to the new normal, the Manager is optimistic that the retail sector would eventually recover.
- 2.9 In the meantime, the Manager would continue to exercise caution and adopt rational strategies to focus on strengthening the intrinsic value of LMIR Trust's assets to maintain operational stability. The Manager is already planning to resume the asset enhancement initiatives of some of LMIR Trust's assets, which were halted in 2020 to contain the operating expenses. These AEs would reinvigorate the malls and optimise its value to maximise returns for Unitholders.

Strategic Direction of LMIR Trust

- 2.10 LMIR Trust has solid fundamentals underpinned by:
- A portfolio of quality malls strategically diversified across Indonesia with a clear vision to create long-term asset value with stable distributions to Unitholders
 - Growing middle class in Indonesia with higher disposal income that will support the growth of the retail sector
 - Strong Lippo Malls brand, being the largest mall player in the market, providing certainty of shopper experience, reliability for retailers and credibility for capital markets
 - Solid relationship with capital management partners supported by positive track record of the Trust
- 2.11 Building on these solid fundamentals, the Chairman reiterated that the strategic direction of LMIR Trust remains unchanged, which is to execute clear and prudent strategic actions to optimise the long-term value of its existing and future retail assets to maximise returns for Unitholders.

2.12 With the continued Covid-19 situation, working closely with the tenants to rebuild shopper confidence remains one of LMIR Trust's key priorities. LMIR Trust would continue to actively engage their tenants, provide support for their business recovery and actively manage its lease structure.

3 **QUORUM**

3.1 As a quorum was present, the Chairman of the Meeting called the meeting to order.

4 **NOTICE**

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

4.2 The Chairman of the Meeting informed the Unitholders that all resolutions tabled at the AGM would be voted by poll and counted based on the proxy forms that were submitted to the Manager at least 72 hours before the AGM as stipulated in Manager's announcement made on 1 April 2021 via SGXNet and LMIR Trust's website. He informed the Unitholders that he had been appointed as proxy by a number of the Unitholders pursuant to SGX's guidance issued on 13 April 2020 (as amended) on the conduct of general meetings by electronic means, and all votes on the resolution tabled at the AGM would be by proxy and only the Chairman of the meeting may be appointed as a proxy.

5 **POLLING**

5.1 DrewCorp Services Pte Ltd had been appointed as scrutineers for the poll. Boardroom Corporate & Advisory Services Pte Ltd had been appointed as polling agent.

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

6 **Q&A SESSION**

6.1 The Chairman also informed the Unitholders that the Manager's responses to all the relevant and substantial questions received from the Unitholders by 16 April 2021 related to the resolutions tabled at the meeting had been posted on SGXNet and LMIR Trust's website on 20 April 2021.

6.2 The responses to substantial and relevant questions received from the Unitholders are annexed to this Minutes as "**Annex A**".

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

7.1 Ordinary Resolution 1 was proposed by the Chairman of the Meeting:

7.2 "That the Report of the Trustee issued by Perpetual (Asia) Limited, the Statement by the Manager issued by LMIR Management Ltd, as manager of LMIR Trust, and the Audited Financial Statements of LMIR Trust for the financial year ended 31 December 2020 together with the Auditors' Report thereon be received and adopted."

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

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
4,895,679,132	4,889,965,652	99.88	5,713,480	0.12

7.4 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 1 as carried.

8 RE-APPOINTMENT OF RSM CHIO LIM LLP AS THE AUDITORS OF LMIR TRUST – ORDINARY RESOLUTION 2

8.1 Ordinary Resolution 2 was proposed by the Chairman of the Meeting:

8.2 “That RSM Chio Lim LLP be re-appointed as Auditors of LMIR Trust and to hold office until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration.”

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

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
4,895,679,232	4,889,965,752	99.88	5,713,480	0.12

8.4 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 2 as carried.

9 AUTHORITY TO ISSUE NEW UNITS – ORDINARY RESOLUTION 3

9.1 Ordinary Resolution 3 was proposed by the Chairman of the Meeting:

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

- (a) (i) issue units in LMIR Trust (“**Units**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

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

provided that:

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

Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

- (2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Units arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time of the passing of this Resolution;
 - (b) any Units arising from exercising unit options or vesting of unit awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting of LMIR Trust, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of LMIR Trust or (ii) the date by which the next AGM of LMIR Trust is required by law to be held, whichever is earlier or (iii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of LMIR Trust to give effect to the authority contemplated and/or authorised by this Resolution.”

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

Total no. of votes cast	No. of votes 'For'	% 'For'	No. of votes 'Against'	% 'Against'
4,895,679,232	4,888,379,152	99.85	7,300,080	0.15

9.4 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 3 as carried.

10 **APPROVAL FOR THE PROPOSED RENEWAL OF UNIT BUY-BACK MANDATE – ORDINARY RESOLUTION 4**

10.1 Ordinary Resolution 4 was proposed by the Chairman of the Meeting:

10.2 "That pursuant to Clause 7 of the Trust Deed:

- (a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of LMIR Trust not exceeding the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager in accordance with the Trust Deed from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market repurchase(s) ("**Market Repurchase**") effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or;
 - (ii) off-market repurchase(s) (which are not market repurchases) ("**Off-Market Repurchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**").
- (b) Unless revoked or varied by Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from passing of this Resolution and expiring on the earlier of
 - (i) the date on which the next AGM of LMIR Trust is held;
 - (ii) the date by which the next AGM of LMIR Trust is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or
 - (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the Market Repurchase(s) or, as the case may be, the date on which the offer pursuant to the Off-Market Repurchase(s), is made;"

"**date of the making of the offer**" means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted is open for trading in securities;

"**Maximum Limit**" means the total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 10.0% of the total number of issued Units as at the date of the AGM;

“**Maximum Price**” in relation to a Unit to be repurchased, means the maximum repurchase price which shall not exceed 105.0% of the Average Closing Price of the Units for both a Market Repurchase and an Off-Market Repurchase, excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses of such repurchase.

- (d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of LMIR Trust to give effect to the transactions contemplated and/or authorised by this Resolution.”

10.3 The results of Ordinary Resolution 4 tabled at the Meeting, taken on a poll, were as follows:

Total no. of votes cast	No. of votes ‘For’	% ‘For’	No. of votes ‘Against’	% ‘Against’
4,895,679,232	4,890,025,152	99.88	5,654,080	0.12

10.4 Based on the polling results, the Chairman of the Meeting declared Ordinary Resolution 4 as carried.

11 **CONCLUSION**

11.1 There being no other business to transact, the Chairman declared the AGM closed at 10.20 a.m.

Confirmed as a True Record of Proceedings Held

Murray Dangar Bell
Chairman



LIPPO MALLS INDONESIA RETAIL TRUST

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

RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM UNITHOLDERS

1. The Board of Directors (the “**Board**”) of LMIRT Management Ltd, in its capacity as manager of Lippo Malls Indonesia Retail Trust (“**LMIR Trust**”, and as manager of LMIR Trust, the “**Manager**”), refers to:
 - (a) the annual report of the LMIR Trust for the financial year ended 31 December 2020 (the “**Annual Report**”);
 - (b) the notice of annual general meeting (“**AGM**”) dated 1 April 2021 informing Unitholders that the twelfth AGM of LMIR Trust will be convened and held by way of electronic means on Wednesday, 21 April 2021 at 10:00 a.m.; and
 - (c) the accompanying general announcement released on 1 April 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

2. **Response to questions from Unitholders.** The Manager would like to thank Unitholders for submitting substantial and relevant questions in advance of the AGM. As there was substantial overlap between several questions received from Unitholders, the Manager has summarised and grouped these questions accordingly. The Manager’s responses are also outlined in “**Annex A**” of this announcement.

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

20 April 2021

RESPONSE TO QUESTIONS RECEIVED FROM UNITHOLDERS (ANNEX A)

- 1. How is the COVID-19 situation in Indonesia now? Is LMIRT still giving tenants rental rebate? If so, how much more rental rebates will be given? I understand that the sponsor owns Matahari and others and is a key tenant of LMIRT. Are we giving rental rebates to the sponsor's companies such as Matahari? How does the Board address conflict of interest issues in such scenario?**
- 2. Should supermarkets (which are booming) still be given rental rebates?**

Indonesia reported on 7th April 2021 that the country has seen a steady decline in the number of daily cases and deaths in the past nine weeks, with the number of daily cases dropping by around 70% and fatalities by around 60% in Jakarta since early February. This is the longest decline since the pandemic hit the capital in March 2020. Authorities have cautioned the public to continue to remain vigilant, especially ahead of the Idul Fitri holiday season in May and despite the decline in cases, the Jakarta administration has decided to extend its containment policy, micro-scale mobility restrictions for another two weeks until 3rd week of April.

The Trust has extended both rental and service charges discounts to tenants at a lower average base discount for 1Q 2021, compared to the base discount of 33% in 4Q 2020, given the improving conditions. However, as the pandemic in Indonesia has not yet ended with both shopper traffic and tenant sales yet to recover to pre-Covid levels, the Trust will have to continue to provide rental support to affected tenants although at a reduced rate over the course of 2021.

In addition, the Trust has also extended additional rental reliefs to selected key tenants, both related (including Matahari) and non-related party tenants, to support their business recovery, especially those in the entertainment and education segments which continue to face operating restrictions. The Board ensures that rental support provided to related parties are generally in line with what has been provided to non-related parties taking into consideration factors such as the tenant's contribution to the Trust overall portfolio occupancy, significance of their operations to respective mall's business (such as anchor / non-anchor), retail mix, ability to obtain alternative tenants, etc.

In contrast to supermarkets in Singapore which has benefited from the pandemic with increased sales, the supermarkets located in the Trust's retail malls, continued to suffer declines in sales due to the pandemic. As shoppers need to travel some distance to retail malls in Indonesia, usually via motor vehicles, the outbreak of Covid-19 has made shoppers adopt a more cautious approach with preference to conduct their grocery shopping at convenience stores or smaller standalone supermarkets/ wet markets nearer to their homes. In addition, shopper traffic at the Trust's retail malls has yet to recover back to pre-Covid levels. These negative factors continue to put pressure on the supermarkets operating within the Trust's retail malls with their sales currently at about 70% of pre-Covid levels. In fact, the pandemic has resulted in PT Trans Retail (in which GIC Singapore reportedly investing US\$387 million for a 17.4% stake in February 2016), which has 5 outlets within the Trust's portfolio (operating the Carrefour and Transmart Carrefour brands), facing bankruptcy or suspension of debt payment obligation suits by vendors following failure to make payments for supplies. With respect to the Trust's exposure to PT Trans Retail, the Trust has unpaid rental and service charges amounting to about S\$2.7 million since the pandemic outbreak in March 2020. The Manager is actively working with the property manager to try to recover the overdue payments. For prudence, the Manager has already provided some doubtful debt allowance for PT Trans Retail's overdue payments within the FY2020 accounts. Other supermarket operators

within the Trust's portfolio, including related party Hypermarket, remain current in their rental payments, despite achieving lower sales as explained above. Given the above situation, the Manager believes it is in the best interest of the Trust to continue to provide rental support to supermarkets in their business recovery given their status as anchor tenants and their effect on retail mix within the malls.

3. Is LMIRT still doing forex hedging? I recall we lost quite a lot of money in forex trades. What is LMIRT doing to ensure this does not recur?

The Manager's policy is to hedge up to 80% of the quarterly expected cashflow from Indonesia to Singapore. For FY2020, the Trust achieved S\$0.5 million of foreign exchange gains from such hedging contracts put in place. The remaining foreign exchange losses of S\$11.0 million realised are mainly due to the need to repatriate existing cash balance from Indonesia back to Singapore to repay the S\$75 million EMTN due in June 2020.

Based on Indonesian accounting standards, depreciation of real estate is a mandatory expense of the Indonesia subsidiaries when determining the net profit from operations of an Indonesian subsidiary that would be available for payment as dividends. This effectively traps cash in Indonesia subsidiaries as depreciation is not a cash expense. However, the properties of LMIR Trust are treated as investment properties carried at valuation and hence are not depreciated in LMIR Trust's accounts. Accordingly, such depreciation of real properties is not treated as an expense item when computing Distributable Amount of LMIR Trust for distribution to Unitholders.

Since IPO, a structure has been put in place principally to repatriate the cash trapped or excess cash held by the Indonesia subsidiaries, whereby LMIR Trust subscribes to the RPS issued by the respective Singapore SPCs (the parent companies of the Indonesia subsidiaries), which then extends a corresponding shareholder's loan to the Indonesia subsidiaries at an amount equal to the RPS. Please refer to page 91 of LMIR Trust's Prospectus for details of Distributions structure.

The RPS are mainly denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates when the RPS were issued, and some of the RPS were issued since the listing of LMIR Trust in 2007. As IDR has weakened since the RPS were issued, any redemption of RPS at current SGD/IDR exchange rates will likely result in significant realised foreign exchange losses.

Given the impact of Covid-19 on financial markets in mid-2020, LMIR Trust chose to use internal cash resources to repay the S\$75 million notes due in June 2020. Such internal cash resources were mainly held in the Indonesia subsidiaries, and subsequently repatriated to LMIR Trust in 2Q 2020 by way of redemption of RPS, which consequently resulted in the foreign exchange losses.

The Manager will continue to adopt a prudent foreign exchange hedging strategy taking into account the potential amount of distributable income and need for funds at the Trust level to meet payment obligations.

4. The dividend is miniscule in recent quarters, due to the distribution being withheld. (likely due to non-payment of perps and low revenue due to rental rebates) When will distribution go back to normal?

5. The yield at current price is very low, and the risk (implied by gearing levels) is high. How would the current situation attract investors to LMIRT? What is the company doing to change and improve the situation? We need drastic changes. Doing the same thing again and again is silly and would not make a difference.

Distributions to unitholders in FY2020 were negatively affected due to the impact of Covid-19 pandemic on the mall operations and rental income received due to rental rebates given to support business recovery.

As the Covid-19 situation gradually stabilises with most of our tenants able to resume normal operations, we have gradually reduced our rental rebates and discounts but we expect some degree of support would still be required over the course of 2021, especially to tenants hard hit by the pandemic such as the entertainment segment. Nevertheless, the Board's position is to return to the 90% pay-out of distributable income policy as soon as practicable taking into consideration the pace of recovery of the financial performance of the retail malls amid the continued outbreak of the pandemic in Indonesia.

The prudent and strategic actions taken by the Trust - divestment of two mature assets, strategic acquisition of the iconic Lippo Mall Puri which will provide a steady stream of income with its rental support, a number of fundraising exercises and early refinancing/repayment of our maturing debt obligations, have helped the Trust managed the impact of the effects of Covid-19 and allowed it to continue to make distributions to perp holders and Unitholders.

Going forward, we will continue to adopt rational and dynamic strategies to focus on strengthening the intrinsic value of our assets and to ensure and maintain operational stability. We are also starting to resume the asset enhancement initiatives of some our assets that were halted in 2020 to manage our operating expenses, which will reinvigorate and optimise the value of these malls to maximise returns to our Unitholders.

6. There has been a decrease in the fair value of investment properties in the last 2 financial years. Any significant decrease in the fair value of investment properties going forward could put pressure on the gearing level, which I understand currently stands at 41.9%. What plans do you have in place to avoid any deterioration in the gearing level going forward?

7. The Gearing level of the group is still high at more than 40% Will there be another rights issue soon?

As at 31 December 2019, LMIR Trust's portfolio of investment properties (excluding the two assets – Pejaten Village and Binjai Supermall, that were divested in 2H2020) were valued at Rp17,571.1 billion. Following the outbreak of the Covid-19 pandemic in Indonesia, the Manager conducted a desktop review of the investment properties as at 31 July 2020, which valued the total portfolio (excluding the two divested assets) at Rp15,716.1 billion, a 10.6% decline, reflecting the effects of the Covid-19 pandemic which has impacted mall traffic and rental income due to the extension of rental reliefs and service charge discounts to support tenants' business recovery. Subsequently, as part of the annual review, the investment properties were again revalued as at 31 December 2020 with valuations determined at Rp15,569.0 billion. This reflects only an additional marginal decline of 0.9%, signalling a stabilising portfolio value given the improving operating environment in Indonesia. The Manager will continue to work closely with the property manager to stabilise the mall operations and increase visitor traffic, which will lead to increased tenant sales and consequently an

improvement in the portfolio value over a period of time.

We intend to maintain a stable gearing of around 40% or lower, to give us ample debt headroom for yield-accretive opportunities when they arise as well as provide a buffer arising from foreign exchange fluctuations. With the completion of our rights issue as well as our second USD bond offering in 1Q this year, the Trust has adequate liquidity to meet our operational and near-term financing requirements with our next senior debt due only in November 2022. We will nevertheless continue to utilise a range of financing tools, including both debt and equity instruments, to ensure an optimal capital structure suited for our long-term sustainable business

8. As per Note 8, interest expense has increased to S\$42.9 million in 2020 from S\$37.5 million in 2019. What has caused this increase especially since overall borrowings of the Reit seem to be somewhat similar in both years and also the global financial environment seems to be one of falling interest rates.

9. What plans do you have to reduce finance costs going forward?

The higher interest expenses are mainly due to the refinancing of the \$175 million syndicated term loan and \$120 million revolving credit facility by an issuance of US\$250 million 7.25% Guarantee Senior Notes due in 2021 in June 2019.

In addition, despite the massive injection of liquidity by the global central banks which has pushed down benchmark rates, the interest margin (reflecting credit risk) paid by the Trust has actually increased due to the negative financial impact of the pandemic on the Trust (with Moody's and Fitch rating agencies both downgrading LMIRT's credit rating in FY2020). Consequently, the overall interest expense from the Trust's recent refinancing activities has increased compared to pre-Covid period.

As the Covid-19 situation gradually stabilises with most of our tenants able to resume normal operations and the rental support given is scaled back, the Trust's financial performance and consequently its credit profile will improve, leading to a reduction in interest margin over time. In addition, the Manager will continue to explore various financing options and new banking relationships to strengthen its financial flexibility.

10. Could the company give an insight on what is the achieved Lippo group performance and its impact on company return?

As LMIR Trust (listed in Singapore's SGX) and the Lippo Group Indonesia are two separate and distinct entities, the Manager is not in a position to provide any comments/ insights on Lippo Group performance.

Notwithstanding the above, the Manager wishes to state that the Sponsor, PT Lippo Karawaci Tbk, has fulfilled its payment obligations to LMIR Trust under its master lease agreements and since the listing of LMIR Trust, there has been no incidence of non-payment or default from any rental payment from the Sponsor. In addition, as a demonstration of support for LMIR Trust, the Sponsor has not requested nor obtained any rental relief under its master lease agreements (unlike all other tenants) during the Covid-19 pandemic.