



LIPPO MALLS INDONESIA RETAIL TRUST

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

CORRIGENDUM TO ANNUAL REPORT 2016

LMIRT Management Ltd., as manager of Lippo Malls Indonesia Retail Trust (“LMIR Trust”, and as manager of LMIR Trust, the “Manager”) refers to LMIR Trust’s annual report for the financial year ended 31 December 2016 (the “Annual Report 2016”) and wishes to correct certain inadvertent typographical errors in the Annual Report 2016 as set out below. All page references in this announcement are references to the Annual Report 2016.

1. With reference to page 13, the DPU for the 3Q FY2016 financial results should read as “0.86 Singapore cents” instead of “SGD0.86 Singapore cents”.
2. With reference to page 14, the Current Liabilities and Non-current Liabilities as at 31 December 2016 should read as follows. The changes made are indicated in bold and have been underlined:

Balance Sheet*	31 December 16 (SGD'000)	31 December 15 (SGD'000)
Current Liabilities	<u>194,297</u>	349,921
Non-current Liabilities	<u>638,381</u>	562,708

* The exchange rates for FY2016 and FY2015 were IDR/SGD: 9,334 and 9,707 respectively

3. With reference to page 15, the chart setting out the LMIR Trust Unit Price Performance should be for the period from “1 January 2016 to 31 December 2016” instead of “1 January 2016 to 30 December 2016”.
4. With reference to page 15, Note 1 should read “Based on closing price as at 30 December 2016 of SGD0.37” instead of “Based on closing price as at 31 December 2016 of SGD0.37 cents”.
5. With reference to page 15, in Note 2, the DPU in FY2016, if the Master Leases for Lippo Mall Kemang, Palembang Icon and Lippo Plaza Batu were disregarded and instead the actual amount of rental paid by the relevant tenants be taken into account, should read as “2.72 cents” instead of “SGD2.72 cents”.
6. With reference to page 16, the heading before the second paragraph should read “Positive Macro Environment” instead of “Positive Marco Environment”.
7. With reference to page 18, in the first paragraph, the DPU for 4Q FY2016 and the quarter earlier and the total DPU for the financial year under review should read as “0.87 cents”, “0.86 cents” and “3.41 cents” respectively, removing the reference to “SGD” for each figure.
8. With reference to page 33, the following footnote should be included with reference to the weighted average occupancy for FY2016 and FY2015 denoted by “*”. The changes made are indicated in bold and have been underlined:

**** Including temporary leasing**

9. With reference to page 34, there is a repeated reference to “Jewelry” comprising 0.5% of the NLA in LMIR Trust’s portfolio, which should be removed and an additional category of “Books and Stationery” comprising 1.6% of the NLA in LMIR Trust’s portfolio, which should be included, in the table titled “Trade Sectors Breakdown by NLA”.
10. With reference to page 34, in the table titled “Trade Sectors Breakdown by Rental Revenue”, the heading for the last column should read as “Rental Revenue (SGD ‘000)” instead of “% of Rental Revenue (SGD ‘000)”.
11. With reference to page 36, the contribution of each property to Gross Revenue and NPI for FY2016 should read as follows. The changes made are indicated in bold and have been underlined:

	Gross Revenue 2016		Net Property Income 2016	
	SGD’ million	Contribution %	SGD’ million	Contribution %
Bandung Indah Plaza	11.78	6.3	10.53	<u>6.1</u>
Cibubur Junction	9.19	4.9	8.36	<u>4.9</u>
Ekalokasari Plaza	2.28	1.2	1.94	<u>1.1</u>
Gajah Mada Plaza	6.56	3.5	5.85	<u>3.4</u>
Istana Plaza	8.27	4.4	8.07	<u>4.7</u>
Mal Lippo Cikarang	6.35	3.4	6.16	<u>3.6</u>
The Plaza Semanggi	10.33	5.5	9.08	<u>5.3</u>
Sun Plaza	18.72	10.0	17.61	<u>10.2</u>
Plaza Medan Fair	15.89	8.4	14.67	<u>8.5</u>
Pluit Village	12.35	6.6	10.96	<u>6.4</u>
Lippo Plaza Kramat Jati	3.96	2.1	3.54	<u>2.1</u>
Palembang Square Extension	<u>3.66</u>	1.9	<u>2.85</u>	<u>1.7</u>
Tamini Square	2.54	1.4	2.30	<u>1.3</u>
Palembang Square	7.14	3.8	5.04	<u>2.9</u>
Pejaten Village	11.56	6.1	10.38	<u>6.0</u>
Binjai Supermall	2.62	1.4	2.34	<u>1.4</u>
Lippo Mall Kemang	30.63	16.3	28.94	<u>16.8</u>
Lippo Plaza Batu	2.68	1.4	2.56	<u>1.5</u>
Palembang Icon	8.76	4.7	8.22	<u>4.8</u>
Lippo Mall Kuta	0.05	-	0.02	-
RETAIL MALLS	<u>175.32</u>	<u>93.3</u>	<u>159.42</u>	<u>92.7</u>

	Gross Revenue 2016		Net Property Income 2016	
	SGD' million	Contribution %	SGD' million	Contribution %
Depok Town Square Units	1.82	1.0	1.77	<u>1.0</u>
Grand Palladium Units	1.60	0.8	1.55	<u>0.9</u>
Java Supermall Units	1.73	0.9	1.69	<u>1.0</u>
Malang Town Square Units	1.71	0.9	1.67	<u>1.0</u>
Mall WTC Matahari Units	1.52	0.8	1.48	<u>0.9</u>
Metropolis Town Square Units	2.07	1.1	2.03	<u>1.2</u>
Plaza Madiun Units	2.30	1.2	2.26	<u>1.3</u>
RETAIL SPACES	<u>12.75</u>	<u>6.7</u>	<u>12.45</u>	<u>7.3</u>
TOTAL	188.07	<u>100.0</u>	171.87	<u>100.0</u>

12. With reference to page 55, the breakdown of the management fees and frequency of payment for FY2016 should read as follows. The changes made are indicated in bold and have been underlined:

	Group and LMIR Trust	
	2016	2015
	SGD'000	SGD'000
Base fees	<u>5,066</u>	<u>4,823</u>
Performance fees	<u>6,874</u>	<u>6,343</u>
	11,940	<u>11,166</u>

13. With reference to Note 20 – “Net Assets Attributable to Unitholders” of the Notes to the Financial Statements on page 108, the issue price of the 67,567,000 units issued as part of the consideration for the acquisitions of Lippo Plaza Batu and Palembang Icon on 5 August 2015 should read as “SGD0.37 per unit” instead of “SGD0.37 cents per unit”. For the avoidance of doubt, the above disclosure is stated in the financial statements signed off by LMIR Trust’s auditor, RSM Chio Lim LLP.
14. With reference to Note 20 – “Net Assets Attributable to Unitholders” of the Notes to the Financial Statements on page 109, the second paragraph of page 109 should be deleted in its entirety. For the avoidance of doubt, the above disclosure is stated in the financial statements signed off by LMIR Trust’s auditor, RSM Chio Lim LLP.

15. With reference to Note 33 – “Events After the End of the Reporting Year” of the Notes to the Financial Statements on page 130, the final distribution declared on 15 February 2017 totaling SGD24,335,000 in respect of the quarter ended 31 December 2016 should read as “0.87 cents per unit” instead of “SGD0.87 cents per unit”.

The amended pages of the Annual Report 2016 reflecting the corrections set out above are attached in the **Appendix** to this announcement. The revised Annual Report 2016 has also been uploaded on the website of Singapore Exchange Securities Trading Limited at <http://www.sgx.com> and physical copies of the revised Annual Report 2016 are available upon request to the Manager.

By Order of the Board

LMIRT MANAGEMENT LTD.

(as manager of Lippo Malls Indonesia Retail Trust)

(Company registration number: 200707703M)

Chan Lie Leng

Executive Director of the Board and Chief Executive Officer

13 April 2017

Important Notice

The value of Units and the income derived from them may fall as well as rise. The 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. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of LMIR Trust is not necessarily indicative of the future performance of LMIR Trust.

This document 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 view of future events.

APPENDIX
AMENDED PAGES OF ANNUAL REPORT 2016



APRIL

- > Convened Annual General Meeting on 22 April
- > Ms Chan Lie Leng appointed Non-Executive Director with effect on 22 April (Ms Chan was re-designated Executive Director on 1 January 2017 and appointed CEO on 16 March 2017)

MAY

- > Announced 1Q FY2016 financial results on 3 May. DPU for the quarter up 5.1% y-o-y to 0.83 Singapore cents

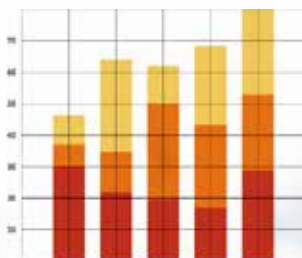


OCTOBER

- > Redeemed SGD150 million 4.25% Notes Programme due 4 October 2016 issued under the SGD750 million Guaranteed Euro Medium Term Note Programme using proceeds from the Subordinated Perpetual Securities and drawdown from the Unsecured Term Loan Facilities

NOVEMBER

- > Announced 3Q FY2016 financial results on 10 November. DPU increased to 0.86 Singapore cents, up 11.7% y-o-y



DECEMBER

- > Completed acquisition of Lippo Mall Kuta on 29 December

GROUP FINANCIAL HIGHLIGHTS

Summary of Results	FY 2016 (SGD'000)	FY 2015 (SGD'000)	Change Favourable/ (Unfavourable)
Gross Revenue	188,066	173,004	8.7%
Property Operating Expenses	(16,206)	(14,439)	(12.2%)
Net Property Income	171,860	158,565	8.4%
Net Income Before Tax	53,367	44,277	20.5%
Distributable Income	95,468	85,553	11.6%
Distribution Per Unit (cents)	3.41	3.10	10.0%

Balance Sheet*	31 December 16 (SGD'000)	31 December 15 (SGD'000)
Non-current Assets	1,949,356	1,837,285
Current Assets	115,877	150,459
Total Assets	2,065,233	1,987,744
Current Liabilities	194,297	349,921
Non-current Liabilities	638,381	562,708
Net Assets	1,232,555	1,075,115

* The exchange rates for FY2016 and FY2015 were IDR/SGD 9,334 and 9,707 respectively

Net Asset Value (NAV)	31 December 16	31 December 15
Including fair value changes on investment properties (cents)	38.95	38.43

GEARING

31.5%

Gearing remained conservative
as at 31 December 2016

INTEREST COVER RATIO

4.8 times

Refers to earnings before interest expense, tax, depreciation,
amortisation and changes in fair value of investment properties (EBITDA),
over interest expenses for FY2016

Debt Information	31 December 16	31 December 15
Term Loan Due December 2018 (All-in cost of debt 5.46%)	SGD145 million	SGD145 million
Bridging Loan Due January 2016 (All-in cost of debt 5.9%)	–	SGD100 million*
Term Loan Due August 2020 (All-in cost of debt 4.24%)	SGD103 million	–
Term Loan Due August 2021 (All-in cost of debt 4.29%)	SGD103 million	–

* Fully repaid in January 2016

Notes issued under the Guaranteed Euro Medium Term Notes/ Securities Programmes	31 December 16	31 December 15
4.25% Due October 2016 (All-in cost of debt: 5.0%)	**	SGD150 million
5.875% Due July 2017 (All-in cost of debt: 6.7%)	SGD50 million	SGD50 million
4.48% Due November 2017 (All-in cost of debt: 5.2%)	SGD75 million	SGD75 million
4.50% Due November 2018 (All-in cost of debt: 4.9%)	SGD100 million	SGD100 million
4.10% Due June 2020 (All-in cost of debt: 4.5%)	SGD75 million	SGD75 million

** Fully repaid in October 2016

Financial Derivatives and Expenses	FY 2016	FY 2015
Net Fair Value of Financial Derivatives at end of period (SGD'000) ¹	(3,120)	1,219
Proportion of Financial Derivatives to Net Assets Attributable to Unitholders (%)	(0.29)	0.11
Total Operating Expenses (SGD'000) ²	54,933	46,002
Total Operating Expenses as a percentage of Net Asset Value (%)	4.46	4.28
Taxation (SGD'000) ³	24,532	17,829

1 Financial derivatives include currency option contracts and interest rate swaps.

2 Total operating expenses includes all fees and charges paid to the Manager and interested parties (in both absolute terms, and as a percentage of the property fund's net asset value as at the end of the financial year) and taxation incurred in relation to the property fund's real estate assets.

3 Taxation includes corporate tax, withholding tax and deferred tax.

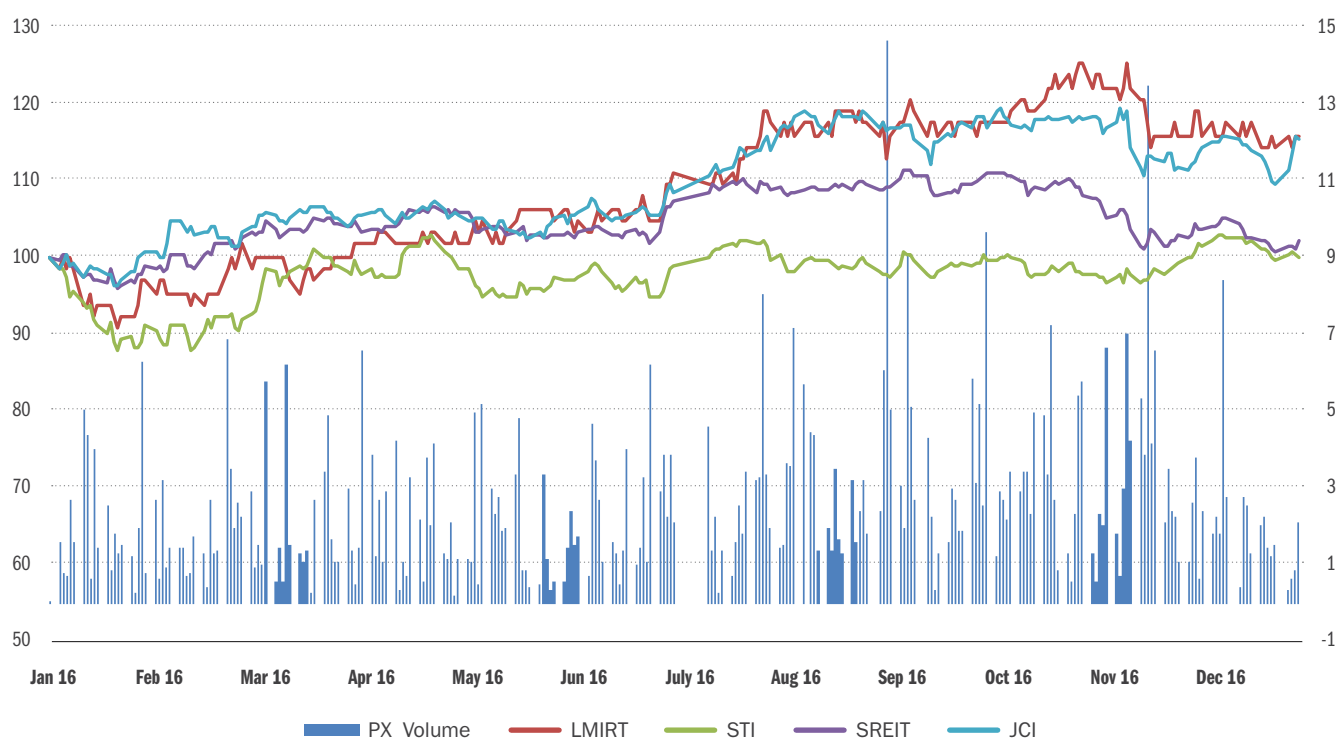
Total Units in Issue	31 December 16	31 December 15
Issued Units at the End of Period	2,802,992,873	2,797,814,196
Total Issued and Issuable Units including Acquisition Fee and Performance Fee for 4Q*	2,805,312,401	2,802,992,873

* The total performance fee for 2016 is issuable after the reporting year

Unit Performance	2016	2015
Last Trading Day	SGD0.370	SGD0.320
Highest Unit Price	SGD0.400	SGD0.375
Lowest Unit Price	SGD0.290	SGD0.300
Market Capitalisation (million)	SGD1,037	SGD895
Traded Volume for the Financial Year (million)	656	862

LMIR Trust Unit Price Performance

(1 January 2016 to 31 December 2016)



Source: Bloomberg

Total Shareholders Return

DISTRIBUTION YIELD^{1&2}

9.2%

FY 2016 DISTRIBUTION PER UNIT²

3.41 CENTS

Note:

1 Based on closing price as at 30 December 2016 of SGD0.37.

2 If the Master Leases for Lippo Mall Kemang, Palembang Icon and Lippo Plaza Batu were disregarded and instead the actual amount of rental paid by the relevant tenants is taken into account, the DPU in FY 2016 will be 2.72 cents (with annualised DPU yield of 7.35%). The rental received under the Master Leases for FY2016 is approximately SGD26.3 million, whereas the corresponding underlying rental is approximately SGD3.9 million. The Master Leases represents 14.0% of the total revenue of FY2016.

LETTER TO UNITHOLDERS

ASSET
UNDER
MANAGEMENT

SGD1,949.4 million

PORTFOLIO
OCCUPANCY

94.3%

DEAR UNITHOLDERS

We are pleased to present the annual report of Lippo Malls Indonesia Retail Trust ("LMIR Trust" or the "Trust") for the financial year ended 31 December 2016 (FY2016).

POSITIVE MACRO ENVIRONMENT

The Indonesian economy grew 5.0% in 2016 amidst a slower 2.6% growth for the global economy. It was Indonesia's fastest rate of growth since 2011. The robust growth was underpinned by buoyant household consumption, structural and fiscal reforms and stabilisation of commodity prices. Given that domestic consumption was the primary growth driver, Indonesia was also relatively less affected by uncertainties and disruptions that roiled the global economy.

With the fastest urbanisation rate in Asia, Indonesia's urban population of middle class and affluent consumers continue to drive household consumption which contributes 55% to GDP. Rising disposable income, low inflation and government's economic policy packages have combined to boost consumption. According to market research agency, Nielsen, consumer confidence index for Indonesia for the third quarter of 2016 was the third highest in the world.

Strong household consumption patterns and rapid rate of urbanisation have and will continue to enhance vibrancy in Indonesia's retail sector which in turn will be a positive growth driver for the performance of LMIR Trust's retail assets.

STRONG PERFORMANCE, INCREASING DISTRIBUTION

LMIR Trust delivered a strong performance and continued to deliver increasing distribution per unit ("DPU") to Unitholders for FY2016. Gross revenue increased 7.2% to SGD188,066,000 (IDR1,807 billion) from SGD173,004,000 (IDR1,678 billion) in FY2015. The higher income could be attributed to positive rental reversions of about 7.0% during the year and full year contributions from Lippo Plaza Batu and Palembang Icon malls acquired in FY2015. Net property income similarly grew 8.4% to SGD171,860,000 in tandem with higher gross income.



LETTER TO UNITHOLDERS

Benefitting from higher rental incomes and effective currency hedging strategies, distributable income for Unitholders has been increasing steadily during the year. The DPU for 4Q FY2016 was 0.87 cents, up 1.2% compared to 0.86 cents from the quarter earlier. This marked the sixth consecutive quarter in which DPU has increased since 2Q FY2015. Total DPU for the financial year under review totalled 3.41 cents, representing annualised yield of 9.2%. This brought aggregate distributable income for Unitholders to SGD95.5 million, a year-on-year increase of 11.6% compared to SGD85.6 million for FY2015.

PROACTIVE PORTFOLIO ENHANCEMENT AND MANAGEMENT

LMIR Trust's portfolio of quality retail real estate assets, strategically located within large urban communities with rising middle-class populations across Indonesia, provides a strong platform for generating stable returns and creating value for stakeholders. Nonetheless, the Indonesian retail market is constantly evolving, influenced by changing lifestyles of urbanised young middle-class consumers and increasing disposable income of families benefitting from steady economic growth. In this light, the Trust is focused on maximising the value of its portfolio through asset enhancement and implementation of innovative retail concepts to meet the changing needs of consumers.

During the financial year under review, the Trust successfully renewed or secured new leases covering 55,855 sqm comprising 6.6% of the portfolio's total net lettable area (NLA) of 851,850 sqm. Through proactive tenant engagement and rigorous marketing efforts, the Trust was able to achieve average positive rental reversion rate of 7.0%.

The 94.3% occupancy rate of the Trust's portfolio, compared to the industry average of 85.4% (Cushman & Wakefield: Retail Snapshot Q4 2016, Jakarta), also attests to the effectiveness of our sustained portfolio enhancement measures. LMIR Trust will continue to undertake refurbishing and upgrading works where appropriate, as well as launch initiatives to strengthen the position of our malls as the preferred destinations for shopping, entertainment, social and family activities, work and play.

The Trust will also strive to manage the tenant mix of the malls so as to meet the specific needs of consumers in the catchment areas and work with tenants on appropriate promotion events and activities to create greater buzz and increase footfall.

INVESTING FOR GROWTH

A portfolio of quality retail real estate assets is a keystone of our business. LMIR Trust is focused on investing and owning real estate in the retail sector that can generate stable income streams and deliver sustainable returns in the long term.

In this respect, we are pleased to inform that LMIR Trust successfully completed the acquisition of Lippo Mall Kuta

in Bali on 29 December 2016. As the Trust's first foray into Indonesia's leading tourist destination, the Lippo Mall Kuta acquisition will not only enlarge the Trust's presence in the retail mall sector but also diversify its portfolio geographically and reduce asset concentration risks. In addition, the potential for revenue will be enhanced after the current asset enhancement initiative is completed. A hotel currently being constructed on top of the mall when completed by 2018 will increase tourist traffic and significantly enhance rental growth potential.

STRENGTHENING OUR CAPITAL BASE

Over the years, LMIR Trust has made prudent financial management the hallmark of its strategy for long-term sustainable growth. Moody's investment grade rating of Baa3 for the Trust attests to the strength and stability of its capital structure.

In FY2016, the Trust continued to strengthen its capital base by diversifying its funding sources and restructuring of its loan facilities. On 22 August 2016, LMIR Trust obtained an unsecured term loan facilities of up to SGD350 million with green shoe option of up to SGD70 million. The facilities were partly used for the acquisition of Lippo Mall Kuta and refinancing of existing debt obligations. LMIR Trust also successfully completed the issuance of SGD140 million 7.00% subordinated perpetual securities under the SGD1,000,000,000 Euro Medium Term Securities Programme on 20 September 2016. The securities were listed on SGX-ST on 28 September 2016.

As part of its efforts to optimise its debt structure, LMIR Trust, on 4 October 2016, redeemed the SGD150 million 4.25% Notes which were due on 4 October 2016. The funds for the redemption came partly from proceeds from the unsecured loan facilities and the issuance of the subordinated perpetual securities. The Trust's gearing ratio as at 31 December 2016 stood at 31.5%.

RISK MANAGEMENT

A key strategy for growth is to identify and invest in revenue-generating real estate in Indonesia's retail sector. Even as we continue to invest in projects and to explore partnership collaboration to drive growth, we will exercise prudence in reviewing and evaluating risks associated with any investment opportunity. We have always adopted a long-term value creation and sustainability perspective. While risks in business cannot be totally avoided, we will ensure that our vulnerabilities and exposure to unexpected changes in the macro economy, geopolitical disruptions and breach of internal controls will be reduced and appropriately managed.

In this respect, LMIR Trust has the support of its Sponsor PT Lippo Karawaci Tbk, the largest listed property company in Indonesia. With a stable of retail malls across Indonesia, PT Lippo Karawaci Tbk has and will continue to provide a pipeline of quality low-risk retail assets that LMIR Trust can consider for investment.

WEIGHTED AVERAGE OCCUPANCY

As of 31 December 2016, LMIR Trust's portfolio occupancy of 94.3% remained higher than industry average of 85.4% as reported by Cushman & Wakefield's Marketbeat Retail Snapshot Q4 2016, Jakarta.

No.	Property	FY2016* (%)	FY2015* (%)
1	Bandung Indah Plaza	99.9	99.8
2	Cibubur Junction	98.7	99.0
3	Ekalokasari Plaza	71.3	92.3
4	Gajah Mada Plaza	75.1	75.9
5	Istana Plaza	97.6	100.0
6	Mal Lippo Cikarang	96.9	99.1
7	The Plaza Semanggi	85.6	80.2
8	Sun Plaza	99.1	98.3
9	Plaza Medan Fair	99.8	97.8
10	Pluit Village	90.4	87.7
11	Lippo Plaza Kramat Jati	92.5	91.9
12	Palembang Square Extension	98.8	94.4
13	Tamini Square	100.0	100.0
14	Palembang Square	93.3	92.6
15	Pejaten Village	100.0	99.0
16	Binjai Supermall	94.0	93.2
17	Lippo Mall Kemang	95.0	93.2
18	Lippo Plaza Batu	95.3	98.3
19	Palembang Icon	99.4	99.3
20	Lippo Mall Kuta**	96.2	–
A	Mall Portfolio	93.6	93.2
B	Retail Spaces	100.0	100.0
A+B	TOTAL PORTFOLIO	94.3	94.0

* Including temporary leasing

** Newly acquired mall in FY2016

MANAGER'S REPORT

Operations Review

LMIR Trust's portfolio remains well-diversified and relies on many different trade sectors for rental income. A breakdown of the trade sectors by NLA is as follow:

As at 31 December 2016, Food & Beverage remained as the largest contributor to rental revenue at 19.3% while Fashion is the second largest contributor at 17.6%. A breakdown of the trade sectors by rental revenue (excluding casual leasing) as follow:

Trade Sectors Breakdown by NLA

	Trade Sector %
Department Store	19.4
Supermarket / Hypermarket	18.5
F & B / Food Court	10.8
Leisure & Entertainment	10.5
Fashion	9.1
Services	4.3
Electronic / IT	3.8
Home Furnishing	2.9
Sports & Fitness	1.8
Books & Stationery	1.6
Education / School	0.8
Optic	0.7
Jewelry	0.5
Toys	0.5
Gifts & Specialty	0.4
Hobbies	0.3
Storage	0.1
Other	14.0
Total	100.0

Trade Sectors Breakdown by Rental Revenue

	Trade Sector %	Rental Revenue (SGD '000)
F & B / Food Court	19.3	24,309
Fashion	17.6	22,147
Supermarket / Hypermarket	13.8	17,342
Department Store	13.7	17,205
Services	6.3	7,916
Leisure & Entertainment	4.8	6,113
Electronic / IT	4.5	5,685
Home Furnishing	2.6	3,301
Sports & Fitness	1.6	2,070
Jewelry	1.6	1,962
Optic	1.3	1,628
Books & Stationery	1.2	1,540
Education / School	0.9	1,149
Gifts & Specialty	0.8	1,043
Toys	0.7	887
Hobbies	0.5	685
Storage	0.2	226
Other	8.6	10,870
Total	100.0	126,078

MANAGER'S REPORT

Financial Review

GROSS REVENUE

Gross Revenue for the FY2016 was SGD188.1 million, which is 8.7% higher than FY2015.

NET PROPERTY INCOME

Net property income ("NPI") for FY2016 was at SGD171.9 million, which is SGD13.3 million or 8.4% higher compared to FY2015.

	Gross Revenue 2016		Net Property Income 2016	
	SGD'million	Contribution %	SGD'million	Contribution %
Bandung Indah Plaza	11.78	6.3	10.53	6.1
Cibubur Junction	9.19	4.9	8.36	4.9
Ekalokasari Plaza	2.28	1.2	1.94	1.1
Gajah Mada Plaza	6.56	3.5	5.85	3.4
Istana Plaza	8.27	4.4	8.07	4.7
Mal Lippo Cikarang	6.35	3.4	6.16	3.6
The Plaza Semanggi	10.33	5.5	9.08	5.3
Sun Plaza	18.72	10.0	17.61	10.2
Plaza Medan Fair	15.89	8.4	14.67	8.5
Pluit Village	12.35	6.6	10.96	6.4
Lippo Plaza Kramat Jati	3.96	2.1	3.54	2.1
Palembang Square Extension	3.66	1.9	2.85	1.7
Tamini Square	2.54	1.4	2.30	1.3
Palembang Square	7.14	3.8	5.04	2.9
Pejaten Village	11.56	6.1	10.38	6.0
Binjai Supermall	2.62	1.4	2.34	1.4
Lippo Mall Kemang	30.63	16.3	28.94	16.8
Lippo Plaza Batu	2.68	1.4	2.56	1.5
Palembang Icon	8.76	4.7	8.22	4.8
Lippo Mall Kuta	0.05	-	0.02	-
RETAIL MALLS	175.32	93.3	159.42	92.7
Depok Town Square Units	1.82	1.0	1.77	1.0
Grand Palladium Units	1.60	0.8	1.55	0.9
Java Supermall Units	1.73	0.9	1.69	1.0
Malang Town Square Units	1.71	0.9	1.67	1.0
Mall WTC Matahari Units	1.52	0.8	1.48	0.9
Metropolis Town Square Units	2.07	1.1	2.03	1.2
Plaza Madiun Units	2.30	1.2	2.26	1.3
RETAIL SPACES	12.75	6.7	12.45	7.3
TOTAL	188.07	100.0	171.87	100.0

CORPORATE GOVERNANCE REPORT (CONT'D)

that financial year) and (iii) an authorised investment management fee of 0.5% per annum of the investment value of such authorised investment. The foregoing does not apply to Retail Spaces as the management fees are fixed.

The management fees will be paid in the form of cash and/ or Units (as the Manager may elect). The management fees payable in Units will be issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

For FY2016, the breakdown of the management fees and frequency of payment is as follows:

	Group and LMIR Trust	
	2016	2015
	SGD'000	SGD'000
Base fees	5,066	4,823
Performance fees	6,874	6,343
	11,940	11,166

In FY2016, the Manager's Performance Fee is payable once a year after completion of the audited financial statements for the relevant financial year in arrears.

Note: With effect from 1 January 2016, under the Property Funds Appendix of the CIS Code, crystallisation of the annual performance fee has been revised to be no more frequent than once a year. Accordingly, from 1 January 2016 onwards, the Manager's performance fee is payable once a year after completion of the audited financial statements for the relevant financial year in arrears.

Pursuant to clause 15.2.1 of the Trust Deed, the Manager is also entitled to receive an acquisition fee at the rate of 1.0% of purchase price and a divestment fee of 0.5% of sale price on all acquisitions or disposals of properties respectively.

JUSTIFICATION OF FEES PAYABLE TO THE MANAGER

1. Base fee

The Manager receives a base fee of 0.25% per annum of the value of all the assets for the time being of the Trust or deemed to be held upon the Trust constituted under the Trust Deed, representing the remuneration to the Manager for executing its core responsibility. The base fee compensates the Manager for the costs incurred in managing LMIR Trust, which includes day-to-day operational costs, compliance costs and costs incurred in managing and monitoring the portfolio. The base fee is calculated at a fixed percentage of asset value as the scope of the Manager's duties is commensurate with the size of LMIR Trust's asset portfolio.

Since LMIR Trust listing on 19 November 2007, the Manager has taken active steps to keep its portfolio relevant and adaptable to the changing economic and environmental landscapes. As at 31 December 2016, LMIR Trust existing portfolio comprises 20 retail malls and 7 retail spaces spread over Indonesia with a combined gross floor area of 1,506,683 square metres and valuation of SGD1,941.9 million.

2. Performance fee

The Manager receives an annual performance fee of 4.0% per annum on the Net Property Income of the Trust or (as the case may be) the Net Property Income of the relevant Special Purpose Vehicles (as defined in the Trust Deed) for each financial year.

The performance fee, which is based on Net Property Income, aligns the interests of the Manager with Unitholders as the Manager is motivated and incentivised to achieve income stability by ensuring the long-term sustainability of the assets through proactive asset management strategies and asset enhancement initiatives. Therefore, to achieve sustainability in LMIR Trust's Net Property Income, the Manager is dis-incentivised from taking on excessive short-term risks, and will strive to manage LMIR Trust in a balanced manner.

3. Authorised investment management fee

The authorised investment management fee serves the same function as the base Fee to compensate the Manager should LMIR Trust invest in any authorised investments which are not in the nature of real estate. LMIR Trust does not currently hold any such authorised investments and no such fee was payable for FY2016.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

20. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	GROUP		TRUST	
	2016	2015	2016	2015
Net assets attributable to Unitholders at beginning of the year (\$'000)	1,075,115	1,149,730	1,118,724	1,173,318
Net assets attributable to Unitholders at end of the year (\$'000)	1,091,688	1,075,115	1,065,807	1,118,724
Units in issue (Note 21)	2,802,992,873	2,797,814,196	2,802,992,873	2,797,814,196
Net assets attributable to Unitholders per unit (in cents)	38.95	38.43	38.02	39.99

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

Issues in 2016:

On 29 December 2016, the Trust acquired Lippo Mall Kuta, which is located in the city of Kuta Bali, for a total purchase consideration of SGD88,349,000.

The acquisition of Lippo Mall Kuta was carried out by the Trust indirectly via its subsidiaries, namely Kuta1 Holdings Pte Ltd, Kuta2 Investment Pte Ltd and PT Rekreasi Pantai Terpadu. The acquisition was funded from issuance of new units, bank borrowings and the Group's operating cashflows. The management's rationale for the acquisition of Lippo Mall Kuta was to benefit from the stable occupancies in this mall located in a strategic location in Bali with organic growth potential.

Issues in 2015:

In 2015, the Trust acquired:

- (1) Lippo Plaza Batu, which is located at Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia, for a total purchase consideration of SGD26,852,000; and
- (2) Palembang Icon, which is located at Jalan POM IX, Sub District of Lorok Pakjo, District of Ilir Barat I, City of Palembang, Province of South Sumatera, Indonesia, for a total consideration of SGD80,029,000.

The acquisitions of Lippo Plaza Batu and Palembang Icon were carried out by the Trust indirectly via its subsidiaries, namely Palladium Properties Pte Ltd, Detos Properties Pte Ltd and PT Palladium Megah Lestari for Lippo Plaza Batu, and Picon1 Holdings Pte Ltd and Picon2 Investments Pte Ltd for Palembang Icon, respectively. The acquisitions were funded from the issuance of new units, bank borrowings and the Group's operating cashflows. The management's rationale for the acquisitions of Lippo Plaza Batu and Palembang Icon was to benefit from the stable occupancies in these malls located in strategic locations with sustainable retail traffic.

On 5 August 2015, 67,567,000 units ("Consideration Units") were issued at an issue price of SGD0.37 per unit as part of the consideration for the acquisitions of Lippo Plaza Batu and Palembang Icon. The Consideration Units, upon issue and allotment, rank pari passu in all respect with the units prior to the Consideration Units, and are entitled to any distributions from the period from 5 August 2015, being the date on which the Consideration Units were issued.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

20. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

Issuable at end of the reporting year:

At the end of the reporting year, Nil (2015: 5,178,677) units and 2,319,528 units are issuable as settlement for the performance fee element of the Manager's management fees for the last quarter of the reporting year (Note 7), and for the acquisition fee for purchase of Lippo Mall Kuta in 2016. The new units, upon issue and allotment, will rank pari passu in all respect with the units of the Trust.

The issue price for determining the number of units issued and issuable as Manager's management base fees, performance fees and acquisition fees is calculated based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective last business day of the respective quarter end date, year end date and issuance date respectively.

Each Unit in the Trust presents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- receive audited financial statements and the annual report of the Trust; and
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust.

No Unitholder has a right to require that any assets of the Trust be transferred to him.

Further, Unitholders cannot give directions to the Trustee or the Manager (whether at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- The Trust ceasing to comply with applicable laws and regulations; or
- The exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of either or both of the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any unit. The provisions seek to ensure that if the issue price of the units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of the Trust in the event that the liabilities of the Trust exceed its assets.

Under the Trust Deed, every unit carries the same voting rights.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

33. EVENTS AFTER THE END OF THE REPORTING YEAR

On 17 January 2017, Icon1 Holdings Pte. Ltd., a wholly-owned subsidiary of First Real Estate Investment Trust ("First REIT SingCo") (listed on Singapore Exchange), and Icon2 Investments Pte. Ltd., a wholly-owned subsidiary of LMIR Trust ("LMIR SingCo"), decided to mutually terminate the conditional sale and purchase agreement ("Property CSPA") which was entered into on 3 February 2016 with PT Mulia Citra Abadi (the "Vendor") for the acquisition of the Yogyakarta Property. First REIT SingCo and LMIR SingCo have also mutually terminated the joint venture agreement ("JVA") entered into on 3 February 2016 with each other in connection with the joint acquisition of the Yogyakarta Property. The parties have decided to terminate the Property CSPA and JVA to provide more time for the Vendor to carry out asset enhancement works to Lippo Plaza Jogja as well as to obtain the relevant licenses for the operation of Siloam Hospitals Yogyakarta.

On 15 February 2017, a final distribution of 0.87 cents per unit was declared totalling SGD24,335,000, in respect of the quarter ended 31 December 2016.

Subsequent to year-end, the Trust entered into 3 foreign currency option contracts to take into consideration of the anticipated revenues in Indonesian Rupiah over operating expenses. The total notional amount of contracts amounted to SGD130,711,000 and would expire on 15 February 2019.

34. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 24, Related Party Disclosures
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 40, Investment Property

35. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation. These are not significant.