LIPPO MALLS INDONESIA RETAIL TRUST

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

ANNOUNCEMENT

RESPONSE TO QUESTIONS FROM THE SGX-ST

*Unless otherwise defined, all capitalised terms used herein shall have the same meaning as given in the circular to unitholders of Lippo Malls Indonesia Retail Trust dated 23 November 2020 ("**Circular**").*

LMIRT Management Ltd., in its capacity as manager of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**", and as manager of LMIR Trust, the "**Manager**") wishes to announce that it had, on 8 December 2020, received the following questions from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Manager's responses to the SGX-ST's questions are set out below.

Question 1:

The Circular disclosed that the Property's occupancy rate as at 30 June 2020 stands at 91.9% (excluding the P2 Space) and 89.9% (including the P2 space). As illustration, please provide a comparison of the adjusted occupancy rates of the Property after taking into account the terminated leases with the following: (1) the Market Average (Jakarta), Market Average (West Jakarta); and (3) Key Competitors (as extracted from the table found in the front section of the Circular to unitholders).

Manager's Response to Question 1:

As disclosed in the Circular, the Property's occupancy rate as at 30 June 2020 stands at 89.9% with 110,435 sq m of occupied leases against a total net lettable area ("**NLA**") of 122,862 sq m upon restoration of the P2 Space. Excluding P2 Space, the Property's occupancy rate stands at 91.9% as disclosed in the Circular and the Independent Valuers' reports. The occupancy rates stated above include any tenants who are physically operating within the Property as at 30 June 2020 notwithstanding any notification that may have been given for early termination and cessation of business after 30 June 2020. For the avoidance of doubt, this includes Parkson who was still physically operating within the Property as at 30 June 2020 and had given early termination and vacated its space only at the end of October 2020. Both Independent Valuers adopted the same approach when reporting the occupancy rates of the Property.

The Manager wishes to clarify that the 12,440.57 sq m of early terminated leases (approximately 10.1% of the total NLA of the Property, inclusive of the P2 Space) disclosed on page 30 of the Circular is a year-to-date figure from January 2020 to September 2020. In particular, 9,387 sq m of leases (including Parkson's lease space of 8,290 sq m) were early terminated after 30 June 2020, the date of the Valuations. The difference of 3,053.57 sq m of leases was already accounted for as vacant space when reporting the 30 June 2020 occupancy rate of 89.9% (including the P2 Space). In addition, 293 sq m of leases expired and were not renewed during the period of July to September 2020.

As at 30 September 2020, after adjusting for any tenants that have given early termination notices but are still physically operating within the Property, including Parkson, and including any new leases signed to occupy retail spaces that will be vacated as a consequence of such early termination, including Ranch Market (occupying 1,933.8 sq m of space), and the three food and beverage ("**F&B**") tenants (occupying in aggregate 435 sq m of space), the Property's adjusted occupied area amounts to 103,124 sq m and consequently, the adjusted occupancy rate stands at 85.6% excluding P2 Space. Including P2 Space, the Property's adjusted occupancy rate stands at 83.9%.

To the knowledge of the Manager, there is no publicly available information on adjusted occupancy rates (taking into account terminated leases) of the Market Average (Jakarta), Market Average (West Jakarta); and Key Competitors as such information is proprietary and not publicly disclosed by the respective malls.

Question 2:

The Circular disclosed that some tenants have opted to terminate the lease agreement early which accounted for 12,440.57 sq m of space (approximately 10.1% of the total NLA of the Property, inclusive of the P2 Space), out of which 8,290 sq m is occupied by the departmental store Parkson. The remaining 10,071.71 sq m of space after taking into account Ranch Market and the three F&B tenants, remains vacant Please explain if this termination has been factored into the computation of rental income and if not, whether there is an overstatement of the Net Property Income and correspondingly overstatement of the Property valuation. If the termination has been taken into account in arriving at the Net Property Income for the purpose of the Property valuation, please provide details and justifications.

Manager's Response to Question 2:

The Independent Valuers, in making their assessments of the valuation of the Property, were made aware of the early termination of the area occupied by Parkson. Accordingly, they have factored such early termination into their Independent Valuations. As noted below, the Year 1 occupancy rate was assumed to be a lower 82.0% (inclusive of the P2 Space) compared to the occupancy rate of 89.9% (inclusive of the P2 Space) as at end June 2020. As also mentioned in the Manager's response to Question 1 above, the adjusted occupancy rate as at 30 September 2020 stands at 83.9%, which is higher than the 82.0% occupancy rate assumed by the Independent Valuers.

As disclosed on Page 54 of the Circular, the key assumptions made by the Independent Valuers, taking into account the Covid-19 pandemic, are as follows:

	Rental Relief	Rental Growth Rate (%)	Year 1 Occupancy Rate (%)	Year 10 Occupancy Rate (%)	Discount Rate (%)	Terminal Rate (%)
31 December 2019 Valuation	Nil	Year 1 – 3 5 - 8% Long term 5 – 6%	86.5 – 88.8	94.7 – 95.7	12.75 – 12.77	8.00 – 8.50
30 June 2020 Valuation	33 – 50% discount on monthly rental for up to December 2020; up to 25% discount in 2021	Year 1 0% Year 2 0 – 6% Long term 5 – 6%	82.0	93.5 – 96.1	13.11 – 13.73	8.00 – 8.50

Question 3:

The Property was valued by the Independent Valuers as at 30 June 2020. Please provide the Trust Manager's confirmation whether there have been any material adverse developments to the operating conditions and whether the material assumptions used to arrive at the valuation still stand since 30 June 2020.

Manager's Response to Question 3:

The Manager confirms that since the valuations as of 30 June 2020 conducted by the Independent Valuers, it is not aware of any material adverse developments to the operating conditions and the material assumptions used by the Independent Valuers which remain valid.

By Order of the Board
LMIRT MANAGEMENT LTD.
(As manager of Lippo Malls Indonesia Retail Trust)
(UEN/Company registration number: 200707703M)

Mr Liew Chee Seng James
Executive Director and Chief Executive Officer

Singapore
9 December 2020

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.