POSITIONING FOR FUTURE GROWTH

ANNUAL REPORT 2020

LMIR TRUST
LIPPO MALLS INDONESIA RETAIL TRUST

OUR VISION

Lippo Malls Indonesia Retail Trust aims to be one of the premier retail REITs in Asia, creating and utilising scale whilst leading the way in innovation and quality. We aim to create long-term value for stakeholders by providing access to investment opportunities driven by strong economic and consumer growth.

OUR MISSION

We are committed to:
Delivering regular and stable distributions to Unitholders

Growing our portfolio by way of accretive investments in retail and/or retail-related assets

Enhancing returns from existing and future properties

Achieving long-term growth to provide Unitholders with capital appreciation on their investments

CONTENTS

ABOUT LMIR TRUST

Lippo Malls Indonesia Retail Trust ("LMIR Trust" or the "Trust"), the only Indonesia-exposed retail real estate investment trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), offers investors a unique opportunity to participate in the bustling retail property sector in Southeast Asia's largest economy.

With growing presence in key cities in Indonesia, LMIR Trust is able to leverage Indonesia's rising affluence and greater consumer spending power to deliver stable and sustainable returns to Unitholders.

As the Manager, LMIRT Management Ltd is focused on reinforcing its strategic pillars which include actively managing its assets together with its mall operator to drive healthy occupancy rates, maintaining optimal property and tenant diversification across its portfolio, as well as actively seeking to increase and optimise portfolio value through yield-accretive acquisitions and asset enhancement initiatives.

PORTFOLIO

As at 31 December 2020, LMIR Trust had a portfolio of 28 properties comprising 21 retail malls and seven retail spaces (collectively, the "Properties") located in other shopping malls. With a total gross floor area ("GFA") of 1,647,402 square metres and net lettable area ("NLA") of 839,825 square metres, the portfolio's asset value stood at Rp15,569.0 billion.

With the completion of the acquisition of Lippo Mall Puri in January 2021, LMIR Trust's portfolio stood at 22 retail malls and seven retail spaces, with a total net lettable area of 962,629 square metres and asset value of Rp19,069.0 billion.

LMIR Trust's assets are strategically located in large middle-class population catchment areas in Greater Jakarta, Bandung, Yogyakarta, Medan, Palembang, Bali and Sulawesi, and cater mainly to the everyday needs of domestic consumers in Indonesia.

The Properties boast a diversified tenant base of 2,927 that includes well-known retailers such as Carrefour, Hypermart, Matahari Department Store and Sogo, as well as popular consumer brands including Ace Hardware, Adidas, BreadTalk, Fitness First, Giordano, H&M, Muji, Miniso, Starbucks, Timezone, Uniqlo and Zara, among others. Including Lippo Mall Puri, total portfolio's tenant base increased to 3,256.

The portfolio is defensively placed with staggered lease expiry to ensure a steady earnings base. LMIR Trust also has a healthy pipeline of retail malls for acquisition from its sponsor, PT Lippo Karawaci Tbk ("Lippo Karawaci" or the "Sponsor").

SPONSOR

Lippo Karawaci has the largest and most diversified land bank throughout Indonesia and is a market leader in mixed-use integrated developments. Its businesses include residential urban development, large-scale integrated real estate, hospitals, retail malls, hotels and asset management.

In its retail malls business, the Sponsor owns and/or manages 56 malls throughout Indonesia.

STREAMLINING OUR PORTFOLIO

ENSURING STABILITY AND RESILIENCE

NAV PER UNIT
17.40
SINGAPORE CENTS

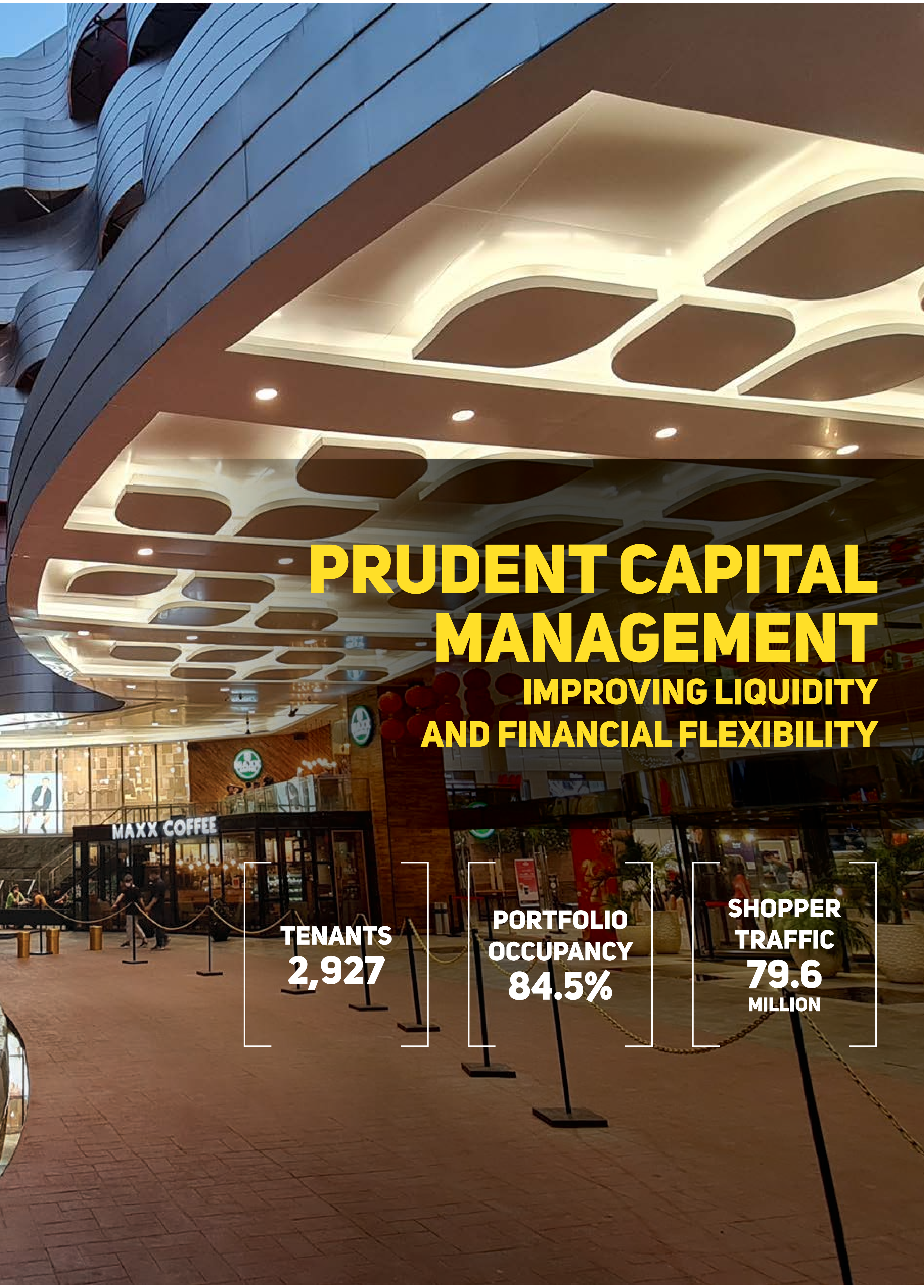
PORTFOLIO VALUATION*
RP19,069
BILLION

NET LETTABLE AREA*
962,629
SQM

* includes Lippo Mall Puri which was acquired in January 2021.


LIPPOMALL
KEMANG
LMIRTRUST


H&M



PRUDENT CAPITAL MANAGEMENT

IMPROVING LIQUIDITY AND FINANCIAL FLEXIBILITY

TENANTS
2,927

PORTFOLIO OCCUPANCY
84.5%

SHOPPER TRAFFIC
79.6 MILLION

LEVERAGING OUR STRENGTHS

NURTURING OUR PARTNERSHIPS

GROSS REVENUE	NET PROPERTY INCOME	DISTRIBUTION PER UNIT
S$148.5 MILLION	S$76.4 MILLION	0.34 SINGAPORE CENTS

KEY FINANCIAL HIGHLIGHTS

NET LETTABLE AREA[1]
962,629 SQUARE METRES

DISTRIBUTION TO UNITHOLDERS
S$11.7 MILLION

PROPERTIES[1]
29

RENTAL REVENUE
S$78.3 MILLION

DISTRIBUTION PER UNIT
0.34 SINGAPORE CENTS

NET ASSETS VALUE PER UNIT
17.40 SINGAPORE CENTS

GEARING
41.9%

GROSS REVENUE
S$148.5 MILLION

NET PROPERTY INCOME
S$76.4 MILLION

TENANTS
2,927

INTEREST COVER
1.8 TIMES

PORTFOLIO VALUATION[1]
RP 19,069.0 BILLION

PORTFOLIO OCCUPANCY
84.5%

ANNUAL SHOPPER TRAFFIC
79.6 MILLION

AVERAGE COST OF DEBT
5.8%

(1) Includes Lippo Mall Puri which was acquired in January 2021

UNIT PRICE PERFORMANCE

CLOSING UNIT PRICE FOR THE PERIOD
(Singapore cents)
6.2 FY 2020
FY 2019 – 22.5

HIGHEST CLOSING UNIT PRICE
(Singapore cents)
23.5 FY 2020
FY 2019 – 25.5

LOWEST CLOSING UNIT PRICE
(Singapore cents)
6.1 FY 2020
FY 2019 – 18.3

DAILY AVERAGE TRADING VOLUME
(million)
8.3 FY 2020
FY 2019 – 2.6

MARKET CAPITALISATION
(S$'million)
181.5 FY 2020
FY 2019 – 651.4

SIGNIFICANT EVENTS IN FY 2020

FEB

19 Announced 4Q 2019 results, declared DPU of 0.52 Singapore cents

MAR

26 Announced the temporary two-week closure of its retail malls located in Greater Jakarta, Bandung and Bali to curb the widespread Covid-19

31 Announced the temporary closure of all its malls and retail spaces for a two-week period, which was further extended till 13 May, except for essential services

APR

1 Announced the extension of the deadline for the completion of Lippo Mall Puri acquisition to no later than 31 December 2020

30 Announced 1Q 2020 results, declared DPU of 0.12 Singapore cents

MAY

12 Announced the extension of the temporary closure of its assets to 22 May with some tenants having elected to reopen since early May

22 Announced that some of its tenants have gradually resumed operations with the easing of social distancing restrictions in Indonesia

JUN

15
Moody's Investors Service downgraded the corporate family rating of LMIR Trust from Ba3 to B1 and changed the outlook on the rating from stable to negative

Announced that since 13 May, some of its malls outside Greater Jakarta region have resumed operations and by 3 July, all assets will resume operations at shorter operating hours

16
Convened 11th Annual General Meeting via electronic means

JUL

14
Cessation of Mr Lee Soo Hoon, Phillip and Mr Goh Tiam Lock as Independent Directors of the Manager

Appointment of Mr Mark Leong Kei Wei and Mr Sandip Talukdar as Independent Directors of the Manager

24
Announced the entry into a supplemental & amendment agreement for the divestment of Pejaten Village and Binjai Supermall at the revised sale consideration of Rp890.6 billion and Rp262.0 billion respectively

Announced 2Q 2020 results, declared DPU of 0.11 Singapore cents

30
Completion of divestment of Pejaten Village

AUG

3
Completion of divestment of Binjai Supermall

27
Revaluation of the Trust's portfolio to Rp15,716.1 billion as at 31 July 2020

31
Announced the proposed acquisition of Lippo Mall Puri at a revised purchase consideration of Rp3,500.0 billion and a proposed renounceable non-underwritten rights issue

SEP

3
Moody's Investors Services placed LMIR Trust and its backed senior unsecured bond issued by LMIRT Capital Pte. Ltd., on review for downgrade from B1 rating

15
Announced the temporary two-week closure of its malls in Jakarta in view of rising Covid-19 cases

18
Provided an update on the proposed acquisition of Lippo Mall Puri and rights issue

OCT

22
Secured a commitment letter for a US$75.0 million term loan facility from Deutsche Bank AG, Singapore Branch

NOV

2
Announced 3Q 2020 results, declared DPU of 0.07 Singapore cents

4
Fitch Ratings Singapore Pte Ltd downgraded LMIR Trust's Long Term Issuer Default Rating to 'BB-' from 'BB'

23
Issued the notice of EGM and circular for the proposed acquisition of Lippo Mall Puri

DEC

2
Arranged a SIAS virtual dialogue session to address queries on the proposed acquisition of Lippo Mall Puri and rights issue

14
Convened virtual EGM and announced results of EGM for the proposed acquisition of Lippo Mall Puri

16
Launch of rights issue

24
Lodgement of Offer Information Statement

LETTER TO UNITHOLDERS

"SINCE THE OUTBREAK OF COVID-19 IN INDONESIA IN MARCH 2020, THE TRUST HAD ACTED SWIFTLY IN IMPLEMENTING STRINGENT HEALTH PROTOCOLS AND PRECAUTIONARY MEASURES TO ENSURE THE SAFETY OF SHOPPERS, STAFF, TENANTS AND VISITORS TO ITS MALLS."

DEAR UNITHOLDERS,

REINVIGORATE & REPOSITION FOR GROWTH

In a year overtaken by the effects of the coronavirus, LMIR Trust has stayed vigilant and agile with its strategic actions to navigate through such unprecedented times. Sustainability and tenacity constitute the cornerstone of the Trust's model for the year.

Since the outbreak of Covid-19 in Indonesia in March 2020, the Trust had acted swiftly in implementing stringent health protocols and precautionary measures to ensure the safety of shoppers, staff, tenants and visitors to its malls. These extend to placing hand sanitisers or washing facilities and temperature check stations at our mall entrances, ensuring safe distancing among shoppers, enforcing the wearing of face masks, as well as the regular cleaning of common areas like escalators, hand grills, lift buttons and toilets, among others.

We also actively engaged our tenants to initiate promotional activities to rebuild footfall and improve shopper experience in the new normal environment. By end-December, our concerted efforts saw mall traffic recovering to over 50%, with stronger recoveries seen in Sumatra and outside central Jakarta due to lower Covid-19 cases in those regions.

Even in the midst of the pandemic, we were able to capture the intrinsic value of our assets with the timely divestment of Pejaten Village and Binjai Supermall to NWP Retail, a joint venture company between Warburg Pincus and PT City Retail Developments, at a premium of 19.1% and 10.3% respectively over their acquisition prices in 2012. This is a testament of investors continued belief in the resilience of the retail sector in Indonesia and confidence in its eventual recovery.

The sale of these assets also clearly demonstrated that, despite a relatively illiquid commercial real estate market in Indonesia, we were able to capture opportunities to unlock capital to achieve long-term sustainable returns for Unitholders. The divestment was in line with our portfolio optimisation strategy and also marked our inaugural divestment since the Trust's listing in 2007. Proceeds from the sale were used to pare down debt and make distributions to Unitholders.

In January 2021, we completed the acquisition of our premier flagship asset – Lippo Mall Puri ("Puri Mall"), which was made possible due to the unwavering support from our Unitholders who were able to see the long term value of this strategic investment.

Strategically located in the established Puri Indah central business district area, Puri Mall is the only retail mall in the St. Moritz Jakarta Integrated Development, the largest premier mixed-use development in West Jakarta. It is one of the largest purpose-built shopping malls in West Jakarta and a crucial part of the integrated development's "live, work and play" vision. Puri Mall's catchment area comprises largely middle-upper class residential housing, with pockets of high-rise private residential developments, townhouses, civic amenities, schools, hospitals and hotels, among others.

In addition to its salient selling points, the rental support that comes along with the acquisition provides the Trust with a steady stream of income in the short term. In the long term,


MR LIEW CHEE SENG JAMES
Executive Director and
Chief Executive Officer
MR MURRAY DANGAR BELL
Chairman and
Lead Independent Director

LETTER TO UNITHOLDERS

its attractive net property income yield and strong potential for rental reversion and capital appreciation will reposition and anchor the Trust for sustainable growth.

The injection of Puri Mall, boosted the Trust's asset-under-management by 22.5% to Rp19,069.0 billion from Rp15,569.0 billion as at 31 December 2020 and net lettable area by 14.6% to 962,629 square metres from 839,825 square metres as at 31 December 2020. The increased asset size enhances the positioning and strengthens the stability of LMIR Trust, as well as improves its portfolio mix towards a combination of mixed-use developments and retail malls that hold dominant positions in their respective trade areas.

DISCIPLINED CAPITAL MANAGEMENT

Staying vigilant and resilient in such unprecedented times is crucial, which includes managing our capital structure and cash flows prudently.

During the year, the Trust repaid its S$75.0 million euro medium-term notes utilising internally generated cash. It also initiated a number of fundraising activities, bolstering its financial flexibility and balance sheet.

These included the S$80.0 million term loan facilities secured from BNP Paribas and CIMB Bank Berhad, Singapore Branch in January 2021, the S$40.0 million vendor financing and the S$281.0 million gross proceeds raised from its rights issue that was completed in the same month, as well as funds from the Trust's second U.S. dollar bond offering of US$200.0 million 7.50% 5-year Guaranteed Senior Notes issued in February 2021. The offering was 5.5 times over-subscribed and stood at US$1.1 billion from 109 investor accounts. A reflection of investors' continued confidence in the Trust.

Funds raised were used for the acquisition of Puri Mall, early refinancing of its S$175.0 million term loan facility due in August 2021, repayment of S$44.0 million revolving credit facilities, as well as to pay dividends and perpetual coupons. Following the early refinancing, the Trust has no refinancing needs until April 2022, which represents only 12.6% of its total debt.

The Trust closed 2020 with a gearing of 41.9%, below the regulatory limit of 50.0%, and an average weighted debt maturity of 2.31 years. Following the Puri Mall acquisition and the issuance of the U.S. dollar bond, gearing stood at 41.1% and average weighted debt maturity improved to 3.55 years.

Stability of the Trust's capital structure is further maintained with 95.0% of its debt on a fixed-rate basis to mitigate fluctuating interest rates and 100% of its portfolio is unencumbered.

FY 2020 FINANCIAL PERFORMANCE

The effects of the pandemic and large-scale social restrictions imposed by the Indonesian government have greatly impacted our tenants and the Trust in 2020. Being a responsible landlord, we did our part to relieve our tenants from their financial predicaments by extending various rental relief measures including rental waivers, rental and service charge discounts and restructuring of lease tenors, among others.

As a result, the Trust closed financial year ended 31 December 2020 ("FY 2020") with annualised distribution per unit of 0.34 Singapore cents on distribution to Unitholders of S$11.7 million, compared to 2.23 Singapore cents and S$64.9 million respectively in the previous year ("FY 2019").

Gross rental income for the year stood at S$78.3 million, down from S$155.3 million in FY 2019, while total gross revenue and net property income were S$148.5 million and S$76.4 million respectively in FY 2020 compared to S$273.0 million and S$176.2 million respectively in FY 2019.

Despite the challenges of the year, our increased efforts in tenant engagements and measures to help our tenants, saw our resilient portfolio maintaining a stable occupancy of 84.5%, higher than the industry average of 77.1%[1] . We also managed to renew 60.4% of expired leases in 2020 and achieved a positive average rental reversion of 1.9%.

As the operating conditions gradually improve with our malls and most of our tenants able to resume operations, albeit at shorter operating hours and visitor capacity limit for some malls, we are seeing quarter-on-quarter improvement in our operating performance on progressively lower rental reliefs and service charge discounts towards the end of the year.

OUTLOOK

The Indonesia government has approved and started efforts to vaccinate its vast population of 270 million people since January 2021. Its vaccination programme is split into

(1) Cushman & Wakefield

four phases with an aim to inoculate a total of 182 million people by early 2022[2]. It has worked hard to implement comprehensive health protocols, vaccines and clinical care at the same time to fight this pandemic.

Indonesia's economy contracted 2.07% in 2020 for the first time in more than two decades, mainly due to a decline in household spending and investment as a result of Covid-19[3]. Recovery in 2021 will be based on businesses and individuals adapting better to Covid-19, plus expectations from the roll-out of the vaccine. Bank Indonesia expects Indonesia's gross domestic product to recover in 2021, expanding 4.3% to 5.3%[4]. On 5 October 2020, the Indonesian parliament also introduced a new Omnibus Law that would drive structural reforms in aid of boosting job and investment growth[5].

Going forward, we will continue to adopt rational strategies to focus on strengthening the intrinsic value of our assets and maintaining operational stability. The astute strategic actions enforced during the year, including the strategic acquisition of the iconic Puri Mall, the early refinancing of our maturing debt obligations and the divestment of mature malls, have boosted our financial liquidity, further entrenched the foundation of the Trust and ensured portfolio stability to manage the effects of this protracted pandemic. We are also starting to resume the asset enhancement initiatives ("AEI") that were halted during the year to manage our operating expenses. These AEI works will reinvigorate the malls and optimise its value to maximise returns for our Unitholders.

ACKNOWLEDGEMENTS

We would like to express our sincere gratitude to our valued Unitholders who have supported our strategic actions during such a challenging year and continued to keep faith in the Trust. We will continue to actively manage our portfolio and strive towards business recovery to maximise returns for our Unitholders.

Our deepest appreciation also goes to Mr Goh Tiam Lock and Mr Lee Soo Hoon, Phillip, who have stepped down as Independent Director of the Board of the Manager in July 2020. Both directors have served on the Board since 2011 and their counsel and guidance have been invaluable.

At the same time, we would like to welcome Mr Mark Leong Kei Wei and Mr Sandip Talukdar, who were appointed as Independent Directors of the Board in July 2020.

To our fellow Board members, management team and staff, thank you for your hard work and dedication. To our Sponsor, bankers, tenants, suppliers and shoppers, thank you for your unyielding support. As we carry on our business in the new year with a stronger base and renewed strategy, we are confident of bringing stability and momentum back into the Trust's growth path.

MR MURRAY DANGAR BELL
Chairman and
Lead Independent Director

MR LIEW CHEE SENG JAMES
Executive Director and
Chief Executive Officer

"GOING FORWARD, WE WILL CONTINUE TO ADOPT RATIONAL STRATEGIES TO FOCUS ON STRENGTHENING THE INTRINSIC VALUE OF OUR ASSETS AND MAINTAINING OPERATIONAL STABILITY."

(2) Covid-19 Developments in Indonesia - https://indonesien.ahk.de/en/infocenter/news/news-details/covid-19-developments-in-indonesia
(3) 6 February 2021, The Jakarta Post – Indonesia posts first annual GDP contraction since 1998
(4) 19 February 2021, Business Times - Bank Indonesia cuts rate as economic recovery stalls
(5) 15 December 2020, Business Times – Indonesia poised for strong economic rebound in 2021

left to right
Mr Sandip Talukdar, Mr Liew Chee Seng James, Mr Murray Dangar Bell, Ms Gouw Vi Ven, Mr Mark Leong Kei Wei

BOARD OF DIRECTORS

MR MURRAY DANGAR BELL

Chairman,
Lead Independent Director

Date of Appointment

As Lead Independent Director on 1 November 2019
As Chairman on 31 December 2019

Board Committee

Chairman of Nominating & Remuneration and member of Audit & Risk

Mr Bell has more than 30 years of experience in real estate management, primarily in shopping malls management in the Asia Pacific and Middle East regions. He is also a proven commercial business leader with extensive experience in leading, managing and driving change management in both large and smaller property groups. Mr Bell was the Chief Executive Officer of Intergen Property Group, a Sydney-based boutique property fund management and property operating business servicing local and international investors, which he founded in 2015.

Prior to founding Intergen Property Group, Mr Bell held various leadership roles with leading real estate organisations, which included Managing Director - Retail at Al Futtaim Group Real Estate, United Arab Emirates, Head of Asset and Mall Management at AMP Capital Shopping Centres, Australia, Chief Executive Officer - Malls at Lippo Karawaci, Indonesia, Senior Vice President at Majid Al Futtaim, United Arab Emirates, Managing Director at Jones Lang LaSalle, South Korea and Chief Executive Officer - Malls at Lend Lease Retail, Australia. In the early years of his career, he also held various positions with Jones Lang LaSalle in Indonesia and Hong Kong.

Mr Bell holds a Bachelor of Arts, majoring in Economics and Law from the University of Sydney, Australia.

MR LIEW CHEE SENG JAMES

Executive Director and
Chief Executive Officer

Date of Appointment

As Executive Director on
31 December 2019

Mr Liew joined the Manager in June 2018 as Chief Operating Officer, appointed as Deputy Chief Executive Officer in October 2018 and subsequently as Chief Executive Officer in May 2019.

Prior to joining the Manager, Mr Liew was Senior Director, Corporate Finance and Asset Enhancement at Lippo Group from September 2015 to May 2018, where he worked on various real estate projects in Indonesia. Mr Liew has more than 20 years of experience in the finance and real estate industries, having served in various capacities with Temasek Holdings, United Overseas Bank, UOB Asset Management and Raiffeisen Bank.

Mr Liew obtained his Masters in Business Administration (Strategic Management) and Bachelor of Business, Banking and Finance (First Class Honours) from the Nanyang Technological University.

BOARD OF DIRECTORS

MS GOUW VI VEN

Non-Executive
Non-Independent Director

Date of Appointment

As Executive Director and Chief Executive Officer on 5 October 2018

As Non-Executive Non-Independent Director on 31 December 2019

Board Committee

Member of Nominating & Remuneration

Past Directorship

- LMIRT Management Ltd (as Manager of LMIR Trust), Executive Director (2007 to 2017)
- LMIRT Management Ltd (as Manager of LMIR Trust), Executive Director (2018 to 2019)

Ms Gouw was formerly the CEO of the Manager from 2007 to April 2013, and Executive Director till March 2017. She returned as CEO from October 2018 to May 2019 and remained as Executive Director till December 2019.

Ms Gouw has more than 25 years of experience in management, marketing and sales in the real estate industry. She played a pivotal role as President Director of PT Lippo Karawaci Tbk (Lippo Karawaci), the Sponsor of LMIR Trust, in propelling the Group into the largest listed property company in Indonesia by asset size.

During her tenure, she was integral in identifying retail properties for Lippo Karawaci to invest in (the strata malls and the planned leased malls), enhancing existing assets and ensuring the delivery of development projects, which span across diverse real estate sectors, including urban/townships, residential clusters, condominiums, hospitals and hotel projects, throughout Indonesia.

Ms Gouw graduated from the University of New South Wales, Australia, with a degree in Computer Science and Statistics.

MR MARK LEONG KEI WEI

Independent Director

Date of Appointment

As Independent Director on 15 July 2020

Board Committee

Chairman of Audit & Risk

Present Directorship

- MDR Limited, Lead Independent Director
- HS Optimus Holdings Limited, Independent Director

Past Directorship

- LCT Holdings Limited, Independent Director (2019 to 2021)

Mr Leong has more than 22 years of experience in a broad range of corporate environments namely, auditing firms, small and medium-sized enterprises, a US-based multinational corporation, a family office and listed companies. He has in-depth expertise in the capital and debt markets through various fundraising exercises, investment management and consultancy services roles. He also has vast experience across diverse industries which include offshore marine support, mining, health and wellness, holding various C-suite positions.

Mr Leong is a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Member of the Singapore Institute of Directors (SID).

MR SANDIP TALUKDAR

Independent Director

Date of Appointment

As Independent Director on 15 July 2020

Board Committee

Member of Audit & Risk and Nominating & Remuneration

Mr Talukdar has over 20 years of experience in finance and investment banking. He was previously the Chief Financial Officer of the manager of Prime US REIT. Prior to this he was the head of equity corporate finance for South East Asia for Standard Chartered Bank and co-head of corporate finance for South East Asia for Credit Suisse. He has also held positions in investment banking at Dresdner Kleinwort Wassertein and Merrill Lynch. Mr Talukdar has extensive expertise in corporate finance and equity, debt and merger & acquisition transactions.

Mr Talukdar obtained a Master of Business Administration (graduated Palmer Scholar) from The Wharton School, University of Pennsylvania, and a Bachelor of Business Administration (with distinction) from the University of Michigan.

KEY MANAGEMENT

MR LIEW CHEE SENG JAMES

Executive Director and Chief Executive Officer

Please refer to page 17 for Mr Liew's biography.

MS ELLA JIA

Financial Controller

Ms Jia joined the Manager as Finance Manager in September 2013, appointed as Senior Manager, Treasury and Financial Accounting in July 2016 and as Financial Controller in January 2019. She oversees the financial reporting, taxation, treasury and risk management, capital management and asset acquisition activities of LMIR Trust. Ms Jia has more than 10 years of industry experience in REITs and private funds. Prior to joining the Manager, she spent the first four years of her finance career with BDO Raffles and Deloitte & Touche LLP, and subsequently worked for Frasers Commercial Trust as a Finance Manager and Prologis Singapore as the Reporting Manager.

Ms Jia graduated with a Bachelor of Arts in English Literature and Linguistics and is a Chartered Accountant of the Institute of Singapore Chartered Accountants as well as a Fellow of the Association of Chartered Certified Accountants (FCCA).

MR CESAR AGOR

Senior Manager, Legal and Compliance

Mr Agor joined the Manager in July 2012. He supports the activities of the Manager in the areas of legal and compliance.

From 2007 and prior to joining the Manager, Mr Agor was a practicing lawyer in the Philippines, as an associate lawyer in various law offices in Manila. He also served as an in-house legal counsel at Vista Land & Lifescapes, Inc., one of the largest real estate companies in the Philippines. He is a member of the Integrated Bar of the Philippines.

Mr Agor obtained his Bachelor of Arts in Legal Management and Bachelor of Laws from the Catholic University of Santo Tomas, Philippines. He is currently pursuing his Master of Laws at the University of London International Programmes.

PORTFOLIO OVERVIEW

- Retail Mall
- Retail Spaces

A MEDAN

SUN PLAZA
Jalan Haji Zainul Arifin Medan

PLAZA MEDAN FAIR
Jalan Jendral Gatot Subroto No. 30 Medan

GRAND PALLADIUM UNITS
Jalan Kapt. Maulana Lubis

B PALEMBANG

PALEMBANG ICON
Jalan POM IX, Palembang

PALEMBANG SQUARE
Jalan Angkatan 45/POM IX, Palembang

PALEMBANG SQUARE EXTENSION
Jalan Angkatan 45/POM IX, Palembang

C BANDUNG

ISTANA PLAZA
Jalan Pasir Kaliki, Bandung

BANDUNG INDAH PLAZA
Jalan Merdeka, Bandung

D SEMARANG

JAVA SUPERMALL UNITS
Jalan MT Haryono, Semarang

E YOGYAKARTA

LIPPO PLAZA JOGJA
Jalan Laksda Adisucipto

F JAKARTA

NORTH

PLUIT VILLAGE
Jalan Pluit Indah Raya, Penjaringan

SOUTH

THE PLAZA SEMANGGI
Jalan Jenderal Sudirman

LIPPO MALL KEMANG
Jalan Kemang VI

DEPOK TOWN SQUARE UNITS
Jalan Margonda Raya, Depok

EAST

MAL LIPPO CIKARANG
Jalan MH Thamrin, Lippo Cikarang

LIPPO PLAZA KRAMAT JATI
Jalan Raya Bogor Km 19, Kramat Jati

TAMINI SQUARE
Taman Mini Jalan Raya

LIPPO PLAZA EKALOKASARI BOGOR
Jalan Siliwangi 123, Bogor

CIBUBUR JUNCTION
Jalan Jambore, Cibubur

WEST

LIPPO MALL PURI
Jalan Puri Indah Raya Blok U 1

METROPOLIS TOWN SQUARE UNITS
Jalan Hartono Raya, Tangerang, Banten

MALL WTC MATAHARI UNITS
Jalan Raya Serpong, Tangerang, Banten

CENTRAL

GAJAH MADA PLAZA
Jalan Gajah Mada

G MADIUN

PLAZA MADIUN UNITS
Jalan Pahlawan, Madiun

H KEDIRI

KEDIRI TOWN SQUARE
Jalan Hasanudin, Balowerti Subdistrict

I MALANG

LIPPO PLAZA BATU
Jalan Diponegoro
No. 1 RT 07RW05, Batu City

MALANG TOWN SQUARE UNITS
Jalan Veteran, Malang

J BALI

LIPPO MALL KUTA
Lingkungan Segara, Kuta

K SULAWESI

LIPPO PLAZA KENDARI
Jalan MT Haryono

PORTFOLIO SUMMARY

PROPERTY	ACQUISITION DATE	PURCHASE PRICE (Rp'billion)	VALUATION (Rp'billion)	VALUATION (S$'million)
Bandung Indah Plaza	19 November 2007	611.6	590.4	55.5
Cibubur Junction	19 November 2007	464.2	242.0	22.7
Lippo Plaza Ekalokasari Bogor	19 November 2007	333.0	327.0	30.7
Gajah Mada Plaza	19 November 2007	483.3	701.5	65.9
Istana Plaza	19 November 2007	585.3	528.9	49.7
Mal Lippo Cikarang	19 November 2007	367.2	708.6	66.6
The Plaza Semanggi	19 November 2007	1,013.8	886.0	83.2
Sun Plaza	31 March 2008	967.2	2,043.0	192.0
Plaza Medan Fair	6 December 2011	1,042.1	920.0	86.4
Pluit Village	6 December 2011	1,593.6	671.6	63.1
Lippo Plaza Kramat Jati	15 October 2012	539.6	562.4	52.8
Palembang Square Extension	15 October 2012	221.5	273.0	25.7
Tamini Square	14 November 2012	180.0	261.4	24.6
Palembang Square	14 November 2012	467.0	689.0	64.7
Lippo Mall Kemang	17 December 2014	3,540.4	2,261.0	212.4
Lippo Plaza Batu	7 July 2015	265.0	232.8	21.9
Palembang Icon	10 July 2015	790.0	712.0	66.9
Lippo Mall Kuta(1)	29 December 2016	800.0	708.9	66.6
Lippo Plaza Kendari(1)	21 June 2017	310.0	344.9	32.4
Lippo Plaza Jogja(1)	22 December 2017	570.0	535.5	50.3
Kediri Town Square	22 December 2017	345.0	374.4	35.2
RETAIL MALLS		**15,489.8**	**14,574.3**	**1,369.3**
Depok Town Square Units	19 November 2007	131.5	147.2	13.8
Grand Palladium Units(2)	19 November 2007	134.0	83.8	7.9
Java Supermall Units	19 November 2007	133.1	130.6	12.3
Malang Town Square Units	19 November 2007	130.8	171.7	16.1
Mall WTC Matahari Units	19 November 2007	128.9	106.6	10.0
Metropolis Town Square Units	19 November 2007	171.8	135.5	12.7
Plaza Madiun Units	19 November 2007	171.2	219.3	20.6
RETAIL SPACES		**1,001.3**	**994.7**	**93.4**
SUB-TOTAL		**16,491.1**	**15,569.0**	**1,462.7**
Lippo Mall Puri*	27 January 2021	3,500.0	3,500.0	328.8
TOTAL		**19,991.1**	**19,069.0**	**1,791.5**

All information as at 31 December 2020.
(1) Includes intangible assets.
(2) The Business Association of the malls is in the midst of consolidating all the strata title holders to refurbish the mall.
* The Trust acquired Lippo Mall Puri for Rp3,500.0 billion in January 2021.

GROSS FLOOR AREA (sqm)	NET LETTABLE AREA (sqm)	OCCUPANCY (%)	LAND TITLE	LAND LEASE EXPIRY	NO. OF TENANTS
75,868	30,288	89.5%	BOT	31 December 2030	182
66,935	34,022	93.4%	BOT	28 July 2025	174
58,859	28,630	71.9%	BOT	27 June 2032	65
79,830	36,535	57.5%	Strata	24 January 2040	116
47,533	27,471	74.1%	BOT	17 January 2034	98
39,604	28,920	93.9%	HGB	5 May 2023	141
155,122	60,084	66.0%	BOT	31 March 2054	338
167,000	69,602	93.7%	HGB	24 November 2032	355
141,866	68,512	95.2%	BOT	23 July 2027	409
150,905	86,591	80.2%	BOT	9 June 2027	206
65,446	32,951	91.6%	HGB	24 October 2024	86
23,825	18,027	89.1%	BOT	25 January 2041	25
18,963	17,475	97.3%	Strata	26 September 2035	12
50,000	30,498	94.9%	Strata	1 September 2039	117
150,932	57,474	89.8%	Strata	28 June 2035	207
34,340	18,558	73.7%	HGB	8 June 2031	43
50,889	28,538	94.3%	BOT	30 April 2040	158
48,467	20,350	88.0%	HGB	22 March 2037	39
34,784	20,204	99.7%	BOT	7 July 2041	44
66,098	24,414	84.2%	HGB	27 December 2043	24
28,688	16,639	90.9%	HGB	12 August 2024	61
1,555,954	**755,783**	**85.4%**			**2,900**
13,045	12,824	97.4%	Strata	27 February 2035	3
13,730	12,305	0.0%	Strata	9 November 2028	0
11,082	11,082	98.8%	Strata	24 September 2037	3
11,065	11,065	100.0%	Strata	21 April 2033	2
11,184	10,753	80.3%	Strata	8 April 2038	2
15,248	14,861	66.2%	Strata	27 December 2029	3
16,094	11,152	98.4%	Strata	9 February 2032	14
91,448	**84,042**	**76.1%**			**27**
1,647,402	**839,825**	**84.5%**			**2,927**
175,146	122,804	85.0%	Strata	15 January 2040	329
1,822,548	**962,629**	**84.6%**			**3,256**

OPERATIONS REVIEW

VALUATIONS

LMIR Trust's total portfolio value stood at Rp15,569.0 billion as at 31 December 2020, compared to Rp17,571.1 billion (excluding Pejaten Village and Binjai Supermall which were divested in FY 2020) as at 31 December 2019. The year-on-year ("YoY") decline was largely due to the impact of the Covid-19 pandemic on the mall traffic to around 50% of pre-Covid levels, as well as the rental and service charge discounts extended to tenants to support their business recovery, especially in the entertainment and educational segments which continue to face operating restrictions.

To reflect the effects of the pandemic, a desktop valuation on the Trust's portfolio was conducted as at 31 July 2020, with total portfolio valued at Rp15,716.1 billion. There was only a marginal 0.9% dip in portfolio valuation compared to the desktop valuation in July, signalling a stabilising portfolio value.

The valuation of properties located outside greater Jakarta remained largely unchanged in December 2020 versus July 2020, as most of the malls are located in residential areas, providing a natural catchment area that serves the needs of the residents. The terminal rate is generally unchanged at a range of 8% - 10% as the impact of the pandemic is expected to be temporary.

In Singapore dollar terms, the portfolio value declined by a marginal 0.8% to S$1,462.7 million from S$1,474.8 million as at 31 July 2020.

On 27 January 2021, the Trust completed the acquisition of Lippo Mall Puri for Rp3,500.0 billion. With the addition of this new asset, total portfolio value of the Trust grew 22.5% to Rp19,069.0 billion from Rp15,569.0 billion as at 31 December 2020.

Following the Code on Collective Investment Scheme amendments, an S-REIT may now appoint a valuer to value the same property for a third consecutive financial year if that financial year ends on or before 31 December 2020. Other than Lippo Mall Kemang, Pluit Village, Plaza Medan Fair, Sun Plaza, Lippo Plaza Batu, Lippo Plaza Jogja, Kediri

Plaza Medan Fair

Town Square, Bandung Indah Plaza, Istana Plaza, Gajah Mada Plaza and Mal Lippo Cikarang, the remaining LMIR Trust's properties were valued by the same valuers for a third consecutive financial year.

MASTER LEASES AND INCOME SUPPORT

As part of its acquisition strategy, LMIR Trust may enter into master leases with the vendors of the properties. These master leases, with tenures of three to five years, are usually over certain areas of the properties which include specialty and anchor areas, casual leasing and parking space, and are structured to provide a stable rental income while the properties continue to mature.

Currently, three of the Trust's properties have master leases with the vendors. These include Lippo Mall Kuta, Lippo Plaza Kendari and Lippo Plaza Jogja, with expiry dates in December 2021, June 2022 and December 2022 respectively.

At the point of acquisition, it was assessed that upon expiry of the master leases such rental rates can be attained and hence the underlying rental performance will continue to create a sustainable income for LMIR Trust.

The Trust also entered into an income support arrangement for Lippo Puri Mall at the point of acquisition, whereby the vendor provides a guarantee that the asset will generate a certain level of Net Property Income ("NPI") by topping-up the difference between the NPI guarantee and the actual

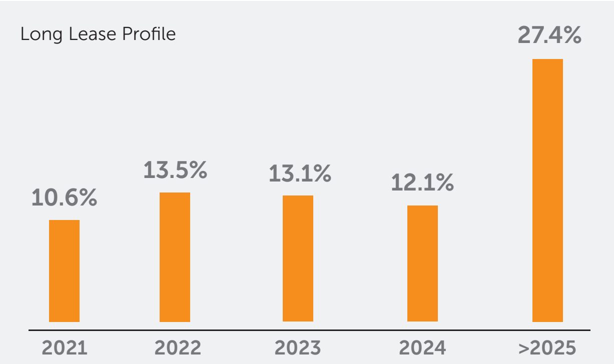
Bandung Indah Plaza

OPERATIONS REVIEW

NPI in the event that the actual NPI is lower than the NPI guarantee. This ensures that the Trust will have a steady stream of income and provides downside protection during the initial ramping up period as the mall continues to mature.

LEASE EXPIRY PROFILE & TENANCY

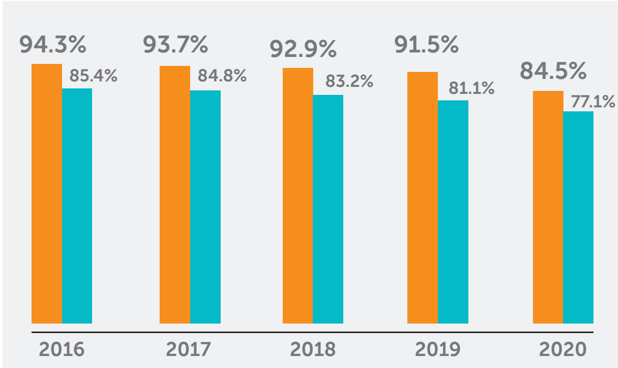
In FY 2020, despite the challenging leasing conditions, our property manager managed to secure 23,381 square metres of new leases. The weighted average lease expiry ("WALE") (based on commencement date of the new leases) for FY 2020 was 3.4 years. These new leases accounted for 0.6% of the gross rental income in FY 2020, LMIR Trust portfolio's WALE by NLA stood at 3.8 years as at 31 December 2020.



OCCUPANCY

With active asset management and strategic leasing efforts, LMIR Trust has been able to maintain a consistently high average occupancy rate, above industry average. As at 31 December 2020, the portfolio's average occupancy stood at 84.5% compared to industry average of 77.1% as reported by Cushman & Wakefield's Marketbeat Retail Snapshot Q4 2020, Jakarta.

Portfolio Occupancy compared to Industry Average Occupacy



ASSET ENHANCEMENT INITIATIVES ("AEI")

Due to the pandemic, AEI works for Sun Plaza were delayed with a revised target completion in 3Q 2021. After Sun Plaza, LMIR Trust will embark on another major refurbishment works for Gajah Mada Plaza. Gajah Mada Plaza has not been through any major renovation since its acquisition in 2007. The AEI works will rejuvenate Gajah Mada Plaza and allow it to retain its charm as an iconic mall in the heart of Jakarta's Chinatown district. The AEI is expected to be completed in FY 2023.

Sun Plaza

Gajah Mada Plaza

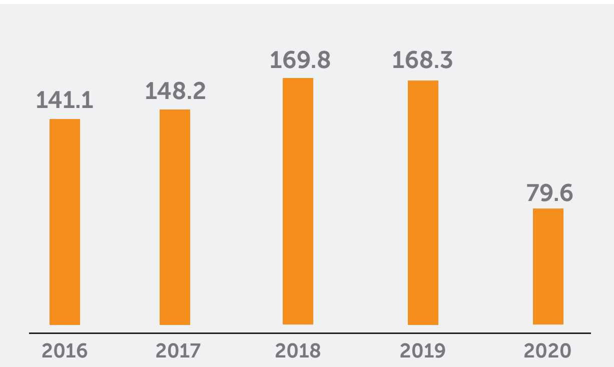
OPERATIONS REVIEW

SHOPPER TRAFFIC

FY 2020 kicked off with positive shopper traffic count as January and February shopper traffic rose 1.8% YoY compared to the corresponding months in FY 2019. As Covid-19 started to spread in March, LMIR Trust took pre-cautionary measures to close malls, except for essential services, from 27 March in the Greater Jakarta region, Bandung and Bali. On 31 March, the Indonesian government declared Covid-19 as a public health emergency and implemented the large-scale social restrictions ("PSBB" - Pembatasan Social Berskala Besar), which resulted in the closure of all other malls and retail spaces from 1 April onwards. During the temporary closure period, shopper traffic declined by a significant 82.9% compared to the same period in 2019.

Our malls and retail spaces started to gradually resume operations from 13 May in accordance with the lifting of government closure regulations for PSBB. By 3 July, all our malls and spaces had resumed operations at a shorter eight-hour operations rather than the usual 12 hours and malls in core central Jakarta are limited to visitor capacity of 50.0%. Subsequently, the governor of Jakarta re-imposed PSBB from 14 September to 11 October, which resulted in closure of dine-in services. From 11 January 2021, restrictions on community activities (Pemberlakuan Pembatasan Kegiatan Masyarakat – "PPKM") were enforced in Java-Bali region, which currently restrict malls to operate till 9.00 pm and at 50.0% dine-in capacity for F&B outlets. Due to the disruptions caused by the Covid-19 pandemic, the traffic count for FY 2020 decreased by 52.7% YoY from FY 2019.

Shopper Traffic
millions



Notwithstanding all the challenges, our malls remain operational and vigilant in adhering to the health and safety protocol. To ensure the health and safety of our shoppers, our malls launched a 'We Care' campaign to maintain the cleanliness at our malls and to communicate safety precautionary measures and procedures to our shoppers and tenants. We also launched the 'Drive-Thru Covid-19 Rapid Test', a collaboration with PT Siloam International Hospitals Tbk ("Siloam Hospitals"), in a number of our malls to ensure safety of our shoppers. To support our F&B tenants affected by dine-in restrictions, our malls set up 'Pick Up Points' facility to help tenants with food delivery services. As our malls reopened, we launched 'EZ Order', a digital food order and delivery application, so that consumers can still order from the F&B outlets in our malls. Various marketing and promotional efforts, in cooperation with tenants, were rolled out since the reopening of our malls to regain shopper traffic. Such efforts include shopper incentive programme, tenants' promotions, parking promotions, cross selling promotions and big sales events. Our shopper traffic has since stabilised and recovered to 51.0% of pre-Covid shopper traffic count as at end December 2020.

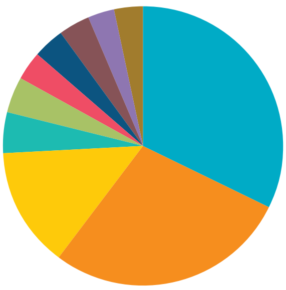
DIVESTMENT & ACQUISITION

The divestments of Pejaten Village and Binjai Supermall were completed in July and August 2020 respectively, for a total combined consideration of Rp1,152.6 billion.

In line with its strategy of acquiring income-producing assets for long-term growth, the Trust first announced the proposed acquisition of Lippo Mall Puri in March 2019. The acquisition of the mall was completed on 27 January 2021 for Rp3,500.0 billion, down from the Rp3,700.0 billion when it was announced in 2019, taking into account the impact of Covid-19 on the valuation of assets in Indonesia.

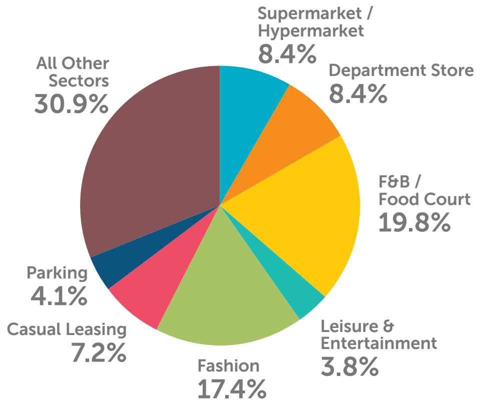
Strategically located in the established Puri Indah central business district area, Lippo Mall Puri is the only retail mall in the St. Moritz Jakarta Integrated Development, the largest premier mixed-use development in West Jakarta. It is one of the largest purpose-built shopping malls in West Jakarta and a crucial part of the integrated development's "live, work and play" vision. With a population of approximately 650,000 within its vicinity, Lippo Mall Puri's catchment area comprises largely middle-upper class residential housing, with pockets of high-rise private residential developments, townhouses, civic amenities, schools, hospitals and hotels, among others. The mall boasts a broad and diversified selection of 329 tenants, comprising established international and local brands, with key tenants including Matahari Department Store, SOGO, Food Hall, Zara, Cinema XXI, Timezone, Uniqlo and H&M.

Top 10 Tenants by % of Gross Rental Income

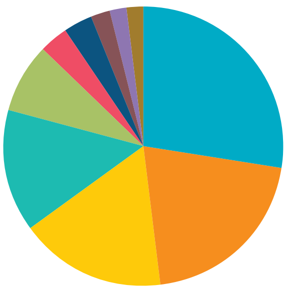


Matahari Department Store	6.3%
Hypermart	5.5%
Carrefour	2.7%
Timezone	0.9%
Ace Hardware	0.8%
Miniso	0.7%
Mr D.I.Y	0.7%
Solaria	0.7%
Cinepolis	0.6%
Gramedia	0.6%

Trade Sector Breakdown by Gross Revenue

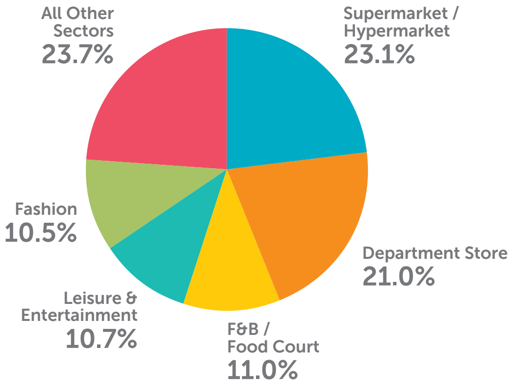


Top 10 Tenants by % of NLA



Matahari Department Store	13.9%
Hypermart	10.3%
Timezone	8.5%
Carrefour	7.1%
Cinepolis	3.9%
Ace Hardware	1.7%
SOGO	1.7%
MR D.I.Y	1.1%
Studio XXI	1.0%
Gramedia	0.9%

Trade Sector Breakdown by NLA



FINANCIAL REVIEW

Gross revenue for FY 2020 amounted to S$148.5 million, a 45.6% decrease from previous year. This was mainly due to the negative impact of the ongoing Covid-19 pandemic in Indonesia. To support the Indonesia government's objective to curb the spread of the virus, LMIR Trust's retail malls and retail spaces (collectively, the "Malls") closed temporarily from end March 2020, apart from essential services such as supermarkets, pharmacies and clinics which remained open at shorter operating hours. The Malls resumed operations gradually from mid May 2020 and on 3 July 2020, all LMIR Trust retail malls and retail spaces reopened and have been operating at shorter opening hours.

During the Malls' closure period, no rental was collected from the tenants except for those who remained open. When the Malls resumed operations, both rental and service charges were billed at reduced rates to reflect the shorter opening hours. Additional rental reliefs were also granted to selected key tenants, both related and non-related parties, to support their business recovery.

On top of the negative impact from the pandemic, master leases with Lippo Mall Kemang expired in December 2019 and the Trust also divested two of its retail malls, namely, Pejaten Village and Binjai Supermall in July and August 2020 respectively, which contributed to the combined decrease in gross revenue by approximately S$22.2 million.

Property operating expenses declined by S$24.6 million for the year due to the savings from stringent cost management as well as the lower consumption of utilities arising from the shorter opening hours.

Finance cost was S$6.6 million higher than FY 2019 mainly due to higher all-in cost of the US$250.0 million bond issued in June 2019. In June 2020, the Trust repaid its S$75.0 million EMTN notes using existing cash balances. In October 2020, the Trust also secured an undrawn committed facility amounting to US$75.0 million as part of its refinancing plan.

Subsequent to the financial year end, the Trust's wholly-owned subsidiary, LMIRT Capital Pte Ltd, successfully issued a US$200.0 million 7.50% Guaranteed Senior Notes ("Notes") due 2026, unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of LMIR Trust) on 9 February 2021. Together with existing cash balances, proceeds from the new Notes were used to early refinance the S$175.0 million loan due in August 2021 as well as pay down the outstanding S$44.0 million of revolving credit facilities.

The higher other expenses in FY 2019 was due to a one-off flood mitigating expenses amounting to S$2.2 million as well as certain project-related expenses written off which were not present in FY 2020.

Fair value of investment properties decreased by S$193.6 million mainly due to the impact of the Covid-19 pandemic on mall traffic coupled with the rental and services charge discounts extended to tenants to support their business recovery. The Trust also divested two of its malls during the year, Pejaten Village and Binjai Supermall, and registered a decrease in fair value of investment properties held for divestments amounting to S$18.5 million.

The Trust recorded higher realised foreign exchange loss of S$11.0 million compared to S$3.1 million a year ago due to higher proportion of cash repatriation from Indonesia by way of redemption of redeemable preference shares ("RPS"), which are mainly denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rate when the RPS were issued since 2007.

The Trust has declared a distribution of S$11.7 million for FY 2020, comprising S$3.4 million retained income from FY 2019, S$3.2 million distributable income from FY 2020 as well as S$5.1 million as return of capital.

> **"THE MALLS RESUMED OPERATIONS GRADUALLY FROM MID MAY 2020 AND ON 3 JULY 2020, ALL LMIR TRUST RETAIL MALLS AND RETAIL SPACES REOPENED AND HAVE BEEN OPERATING AT SHORTER OPENING HOURS."**

FINANCIAL HIGHLIGHTS	FY 2020 S$'000	FY 2019 S$'000
Gross revenue	148,535	273,001
Net property income	76,357	176,205
Distributable income	11,740	64,850
Distribution per unit (cents)	0.34	2.23
Net fair value of financial derivatives at end of the year[(1)]	(19,587)	(13,671)
Proportion of financial derivatives to net assets attributable to Unitholders (%)	(3.85)	(1.67)
Total operating expenses[(2)]	104,574	142,010
Total operating expenses as a percentage of net assets attributable to Unitholders (%)	20.53	17.40
Taxation[(3)]	21,920	25,952

BALANCE SHEET*	FY 2020 S$'000	FY 2019 S$'000
Non-current assets	1,470,323	1,712,762
Current assets	166,275	300,244
Total assets	1,636,598	2,013,006
Current liabilities	302,514	172,239
Non-current liabilities	561,137	764,822
Net assets	772,947	1,075,945
Net assets attributable to Unitholders	509,329	816,298
Net assets attributable to Unitholders per unit (cents)	17.40	28.20

(1) Financial derivatives include currency option contracts, forward contracts, cross currency swap contracts and interest rate swaps.
(2) Total operating expenses include 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 assets attributable to Unitholders 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.
* The exchange rates of FY 2020 and FY 2019 were Rp/S$ 10,644.09 and 10,320.74 respectively.

FINANCIAL REVIEW

PROPERTY	GROSS REVENUE (S$'million)		NET PROPERTY INCOME (S$'million)	
	FY 2020	FY 2019	FY 2020	FY 2019
Bandung Indah Plaza	7.6	14.0	3.9	9.3
Cibubur Junction	6.6	12.0	3.4	7.6
Lippo Plaza Ekalokasari Bogor	3.2	6.0	0.9	2.9
Gajah Mada Plaza	4.7	8.4	2.0	4.8
Istana Plaza	4.3	7.9	2.1	4.9
Mal Lippo Cikarang	6.2	9.9	3.0	6.3
The Plaza Semanggi	7.0	12.0	1.0	4.6
Sun Plaza	17.0	27.8	10.9	19.5
Plaza Medan Fair	15.7	25.2	9.2	17.4
Pluit Village	11.6	22.1	4.7	12.6
Lippo Plaza Kramat Jati	4.1	7.5	1.4	4.1
Palembang Square Extension	2.6	4.9	1.1	2.9
Tamini Square	1.0	2.2	0.8	1.9
Palembang Square	3.9	6.9	2.9	5.8
Pejaten Village	6.1	14.6	3.3	9.4
Binjai Supermall	2.1	5.4	0.8	3.3
Lippo Mall Kemang	12.6	38.0	7.2	26.5
Lippo Plaza Batu	1.4	2.5	0.5	1.3
Palembang Icon	8.1	12.8	4.4	8.2
Lippo Mall Kuta	5.6	8.8	3.4	5.7
Lippo Mall Kendari	4.1	5.0	1.2	3.5
Lippo Plaza Jogja	6.6	7.0	4.7	4.7
Kediri Town Square	2.8	4.4	1.7	3.0
RETAIL MALLS	**144.9**	**265.3**	**74.5**	**170.2**
Depok Town Square Units	0.4	1.2	0.2	1.0
Grand Palladium Medan Units	-	-	-	-
Java Supermall Units	0.5	0.7	0.3	0.6
Malang Town Square Units	0.5	1.3	0.4	1.2
Mall WTC Matahari Units	0.3	0.9	0.1	0.8
Metropolis Town Square Units	0.3	0.7	-	0.4
Plaza Madiun Units	1.6	2.9	0.9	2.0
RETAIL SPACES	**3.6**	**7.7**	**1.9**	**6.0**
TOTAL	**148.5**	**273.0**	**76.4**	**176.2**

PROPERTY	2020 VALUATION		2019 VALUATION	
	Rp'billion	S$'million	Rp'billion	S$'million
Bandung Indah Plaza	590.4	55.5	711.3	68.9
Cibubur Junction	242.0	22.7	319.6	31.0
Lippo Plaza Ekalokasari Bogor	327.0	30.7	357.2	34.6
Gajah Mada Plaza	701.5	65.9	800.1	77.5
Istana Plaza	528.9	49.7	606.4	58.8
Mal Lippo Cikarang	708.6	66.6	752.2	72.9
The Plaza Semanggi	886.0	83.2	1,016.0	98.4
Sun Plaza	2,043.0	192.0	2,261.0	219.1
Plaza Medan Fair	920.0	86.4	1,030.0	99.8
Pluit Village	671.6	63.1	815.2	79.0
Lippo Plaza Kramat Jati	562.4	52.8	660.6	64.0
Palembang Square Extension	273.0	25.7	294.0	28.5
Tamini Square	261.4	24.6	281.0	27.2
Palembang Square	689.0	64.7	738.0	71.5
Pejaten Village(1)	-	-	997.4	96.6
Binjai Supermall(1)	-	-	283.3	27.5
Lippo Mall Kemang	2,261.0	212.4	2,669.0	258.6
Lippo Plaza Batu	232.8	21.9	265.2	25.7
Palembang Icon	712.0	66.9	772.0	74.8
Lippo Mall Kuta(2)	708.9	66.6	807.8	78.3
Lippo Plaza Kendari(2)	344.9	32.4	358.0	34.7
Lippo Plaza Jogja(2)	535.5	50.3	582.2	56.4
Kediri Town Square	374.4	35.2	418.3	40.5
RETAIL MALLS	**14,574.3**	**1,369.3**	**17,795.8**	**1,724.3**
Depok Town Square Units	147.2	13.8	157.9	15.3
Grand Palladium Units(3)	83.8	7.9	95.0	9.2
Java Supermall Units	130.6	12.3	139.6	13.5
Malang Town Square Units	171.7	16.1	172.2	16.7
Mall WTC Matahari Units	106.6	10.0	115.9	11.2
Metropolis Town Square Units	135.5	12.7	144.7	14.0
Plaza Madiun Units	219.3	20.6	230.7	22.4
RETAIL SPACES	**994.7**	**93.4**	**1,056.0**	**102.3**
SUB-TOTAL	**15,569.0**	**1,462.7**	**18,851.8**	**1,826.6**
Lippo Mall Puri(4)	3,500.0	328.8	-	-
TOTAL	**19,069.0**	**1,791.5**	**18,851.8**	**1,826.6**

+ FY 2019 exchange rate (Rp/S$): 10,320.74
+ FY 2020 exchange rate (Rp/S$): 10,644.09
(1) Pejaten Village and Binjai Supermall were divested on 30 July 2020 and 3 August 2020 respectively
(2) Includes intangible assets
(3) The Business Association of the malls is in the midst of consolidating all the strata title holders to refurbish the mall
(4) Acquired on 27 January 2021

CAPITAL MANAGEMENT

CAPITAL MANAGEMENT STRATEGY

The Manager maintains a policy of prudent and proactive capital management with adequate financial flexibility to facilitate steady growth of LMIR Trust and returns for Unitholders.

The key objectives of its strategy include:

- Optimising Unitholders' returns;
- Providing stable returns to Unitholders;
- Minimising refinancing risks;
- Maintaining flexibility for working capital requirements; and
- Retaining flexibility in the funding of future acquisitions.

LMIR Trust complies strictly with regulatory gearing limits and ensures interest coverage ratios are within approved limits at all times.

LMIR Trust started the year with S$109.7 million cash and repaid S$75.0 million EMTN when it matured in June 2020.

In July and August 2020, LMIR Trust successfully divested two of its retail malls, namely, Pejaten Village and Binjai Supermall marking its inaugural divestments since the Trust's listing in 2007. The sale of these assets clearly demonstrates that, despite a relatively illiquid commercial real estate market in Indonesia, the Manager was able to capture opportunities to achieve long-term sustainable returns for Unitholders. The sales proceeds not only increased the Trust financial flexibility for reinvestment in assets with higher returns but also provided the Trust liquidity during the challenging Covid-19 environment.

In January 2021, the Manager also successfully raised gross proceeds of S$281.0 million via a renounceable and non-underwritten rights issue of 4,682,872,029 new units in LMIR Trust based on a ratio of 160 Rights Units for every 100 existing Units at a price of S$0.06. Together with the debt facilities of S$80.0 million and vendor financing of S$40.0 million, LMIR Trust successfully completed the acquisition of the iconic Lippo Mall Puri on 27 January 2021. The injection of this asset is part of a long-term strategic plan to reposition the Trust and anchor it for sustainable growth, and in the short-term, the rental support that comes along with the asset provides a steady stream of income to Unitholders.

In February 2021, LMIRT Capital Pte. Ltd., the Trust's wholly owned subsidiary, successfully issued the US$200.0 million 5-year Guaranteed Senior Notes (the "Notes"). The Notes are unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of LMIR Trust) (the "Trustee"). The Notes will mature in February 2026 with a coupon rate of 7.50% per annum payable semi-annually in arrears.

Proceeds of the Notes, along with the total balance of S$7.9 million from the rights issue, the S$2.8 million allocated for general working capital expenses from the rights issue and existing cash balances were used to refinance the S$175.0 million term loan facility maturing in August 2021 and S$44.0 million unsecured uncommitted revolving credit facilities, with the balanced for general working capital purposes. Save for such redeployment, the use of the gross proceeds of the Rights Issue is in accordance with the stated use and the percentage of the gross proceeds of the Rights Issue allocated to such use. The details are tabled below.

Use of proceeds from the Rights Issue

	Intended use of proceeds (S$'million)	Actual use of proceeds (S$'million)	% of gross proceeds of the Rights Issue	Balance of proceeds (S$'million)
To partially fund the purchase consideration and the acquisition related cost (the "**Acquisition Cost**")	269.2	262.0	93.2%	7.2
To pay the fees and expenses (including professional fees and expenses) incurred in connection with the Rights Issue (the "**Rights Issue Expenses**")	5.2	4.7	1.7%	0.5
To pay the fees and expenses to banks and other professional firms in connection with the debt financing of the Acquisition (the "**Debt Financing Expenses**")	3.8	3.6	1.3%	0.2
To be used for general working capital purposes (repayment of revolving credit facility)	2.8	2.8	1.0%	-
TOTAL	**281.0**	**273.1**	**97.2%**	**7.9**

As disclosed in the table above, the actual Acquisition Cost is S$7.2 million lower than the originally estimated amount of S$269.2 million due to the more favourable IDR to SGD exchange rate. The Rights Issue Expenses and the Debt Financing Expenses are also S$0.5 million and S$0.2 million lower than the originally estimated amounts of S$5.2 million and S$3.8 million respectively.

Over the next 2 years, the Trust only has S$40.0 million vendor financing due in April 2022 (extendable by one year upon mutual consent) and a S$67.5 million loan facility due in November 2022, which represents only 12.6% of its total debt obligations. Average weighted debt maturity has improved from 2.31 years to 3.55 years.

As at 31 December 2020, the Trust outstanding debt stood at approximately S$685.3 million, and a gearing ratio of 41.9%, with 100% of its investment properties unencumbered.

LMIR Trust's current financial risk management policy is described in greater details below.

INTEREST RATE RISK MANAGEMENT

To protect LMIR Trust's earnings from interest rate volatility and to provide a steady return to Unitholders, the Manager actively manages its interest rate exposure in the short to medium term by using fixed rate debt and interest rate derivatives including interest rate swaps.

As at 31 December 2020, LMIR Trust's fixed rate debt ratio stood at 95.0%. The weighted average interest rate was 5.8% per annum, with interest service coverage ratio at 1.8 times for the year.

The Manager intends to continue to secure diversified funding sources from both financial institutions and debt capital markets when opportunities arise, with the aim to maintain LMIR Trust's access to sources of capital at competitive rates.

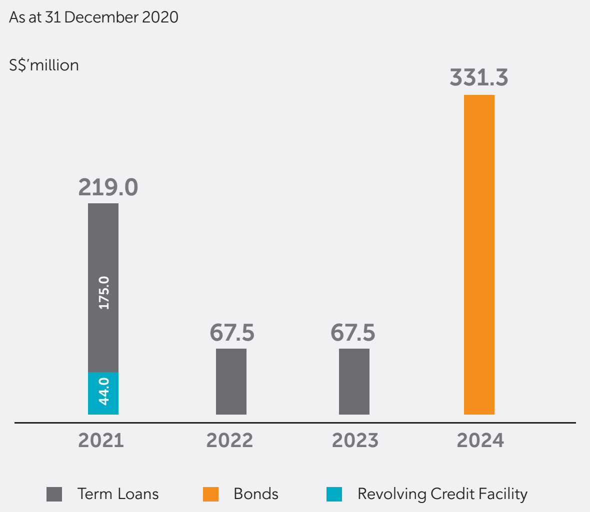
FOREIGN EXCHANGE RISK MANAGEMENT

LMIR Trust is exposed to foreign exchange risk arising from its investments in Indonesia. The income generated from these investments and the value of its investments are all denominated in IDR.

To manage the foreign exchange exposure associated with the anticipated quarterly cashflows in IDR, the Manager utilises various foreign exchange hedging instruments, including currency options.

As the investments in overseas assets are generally long term in nature, the Manager is of the view that it is not cost effective to embark on capital hedging. Hence the capital values of the investments are subject to exchange rate fluctuation.

Debt Maturity Profile



Notes:
1. S$44.0 million 3.88% revolving credit facility, fully repaid in February 2021
2. S$175.0 million 3.15% + SOR term loan due on 25 August 2021, fully repaid in February 2021
3. S$67.5 million 3.05% + SOR term loan due on 9 November 2022
4. S$67.5 million 3.25% + SOR term loan due on 9 November 2023
5. US$250.0 million 7.25% bond due on 19 June 2024

41.9%
Gearing ratio

95.0%
Fixed/hedged debt ratio

100.0%
Unencumbered assets ratio

5.8%
Weighted average interest rate per annum

1.8X
Interest cover

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The Manager has established an enterprise risk management ("ERM") framework for a more structured and systematic approach to identify, review and manage the key risks arising from the management and operations of LMIR Trust's portfolio of assets.

Effective risk management is an integral part of LMIR Trust's business at both the strategic and operational level to protect Unitholders' interests and value. To this end, the Manager is constantly working towards strengthening its risk management processes which include event identification, risk assessment and mitigation, control activities, information and communication and monitoring, and ensuring the adequacy and effectiveness of the risk management framework and policies.

All significant risk developments and incidences are reported to the Board and the Audit and Risk Committee ("ARC") on a quarterly basis, or when it is deemed necessary.

In addition, the internal audit function of the Manager has been outsourced to a third party, KPMG Services Pte. Ltd., who plans its internal audit work in consultation with management, but works independently by submitting its reports to the ARC for review at ARC meetings.

RISK MANAGEMENT STRATEGY

Property, financial market, operational and strategic risks and other externalities such as regulatory changes, natural disasters and act of terrorism may occur in the normal course of business. To address these areas, the Manager has adopted policies and processes which are regularly reviewed to ensure relevance and efficacy and designated staff continue to assess the potential impact of risks which may arise and the necessary response or action to effectively mitigate those risks.

Some of the key risks are:

(a) Operational Risk

The Manager has an established risk management strategy towards the day-to-day activities of the properties portfolio, which are carried out by a third-party Property Manager. These include planning and control systems, operational guidelines, information technology systems, reporting and monitoring procedures. The risk management framework is designed to ensure that operational risks are anticipated so that appropriate processes and procedures can be put in place to prevent, manage, and mitigate risks that may arise in the management and operation of LMIR Trust.

(b) Credit Risk

Credit risk relates to the potential earnings volatility caused by tenants' inability and/or unwillingness to fulfil their contractual lease obligations. To minimise the risk of tenant default on rental payment, the Manager has put in place standard operating procedures for debt collection and recovery of debts. These include the collection of security deposits in the form of cash or bankers guarantee and having a monitoring system and a set of procedures on debt collection.

(c) Investment Risk

As LMIR Trust's growth is partly driven by the acquisition of properties, the risk involved in such investment activities is managed through a rigorous set of investment criteria which includes accretion yield, growth potential and sustainability, location and specifications. The key financial projection assumptions and sensitivity analysis conducted on key variables are reviewed by the Board. The potential risks associated with proposed projects and the issues that may prevent their smooth implementation are to be identified at the evaluation stage. This enables the Manager to determine actions that need to be taken to manage or mitigate risks as early as possible.

(d) Financial Risk

Financial risks are closely monitored and the capital structure of LMIR Trust is actively managed by the Manager and reported to the Board on a quarterly basis. LMIR Trust's returns are mainly from net operating income, which are exposed to financial risks including credit, liquidity, interest rates and foreign currency risks. LMIR Trust hedges its portfolio exposure to interest rate volatility by way of fixed rate borrowings and entering into interest rate swap contracts. LMIR Trust, which is exposed foreign currency risks, has entered into foreign exchange hedges based on LMIR Trust's estimated quarterly cash distributions to mitigate the impact arising from movement in the exchange rate between Indonesian Rupiah and Singapore Dollar to its distributions to Unitholders.

The Manager also actively monitors LMIR Trust's cash flow position to ensure sufficient liquid reserves to fund operations and meet short term obligations. Refinancing risk is also quantified, taking into account the concentration of the debt maturity profile and credit spread volatility. The limit on LMIR Trust's aggregate leverage ratio is observed and monitored to ensure compliance with the Property Fund Guidelines issued by the Monetary Authority of Singapore. The Manager continuously monitors the financial risk management process to ensure that an appropriate balance between risk and control is achieved.

INVESTOR RELATIONS

LMIR Trust is committed to upholding high standards in disclosures and strives to ensure that all corporate developments and financial results are disclosed to the investment community in a clear and timely manner.

As part of our Investor Relations ("IR") initiatives, we maintain a dedicated investor website http://lmir.listedcompany.com which provides comprehensive and updated information about LMIR Trust, as well as a dedicated IR email ir@lmir-trust.com to address all stakeholders' queries. All material information, corporate updates and quarterly financial results are posted in a timely manner on SGXNet and also on our dedicated investor website.

The Manager also proactively communicates and engages with the investment community through investor conferences, non-deal roadshows ("NDR"), one-on-one meetings, tele-conferences and quarterly results briefings.

With the Covid-19 pandemic in 2020, all our meetings with investors were conducted via online platforms.

In 2020, we renewed our membership with REIT Association of Singapore to continue to extend our participation in investor programmes, and we have since renewed the membership for 2021.

INVESTOR ACTIVITIES IN FY 2020	
February	4Q 2019 Results Briefing
May	1Q 2020 Results Briefing
June	11th Annual General Meeting (Virtual)
July	2Q 2020 Results Briefing
October	• Maybank Asset Management and Trafalgar Capital - Institutional Investor Presentation • CIMB Remisier Presentation • Phillip Securities Remisier Presentation • UOB Kay Hian Remisier Presentation
November	• 3Q 2020 Results Briefing • Analyst Briefing on Lippo Mall Puri Acquisition
December	• SIAS Virtual Dialogue • Extraordinary General Meeting (Virtual)

FINANCIAL CALENDAR FOR FY 2021*	
April 2021	1Q 2021 Results Announcement
May 2021	1Q 2021 Distribution to Unitholders
July 2021	2Q 2021 Results Announcement
August 2021	2Q 2021 Distribution to Unitholders
October 2021	3Q 2021 Results Announcement
November 2021	3Q 2021 Distribution to Unitholders
February 2022	4Q 2021 Results Announcement
March 2022	4Q 2021 Distribution to Unitholders

* Subject to change

CORPORATE INFORMATION

MANAGER

LMIRT Management Ltd
6 Shenton Way
#12-08 OUE Downtown 2
Singapore 068809

Tel: (65) 6410 9138
Fax: (65) 6509 1824

DIRECTORS OF THE MANAGER

Mr Murray Dangar Bell
Chairman, Lead Independent Director

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

Mr Sandip Talukdar
Independent Director

AUDIT AND RISK COMMITTEE

Mr Mark Leong Kei Wei (Chairman)
Mr Murray Dangar Bell
Mr Sandip Talukdar

NOMINATING AND REMUNERATION COMMITTEE

Mr Murray Dangar Bell (Chairman)
Ms Gouw Vi Ven
Mr Sandip Talukdar

STOCK EXCHANGE QUOTATION

BBG: LMRT SP
RIC: LMRT.SI

TRUSTEE

Perpetual (Asia) Limited
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITORS OF THE TRUST

RSM Chio Lim LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge: Adrian Tan Khai-Chung
(Appointment since financial year ended
31 December 2020)

COMPANY SECRETARY OF THE MANAGER

Mr Chester Leong

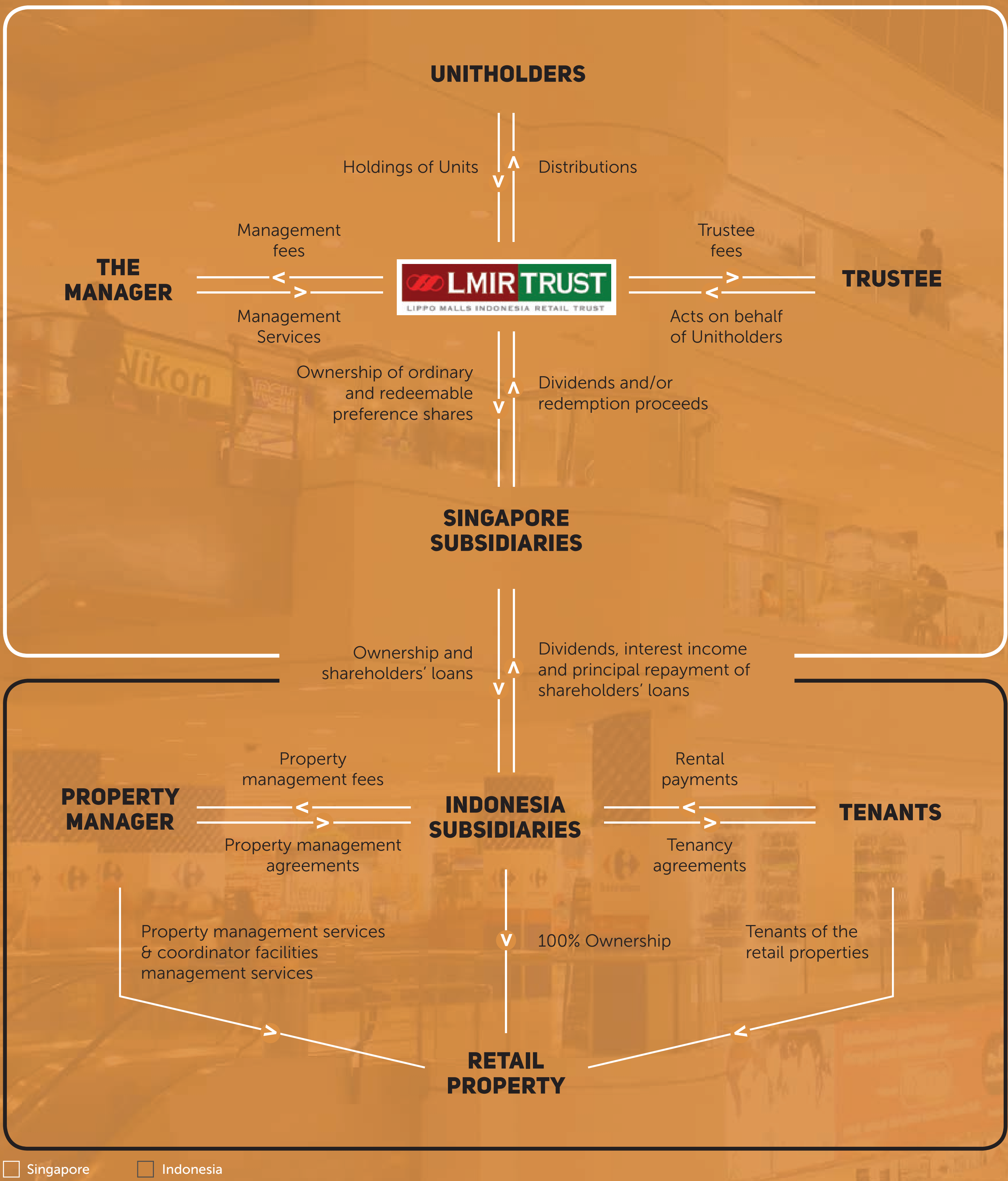
INVESTOR RELATIONS

August Consulting Pte Ltd
101 Thomson Road
#29-05 United Square
Singapore 307591

WEBSITE & EMAIL ADDRESS

www.lmir-trust.com
ir@lmir-trust.com

TRUST STRUCTURE



SUSTAINABILITY REPORT

ABOUT THIS REPORT

We are pleased to present the fourth edition of Lippo Malls Indonesia Retail Trust's ("LMIR Trust" or the "Trust") sustainability report covering the Trust's sustainability performance for the financial year ended 31 December 2020 ("FY 2020"). For both LMIR Trust and the manager of LMIR Trust, LMIRT Management Ltd (the "Manager"), awareness of and accountability for the economic, social and environmental impact our business activities create, have become part of our corporate ethos, driving the commitment and investment of resources into establishing an effective sustainability reporting system.

Working in consultation with various key stakeholders of LMIR Trust including tenants, shoppers, employees, investors, business partners, regulatory bodies and the wider community, we sought to understand and report the full extent of the impact arising from our business activities. Beyond that, in our interactions with the concerned stakeholders, we sought to understand the larger ecosystem in which we operate, the players involved, our unique value in this ecosystem and the avenues in which it can make meaningful contributions as a responsible corporate citizen.

REPORTING STANDARDS

We have prepared this sustainability report in accordance with the Global Reporting Initiative ("GRI") 2016 Sustainability Reporting Standards: Core option, which is a widely-accepted international standard for sustainability reporting unveiled by GRI in 2016 that helps enable greater transparency and accountability in the report.

The Trust observes the reporting principles established by the GRI Standards and the content of this report is defined by those reporting principles, including stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, comparability and consistency, reliability and quantifiability.

This report is also in compliance with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual (Rules 711A and 711B) on a "comply or explain" basis, fulfilling the principles of board responsibility, 'comply or explain', reporting risks as well as opportunities, balanced reporting, having a performance measurement system, comparability with global standards, stakeholder engagement and independent assurance.

As part of our steady efforts to improve the coverage of our sustainability practices, stakeholders are welcome to submit their queries or feedback on our sustainability performance via the following:

MR LIEW CHEE SENG JAMES
Executive Director and
Chief Executive Officer

6 Shenton Way
#12-08 OUE Downtown 2
Singapore 068809

Tel: +65 6410 9138
Fax: +65 6509 2824
Email: ir@lmir-trust.com

SUSTAINABILITY REPORT

BOARD STATEMENT

DEAR STAKEHOLDERS,

Sustainability reporting took an interesting turn in 2020 with the Covid-19 pandemic. During the year, many governments, institutions and businesses faced a major stress test from the impact of the pandemic and were driven to rethink their existing operating systems and their engagement with stakeholders. Being in the business of managing retail property assets, LMIR Trust's business was directly affected by the movement restrictions imposed in Indonesia to curb the spread of infections. This called for urgent action by the Trust to deal with the various challenges so as to manage the impact for our diverse pool of stakeholders, especially our tenants, shoppers and employees.

In the same vein, sustainability reporting for the year requires a different set of lenses as many of our normal activities were disrupted. In particular, time and resources were channelled towards making adjustments to the mall operations to cope with the social restriction regulations and also to make the malls a safe environment for tenants, shoppers and employees. At the Manager level, work-from-home arrangements also meant adapting some of the usual group activities to online versions. In spite of these changes, our commitment to operating as a sustainable organisation remains steadfast and the process of responding to these new challenges gave us an opportunity to revisit our ethos and policies as a responsible corporate entity.

The changed environment in which we operate also meant a necessary renewal of the materiality assessment process. Through a series of surveys conducted with different groups of stakeholders, we obtained a renewed understanding of the key issues that mattered to each stakeholder group under the current climate. A new material topic identified and featured in this report is pandemic-related support, which reflects the urgency of the current pandemic. The highest scores were given to pandemic-related support, business performance, corporate governance and regulatory compliance.

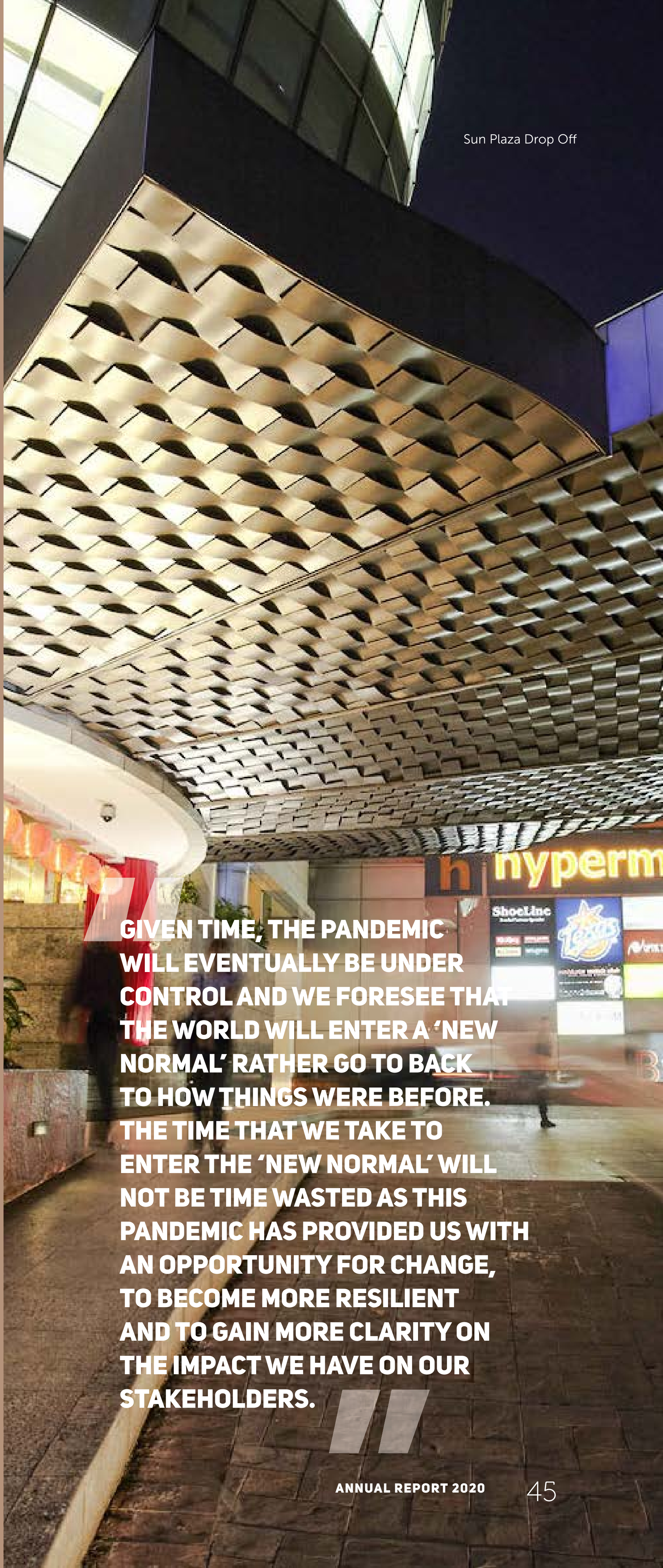
To give us a better gauge of the impact of our pandemic support measures at the malls, we conducted a survey across all 21 malls in our portfolio for the first time. Both tenants and shoppers were asked to rate the support rendered by the malls which included safety measures, communication of information and reopening marketing support measures. An encouraging 75.0% of tenant respondents felt the support measures provided were 'Adequate' or 'Very Good', while 85.9% of shoppers surveyed were pleased with the implemented safety measures. Beyond this report, the feedback gathered would be extremely helpful in enhancing our service to and relationship with our tenants and shoppers.

In terms of economic impact, the year 2020 also marked a new chapter of growth for the Trust. Following the disposal of two mature malls – Pejaten Village and Binjai Supermall, which have reached the limits of their growth potential, the Trust completed the acquisition of its largest mall, Lippo Mall Puri. The exercise of raising the overall quality of its portfolio, together with the mall's stable stream of income will create value and improve future distributions to our Unitholders.

In recognition of the growing environmental impact generated by businesses and the need to account for such risks, the Monetary Authority of Singapore issued its Guidelines on Environmental Risk Management. Companies in real estate investment trust management are among the financial institutions to which these guidelines apply. Ultimately, these guidelines will help the Trust build sustainability in its performance, as well as financing and investment decisions over the longer term.

Given time, the pandemic will eventually be under control and we foresee that the world will enter a 'new normal' rather go to back to how things were before. The time that we take to enter the 'new normal' will not be time wasted as this pandemic has provided us with an opportunity for change, to become more resilient and to gain more clarity on the impact we have on our stakeholders. All in all, these amount to a significant step forward for sustainability during the year and we will put the lessons learnt to good and productive use in the future.

MR MURRAY DANGAR BELL
Chairman,
Lead Independent Director
LMIRT Management Ltd. as Manager of LMIR Trust


Sun Plaza Drop Off

"GIVEN TIME, THE PANDEMIC WILL EVENTUALLY BE UNDER CONTROL AND WE FORESEE THAT THE WORLD WILL ENTER A 'NEW NORMAL' RATHER GO TO BACK TO HOW THINGS WERE BEFORE. THE TIME THAT WE TAKE TO ENTER THE 'NEW NORMAL' WILL NOT BE TIME WASTED AS THIS PANDEMIC HAS PROVIDED US WITH AN OPPORTUNITY FOR CHANGE, TO BECOME MORE RESILIENT AND TO GAIN MORE CLARITY ON THE IMPACT WE HAVE ON OUR STAKEHOLDERS."

SUSTAINABILITY REPORT

FY2020 PERFORMANCE HIGHLIGHTS

ECONOMIC	• Gross Revenue – **S$148.5 million** • Net Property Income – **S$76.4 million** • Distribution – **S$11.7 million** • Distribution Per Unit – **0.34 Singapore cents** • Portfolio Valuation(1) – **Rp19,069.0 billion** • Portfolio Occupancy – **84.5%**
SOCIAL	• **88%** staff retention rate • **> 50%** of the employees have been with the organisation for more than 3 years • **23%** of staff are male while 77% are female • **6.6** - Average hours of training per employee in 2020 • **94%** - Training attendance for employees (based on every employee attending at least one training) • **90%** participation rate for staff engagement activities
GOVERNANCE	• **0** incidents of fraud, corruption or non-compliance with regulations • **100%** attendance at all board meetings • **2** directors replaced due to term limit reached • **10 -> 6** - Reduced maximum number of board representations for directors
ENVIRONMENTAL	• **41.2%** reduction - Energy consumption for common areas • **43.4%** reduction – Water consumption for common areas

(1) Includes Lippo Mall Puri acquired in January 2021.

MANAGING SUSTAINABILITY AT LMIR TRUST

The Manager established the Sustainability Committee ("SC") in 2017, with the intention to further strengthen the sustainability governance of LMIR Trust. Chaired by the Chief Executive Officer ("CEO") of the Manager, the SC comprises representatives from the departments of Asset Management, Investor Relations, Legal & Compliance and Corporate Services, covering a spectrum of the ESG factors.

Through integrating and organising sustainability practices, as well as monitoring these practices within LMIR Trust and its portfolio of assets, the SC is able to provide strategic direction and guidance for managing sustainability-related risks and opportunities. These include the development and improvement of frameworks, policies, guidelines, and processes to ensure that sustainability issues are effectively managed. Sustainability efforts originate from the Manager and the Property Manager in Indonesia, integrating both business and sustainability priorities. As part of its continuous efforts to enhance its knowledge about the latest ESG issues, trends and practices, the SC seeks out and attends relevant courses, seminars and webinars.

Corporate governance forms a key pillar of sustainability at LMIR Trust and accountability to our stakeholders comes from conducting our business in proper, efficient manner that is in line with regulations. Pages 80 to 105 of the Trust annual report provides details on the Trust's corporate governance practices, including topics such as board's conduct of affairs, board composition and performance, board membership, remuneration, accountability and audit, as well as other matters.

The responsibilities of the Sustainability Committee are as follows:

STRATEGIC DIRECTIONS

The Committee shall oversee, develop and provide inputs on LMIR Trust's policies, strategies and programmes related to matters of sustainability and corporate social responsibility. This will extend to include the environment, local community, employment practices, labour rights, health and safety, corporate accountability, public affairs and philanthropy.

PERFORMANCE GOALS

The Committee shall determine and review the goals established for its performance with respect to matters of sustainability and corporate social responsibility, and monitor LMIR Trust's progress, on a regular basis, against those goals.

GATHER FEEDBACK

The Committee shall receive periodic feedback from the Manager and Property Manager regarding relationships with key external stakeholders that may have a significant impact on LMIR Trust's business activities and performance.

STAKEHOLDER ENGAGEMENT

The Covid-19 pandemic has impacted economic, social and environmental conditions and changed many of the circumstances underpinning the Trust's relationships with its stakeholders. During the year, the Trust had the opportunity to engage with its stakeholders at a deeper level due to the need to renegotiate the terms of the relationships and help cushion the effects of the pandemic. Measures to contain the pandemic and prevent infection led the Trust to work more closely with the mall managers, tenants and employees.

Due to the nature of its retail mall business, the Trust deals with a diverse and large group of stakeholders. As a result, more time, care and efforts are required to engage meaningfully with and be accountable to each group of stakeholders. The implementation of a new materiality assessment process for this reporting cycle has also necessitated more interactions with stakeholders, as can be seen from this table:

STAKEHOLDER	PLATFORMS	FREQUENCY	KEY FEEDBACK / CONCERNS	COMMITMENTS TO SUSTAINABILITY
Employees	Employee engagement Recreational bonding activities Training and development programmes	Ad-hoc Ad-hoc Ad-hoc	• Employee safety and welfare • Staff training and development opportunities • Work-life balance • Remuneration and benefits	• Provide fair and equal opportunities to all employees • Offer career development opportunities • Improve job satisfaction and reward performance • Create a safe and cohesive working environment
Investors	Annual General Meeting Extraordinary General Meeting Financial results announcements Annual report, Sustainability report SGX announcements, media release and interviews Seminars and trade shows Company website	Annual Ad-hoc Quarterly Annual Ad-hoc Ad-hoc Perpetual	• Updates on financial performance • Managing the impact of COVID-19 and the recession • Distribution management plans • Corporate actions and M&As • Industry developments and market outlook • Investment strategies • Investment plans in the pipeline • Major events that may potentially impact assets located in Indonesia (Natural disasters, Government regulations)	• Work to generate sustainable returns on investments • Adhere to timely and transparent dissemination of accurate and relevant information to the market • Business continuity plans in place

STAKEHOLDER	PLATFORMS	FREQUENCY	KEY FEEDBACK / CONCERNS	COMMITMENTS TO SUSTAINABILITY
Business Partners (i.e. government, vendors, associations etc.) 	Regular meetings and networking sessions Correspondences through email and letter	Ad-hoc Ad-hoc	• Corporate governance • Operational efficiency • Regulatory compliance	• Compliance with laws and regulations • Fair and reasonable business practices
The Community 	Sustainability report Supporting CSR activities by Property Manager Online and social media platforms	Annual Ad-hoc Ad-hoc	• Availability of common spaces • Safe environment • Eco-sustainability • Safe-distancing and pandemic prevention	• Management of impacts on the community • Understand and support initiatives by the local community/ government • Place public health and safety as priority • Safe-distancing and pandemic prevention measures • Environmentally sustainable
Shoppers 	Online and social media platforms Customer service and shoppers' feedback	Ad-hoc Ad-hoc	• Pandemic prevention measures • Safe-distancing and crowd control • Availability of essential services • Diverse brands and types of merchandise • Availability of amenities • Traffic and crowd management	• Enforcement of safe-distancing and pandemic prevention measures • Creating accessibility for shoppers in view of enhanced entry restrictions • Provide enhanced and refreshed shopping experience • Safe mall environment with adequate amenities
Tenants 	Meetings and feedback sessions Proactive tenant engagement Surveys	Monthly Ad-hoc Ad-hoc	• Pandemic prevention measures • Safe-distancing and crowd control • Rental waivers in view of pandemic disruptions • Mall operations • Traffic and crowd control • Advertising and promotional activities	• Sustainable management of mall operations with safe-distancing and pandemic prevention measures • Creating accessibility for shoppers in view of enhanced entry restrictions • Implementing promotional activities to draw shoppers

MATERIALITY ASSESSMENT

In 2020, the global Covid-19 pandemic had drastically impacted the environment in which the Trust's business and activities operated in. With the disruptions experienced on economic, social and environmental levels, the pandemic has inevitably caused a significant shift in the priorities of the various stakeholders of the Trust. As a result, it was necessary to conduct a fresh new round of materiality assessment with the Trust's stakeholders in view of the shifts in priorities brought about by the pandemic. In addition, the Trust is also using this opportunity to undertake an annual re-evaluation of all the potential material issues, measuring their relevance against current issues and trends and their influences and interdependence on each other. Ultimately, this serves to make this report more complete and relevant to the Trust's stakeholders.

In determining materiality of an issue or topic to the Trust, we need to assess two aspects, which are namely the significance of the impact, whether it is economic, environmental, or social, as well as the level of importance to the Trust's stakeholders.

The following parties were designated to determine these two aspects of the potential material topics:

Significance of economic, environmental, and social impact – key management of the Manager
Importance to stakeholders – various stakeholder groups of LMIR Trust which include tenants, mall managers, employees and vendors

Here is a summary of the materiality assessment process:

1 DEFINE SCOPE
- Decide coverage scope
- Decide on list of stakeholders for assessment

2 IDENTIFY POTENTIAL TOPICS
- Review a variety of information sources such as media reports, internal data, industry reports and rankings to understand key ESG issues
- Create a list of potential material topics

3 SHORTLIST THE TOPICS
- Review each topic in terms of significance and relevance
- Shortlist material topics for assessment

4 CONDUCT ASSESSMENT WITH STAKEHOLDERS
- Implement survey with stakeholders and key management
- Collect results

5 SCORE TOPICS POST-SURVEY
- Tabulate scores for material topics
- Decide on material topics

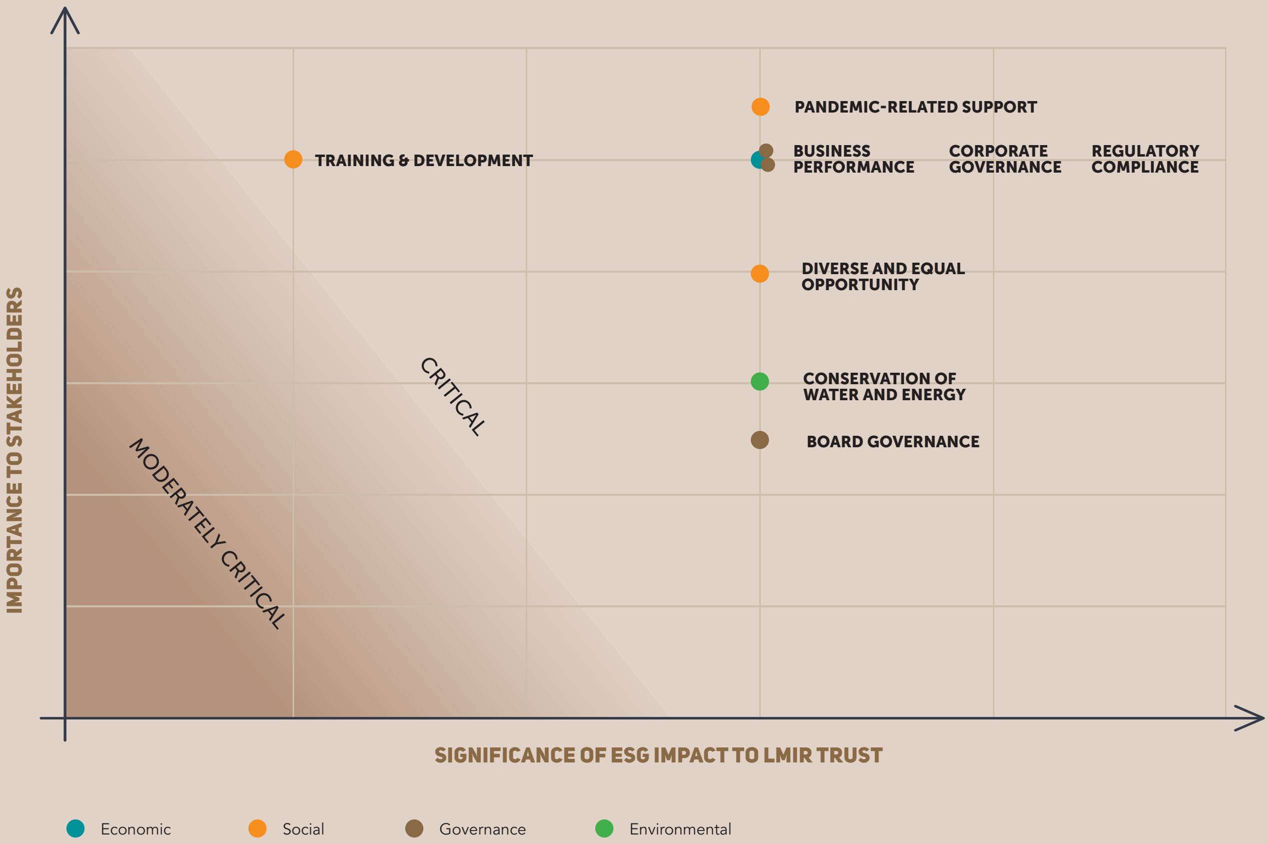
6 SEEK FEEDBACK ON ASSESSMENT OUTCOME
- Seek feedback on the final list of material topics

7 CONFIRM THE MATERIAL TOPICS
- Obtain sign-off from the board of directors and management on the final set of material topics
- Plan measurement

On one hand, materiality is influenced by the concerns of the Trust's various stakeholders. On the other hand, the key management of the Manager needs to assess and decide what is material, and to do so, they have to consider a combination of internal and external factors.

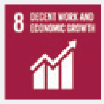
Internal factors would include the company's values, mission, policies, strategies, operational systems, resources, competencies and targets. External factors would require the consideration of wider economic, social and environmental issues and trends and how they influence the Trust's business, as well as the societal expectations of the Trust's responsibilities and its influence on its customers, suppliers, regulatory bodies, communities and other stakeholders. Key challenges and issues faced by the industry and peers are also taken into consideration and issues that surfaced from the Trust's interactions with organisations such as the Singapore Exchange, REIT Association of Singapore, Securities Investors Association of Singapore and Monetary Authority of Singapore continued to factor into materiality considerations.

MATERIALITY MATRIX



MATERIAL TOPICS - AT A GLANCE

The selected topics derived from our materiality assessment process are displayed in the table below, with a brief explanation of what the topic covers. Within the table, every material topic is also pegged to the relevant GRI Reporting Standards and United Nations Sustainable Development Goals ("UNSDGs"). The UNSDGs were adopted on a global scale by 190 countries as part of the 2030 Agenda for Sustainable Development and we continue to align ourselves with this agenda.

DIMENSIONS	MATERIAL TOPIC	MATERIAL TOPIC	CORRESPONDING GRI STANDARDS	RELEVANT UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS
Economic 	**Business Performance**	Covers all aspects of the Trust's performance in the business including the operations, financial performance, cash management and liquidity, debt and capital management etc.	GRI 201: Economic Performance 2016	
Social 	**Pandemic-Related Support**	Refers to various initiatives implemented by the Manager, Trust or mall operators to help various groups of stakeholders such as tenants, shoppers, employees cope with the pandemic and the pandemic-related policies and measures from the government. These include safety measures, crowd control measures, rental support schemes, Work-From-Home arrangements, advertising and promotional support to boost mall activity etc.	GRI 203: Indirect Economic Impacts 2016 GRI 403: Occupational Health and Safety 2018 GRI 413: Local Communities 2016 GRI 416: Customer Health and Safety 2016	
	Diverse and Equal Opportunity	Initiatives and policies implemented by the Manager to ensure equal opportunities for all employees regardless of race, gender and nationality etc.	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non Discrimination 2016	
	Employee Training and Development	The Manager's commitment and initiatives introduced in training employees and developing their potential to the fullest, creating a conducive work environment and culture, as well as supporting the good health and well-being of employees.	GRI 404: Training and Education 2016 GRI 403: Occupational Health and Safety 2018	

DIMENSIONS	MATERIAL TOPIC	MATERIAL TOPIC	CORRESPONDING GRI STANDARDS	RELEVANT UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS
Governance	**Corporate Governance**	Refers to the Manager's commitment to ensuring that the business of the Trust is conducted in a proper and efficient manner, with integrity and business ethics and adhering to relevant corporate governance codes.	GRI 102: General Disclosures 2016 GRI 205: Anti-Corruption 2016	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Regulatory Compliance	Refers to the Manager's compliance with all applicable laws and regulations, such as the SGX-ST Listing Manual, Code on CIS, SFA and conditions of the Capital Markets Services Licence of the Manager issued by the MAS, as well as the tax rulings issued by the Inland Revenue Authority of Singapore.	GRI 205: Anti-Corruption 2016 GRI 307: Environmental Compliance 2016 GRI 419: Socioeconomic Compliance 2016	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Board Governance	Refers to the Managers's commitment to ensure the Board fulfills various requirements so that it is able to perform its duties in the best interests of the Trust. These requirements include the diversity, independence, commitment and renewal of the board members.	GRI 102: General Disclosures 2016 GRI 205: Anti-Corruption 2016	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Environmental	**Conservation of Energy and Water**	Initiatives implemented at the Manager or Trust level to reduce water and energy usage, in an effort to save the environment and help the Climate Change cause.	GRI 302: Energy 2016 GRI: 303: Water and Effluents 2016	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 14 LIFE BELOW WATER

SUSTAINABILITY REPORT

ECONOMIC

BUSINESS PERFORMANCE

LMIR Trust believes in making value-added strategic decisions and managing its assets responsibly to maximise and deliver sustainable returns to its various stakeholders who have supported and continued to put their faith in the Trust over the years.

OUR COMMITMENT

In addition to our valued Unitholders, we are also committed to support our other stakeholders including our tenants, suppliers, shoppers and staff, among others. We believe in the need to work together cohesively and support each other during challenging times to achieve sustainable long-term growth. We remain true to our principles of actively managing our assets to optimise their value through asset enhancement initiatives and active tenant management, growing our portfolio through strategic yield-accretive acquisitions and strategic divestments of assets to recycle capital. These concerted efforts will support our commitment to maximise returns for our stakeholders and deliver stable and sustainable distributions for our Unitholders.

OUR APPROACH

Our strategic pillars to achieving economic performance include:

- Active management of assets together with our mall operator to drive healthy occupancy
- Maintaining optimal property and tenant diversification across our portfolio
- Actively seeking to increase and optimise portfolio value through yield-accretive acquisitions and asset enhancement initiatives
- Prudent capital management to ensure financial flexibility and maximum efficiency in cash flows

OUR PERFORMANCE

GROSS REVENUE

S$148.5 MILLION

NET PROPERTY INCOME

S$76.4 MILLION

DISTRIBUTION

S$11.7 MILLION

DPU

0.34 SINGAPORE CENTS

PORTFOLIO VALUATION*

RP19,069.0 BILLION

PORTFOLIO OCCUPANCY

84.5%

* Includes Lippo Mall Puri acquired in January 2021

PANDEMIC RELATED SUPPORT

OUR COMMITMENT

We recognise the role that intervention and support could play in times of crisis like the Covid-19 pandemic. In recent months, the Manager's utmost priority has been ensuring the health and safety of our tenants, shoppers and employees, as well as helping them cope with the pandemic, pandemic-related polices and measures from the government through various initiatives.

OUR APPROACH

The nature of LMIR Trust's business involves a diverse pool of stakeholders. Together, LMIR Trust and the Manager focused their pandemic support measures on key stakeholder groups such as employees, tenants and shoppers.

For the Manager, the health and safety of staff and business continuity were the key considerations. It designed measures related to Work-From-Home ("WFH") arrangements as well as reconfigured the office and office activities to fulfil safe-distancing and precautionary measures post-Circuit Breaker.

At the asset level, mandatory mall closures had severely disrupted business activities and supporting our tenants financially was an important consideration for the sustainability of our business. Health and safety were the other major considerations. A comprehensive set of measures covering the entire shopper's journey was introduced. Our business operations were consistently reviewed, and safety measures frequently updated to ensure the well-being of our staff, shoppers and tenants.

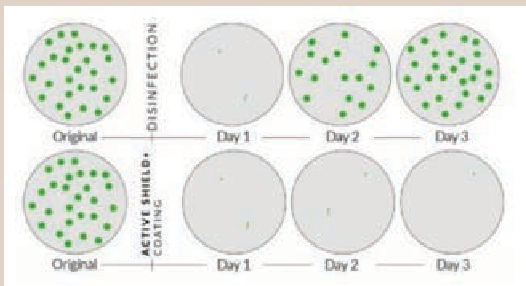
OUR PERFORMANCE

Health and Safety

To ensure a safe and healthy working environment, the following safety measures were enforced by the Manager:

- In Singapore, WFH arrangements were set in place to ensure the safety of our staff prior to the the imposition of the Circuit Breaker in April 2020.
- During the Circuit Breaker, we regularly engaged staff with internal communication via zoom to keep them posted on the latest developments in Singapore and Indonesia as well as our work arrangement plans.
- Redesigned new social distancing layout for our office
- Stepped-up cleaning services of common office areas and performed a Covid-19 disinfection for the entire office.
- Daily temperature taking, social distancing markers, implementation of access cards instead of fingerprint access to avoid touching surfaces.
- Supply of virus prevention essentials in the office such as disposable face masks, hand sanitisers and sanitising spray application (Active Shield+)

  > Active Shield+ takes a unique approach by providing the same initial kill on microbes as conventional products but inhibits long-term growth on the applied surfaces. Hence products coated with Active Shield remain sterile or free from microbe growth



- In addition to performing the basic requirements, the Manager's Corporate Services department also carried out a survey on mental wellness, covering how the pandemic and new WFH arrangements have affected staff and an overall measure of the stress levels of the employees.

PANDEMIC RELATED SUPPORT (CONT'D)

Across LMIR Trust retail properties, various measures were also put in place to create a safe environment for shoppers and to help tenants conduct their business safely. The comprehensive set of measures that was enforced covers the malls from the point of entry to the use of escalators, to the restrooms, retail shops, dining areas and even the carparks.

Some of these measures include:

- Temperature checks
- Safe distancing protocols
- Touchless buttons in lifts and carparks
- Cleaning with disinfectants and UV-rays
- Safety protocols for tenants' areas
- Safety protocols for hair salons
- Physical distancing at dining areas
- Personal Protective Equipment for staff to maintain hygiene and safety
- Providing ways for visitors to keep their hands clean and sanitised (such as hand-wash sinks and hand sanitisers at strategic points around the malls)

TENANT SUPPORT

In efforts to ensure a long-term partnership with our tenants, LMIR Trust rolled out various rental relief programmes on a case-by-case basis to help them mitigate business disruptions caused by the pandemic. During the two-and-a-half-month temporary closure period for most of our malls since end March, rental waivers were given to all our tenants in addition to a 40% discount on service charges. Selected tenants were also able to restructure their fixed rental leases into rentals based purely on gross turnover over the following three to six months, and shorter tenure leases were offered for selected tenants to ensure occupancy rates were maintained.

Following the resumption of mall operations in July, albeit at shorter hours, visitor capacity had been limited to 50%. As such, LMIR Trust extended support to its tenants by charging rental and service charges at a pro-rated basis, and an initial discount of 33% in July, reducing to a discount of 25% in January 2021 given improving conditions. Sectors that remain closed due to local regulations continued to have their rental waived.

SOCIAL

MAINTAINING SHOPPER EXPERIENCE

In addition to implementing all the necessary safety measures, LMIR Trust also communicated with its shoppers pre-emptively via social media platforms such as Instagram and Facebook. Videos depicting safety measures and tutorials on how to abide by them or ways to help maintain a clean and safe environment were uploaded as guides for our shoppers as they prepared for a safe and sanitary shopping experience.

We also implemented a personal shopper hotline via WhatsApp for shoppers who prefer to shop in the comfort of their own homes. Malls that participated include, Lippo Mall Puri, Lippo Mall Kemang, Pluit Village, Plaza Semanggi, Cibubur Junction, Lippo Plaza Kramat Jati, and Gajah Mada Plaza.

As part of our efforts to boost mall activity, from September 2020, some of our malls such as Pluit Village kick-started a new 'Park & Dine' programme where shoppers could enjoy a unique outdoor rooftop experience. Having ordered their meal via the EZ Order app, staff members would safely bring customers their meal orders while abiding by safety precaution measures, so that they could enjoy it from their cars. Promotional activities, such as free parking, were also conducted jointly with tenants to boost shopper traffic.

Staying current with the use of new technology and communication methods has been increasingly important to our business continuity. It has facilitated in helping our mall visitors, shoppers as well as staff mitigate the disruptions to their daily lives caused by the pandemic.

A portfolio-wide survey was conducted with LMIR Trust's shoppers and tenants to gather feedback on the safety measures implemented, and their assessments on the support rendered by the malls to help them adjust to the pandemic and the related restrictions. You can find the results of this survey on pages 63 to 66 of this Annual Report.

PANDEMIC CASE STUDY - LIPPO MALL KEMANG

Joining in the nationwide fight against the Covid-19 pandemic in Indonesia, LMIR Trust's malls implemented various measures to contain the spread of the virus and to comply with the large-scale social restrictions imposed across various provinces. Here is a closer look at the measures implemented at Lippo Mall Kemang, a mid-sized, fashion and lifestyle mall located in South Jakarta.

AT THE ONSET OF THE COVID-19 PANDEMIC

The Covid-19 pandemic outbreak began in Indonesia during the first quarter of 2020 and on 31 March, the Indonesian government declared a national health emergency over the pandemic. Measures such as large-scale social restrictions ("PSBB" - Pembatasan Sosial Berskala Besar) which involved limitations on social activities, border closures, regional quarantines and a ban on foreign entry restrictions were implemented.

Following the PSBB measures, LMIR Trust temporarily closed all its 23 retail malls and seven retail spaces in Indonesia from 27 March till 28 April while essential services such as supermarkets, pharmacies, clinics and tenants providing delivery orders, remained open but at shorter operating hours, from 11.00 a.m. to 6.00 p.m.. However, due to the continued spread of the virus, the closure was extended till early June when the government started to lift the PSBB restrictions gradually. Depending on PSBB within the local provinces, some suburban malls were able to reopen for operations since mid-May.

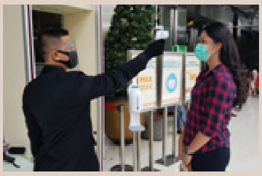
SUPPORTING OUR TENANTS DURING THE CLOSURE

To help our tenants tide through the difficult period, LMIR Trust waived rental payments from tenants during the closure period and offered a 40% discount on service charges. Eligible tenants were allowed to restructure their fixed rental leases into rentals based purely on gross turnover for a temporary period and shorter tenure leases were also offered.

REOPENING TO A NEW NORMAL

By 3 July, all 23 retail malls and seven retail spaces of the Trust had reopened, albeit with shorter 8-hour operations rather than 12 hours and malls in core central Jakarta, including Lippo Mall Kemang, were limited to a visitor capacity of not more than 50%. At Lippo Mall Kemang, most retail stores and F&B outlets had reopened while entertainment outlets such as the cinema, kids-related entertainment and gyms remain closed.

Across all the retail properties, LMIR Trust mall managers have put in place various measures to create a safe environment for shoppers to carry out their activities and to help tenants operate their business safely while providing support for them to cope with the disruptions. Including Lippo Mall Kemang, a comprehensive set of measures covering the entire shopper's journey was introduced. From the point of entry to the use of escalators, to the restrooms, retail shops, dining areas and even the carparks, measures were implemented to enhance safety for the visitors and to prevent the spread of infection.



Temperature Checks

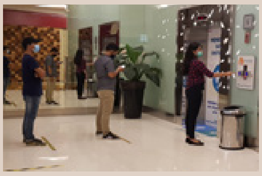
All visitors need to have their temperature checked at designated entry checkpoints of the mall

Personal Protective Equipment for Staff

All frontline-staff, such as staff manning the information counters or entry checkpoints, are required to use standard Personal Protective Equipment ("PPE") when carrying out their duties in order to maintain hygiene and safety.

Keeping Hands Clean

The mall provided more opportunities for visitors to keep their hands clean and sanitised by providing hand-wash sinks and hand sanitisers at various strategic points in the mall area. They are accompanied by signs to encourage visitors to wash or sanitise their hands regularly.

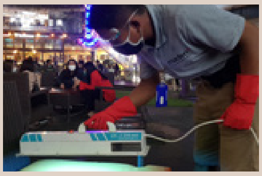


Safe Distancing Protocols

The mall implemented a general rule of keeping a minimum physical distance of one metre from other shoppers. This is applied in all situations and waiting areas including queuing for the lifts and toilets, standing within the lifts, using the escalators as well as resting on benches.

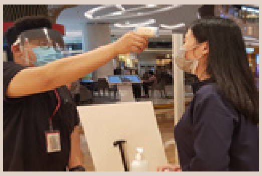
Touchless Buttons in Lifts and Carparks

To reduce the spread of the virus, the mall installed touchless buttons in both the lifts and the machines within the carpark area.



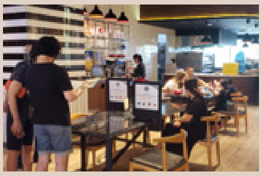
Cleaning with Disinfectants and UV-rays

The mall carried out regular cleaning of common facilities such as escalator handrails, toilets, seating area and others, using disinfectant and UV-rays.



Safety Protocols for Tenants' Areas

Before entering the tenants' areas, visitors must undergo health and safety protocols such as temperature-taking and using of hand sanitisers. All staff of the tenants are also required to use standard PPE at work to maintain hygiene and safety.



Dining Areas

Physical distancing markings are provided inside the restaurants and dining areas to ensure adequate distancing between visitors.

PANDEMIC CASE STUDY - LIPPO MALL KEMANG (CONT'D)

WELCOMING BACK SHOPPERS

As restrictions eased, Lippo Mall Kemang continued to manage the return of the visitor crowd with caution. On one hand, it implemented various initiatives to promote business for the tenants. These include free parking, drive-through take-away services for F&B tenants, shopping vouchers, discounts, among others. On the other hand, the mall remained vigilant on potential risks of infections. Between 14 September and 12 October, PSBB was re-imposed in the Jakarta region due to rising number of cases. Lippo Mall Kemang was unaffected as it was already operating at the reduced visitor capacity limit of 50%.

We are seeing gradual shopper traffic recovery, although the shorter operating hours, capacity caps and ad-hoc restrictions are expected to continue till at least until the second quarter of 2021, with corresponding rental reliefs and reduced service charges granted to tenants during this period.

SCORECARD FOR LIPPO MALL KEMANG

LMIR Trust conducted a survey in December with shoppers and tenants to gather feedback on the safety measures implemented and their assessments on the support rendered by the malls to help them adjust to the pandemic and the related restrictions. Among the malls included in the survey was Lippo Mall Kemang. Here are the highlights of the survey results:

> **"LMIR TRUST CONDUCTED A SURVEY IN DECEMBER WITH SHOPPERS AND TENANTS TO GATHER FEEDBACK ON THE SAFETY MEASURES IMPLEMENTED AND THEIR ASSESSMENTS ON THE SUPPORT RENDERED BY THE MALLS TO HELP THEM ADJUST TO THE PANDEMIC AND THE RELATED RESTRICTIONS."**

SHOPPER'S SURVEY

81.5%

of shoppers find the safety measures implemented by the malls adequate or very good.

An overwhelming

97.5%

of shoppers said they feel safe shopping at Lippo Mall Kemang and

94.1%

said they will return to the mall shop again.

Among the safety measures, shoppers are particularly satisfied with the cleanliness of the mall, implementation of temperature checks at the entrances, the enforcement of the wearing of face masks as well as the provision of water points and hand sanitisers at the mall entrance. In terms of safety measures which shoppers are not satisfied with, crowd control and queue management stood out as the key area of dissatisfaction

Among the promotional initiatives extended by the mall, shopping vouchers and free parking were the most popular, garnering

47.7% & 32.2%

of all responses respectively.

PANDEMIC CASE STUDY - LIPPO MALL KEMANG (CONT'D)

TENANTS' SURVEY

79.2%

of tenants find the overall support given by the mall operator adequate or very good.

The tenants are more satisfied with the level of communications regarding pandemic measures and the post-reopening marketing support. Areas of improvement highlighted include enforcement of mask-wearing especially among foreign customers; giving tenants access to the marketing booths on the ground floor; creation of more promotions and events, both physical and online, to boost sales; improving cleanliness of toilets and making the goods unloading arrangements more convenient and flexible.

In terms of specific measures:

Safety measures

72.0%

of tenants find the safety measures adequate or very good, and that they are satisfied with the enforcement of mask-wearing and provision of sanitisers. Areas of improvement highlighted include security checks on incoming vehicles, on-the-spot testing of tenant staff, greater use of disinfectants and improving cleanliness of toilets.

Communications

84.0%

of tenants find the level of communications from the mall operator adequate or very good, though information on mall promotions seemed inadequate, there could be more communications between the mall security team and tenants, and tenants could be given the opportunity to meet with the mall operator for discussions.

Post-reopening marketing support

76.0%

of tenants find post-reopening marketing support from the mall operator adequate or very good, with many tenants of the view that free parking was the largest draw of visitor traffic, followed by the giving of shopping vouchers. Tenants also offered other suggestions on marketing support such as offering vouchers to visitors for taking swab tests, allowing tenants to promote themselves on the mall's facilities like the LED screens, lifts and the marketing booths, creating community activities in the mall, organising a grand lucky draw and running social media campaigns.

PORTFOLIO-WIDE PANDEMIC SURVEY

2020, being the year of the Covid-19 pandemic, provided many new touchpoints between the Trust and its key stakeholders through the measures the Trust implemented to tackle the pandemic and prevent the spread of the virus. The Indonesia Health Ministry's implementation of large-scale social restrictions ("PSBB" - Pembatasan Sosial Berskala Besar) across various provinces to counter the spread of the virus has directly impacted the activities of the Trust's tenants and shoppers, through the temporary mall closures, reduced operating hours and movement restrictions. Across all the retail properties, the mall managers have put in place various measures to create a safe environment for shoppers to carry out their activities and to help tenants operate their business safely while providing support for them to cope with the disruptions.

As the fight against the pandemic is still ongoing, it is important to seek feedback from the ground on how has the Trust performed in managing the effects of the pandemic for shoppers and tenants, and what are the areas that require improvements. The Trust conducted a round of surveys with shoppers and tenants across the portfolio to obtain their feedback. The information collected is valuable and will be helpful towards formulating policies and measures in handling the pandemic and generating constructive dialogue between the mall management and their tenants and shoppers.

Here are the highlights of the survey results:

SHOPPER'S SURVEY

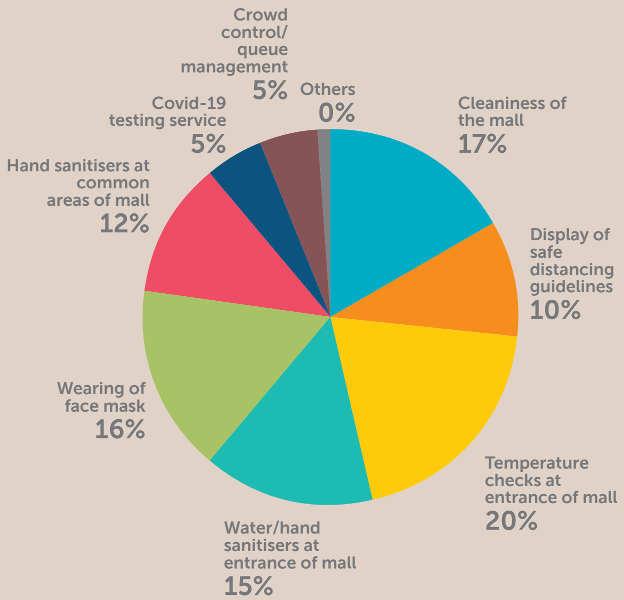
Number of respondents:

534 shoppers across

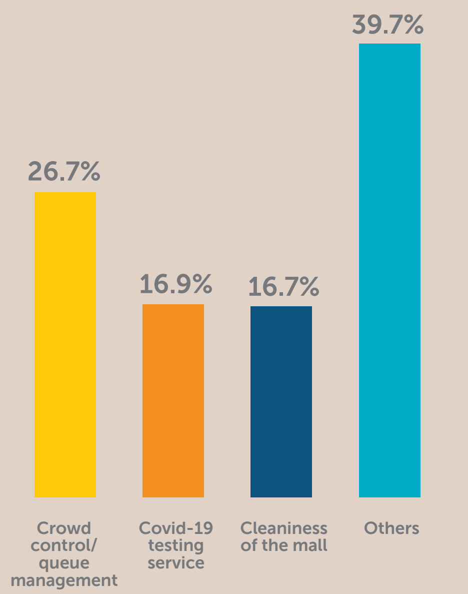
21 malls

85.9% of shoppers find the safety measures implemented by the malls adequate or very good.

What safety measures are you satisfied with?



Key safety measures shoppers are not satisfied with



PORTFOLIO-WIDE PANDEMIC SURVEY (CONT'D)

An overwhelming majority >98% of shoppers shared that they feel safe after the implementation of the safety measures and will return to shop at the malls.

To draw shoppers back into the malls, LMIR Trust's mall management has implemented various promotional initiatives. Shoppers were most pleased with the issuing of shopping vouchers (53.9% of votes) and the offering of free parking (29.8%). Some of the other promotional initiatives that shoppers were pleased with include freebies, provision of a dedicated drive-through area for goods collection, free souvenirs, movie tickets, F&B vouchers, big discounts and free-Wi-Fi.

TENANTS' SURVEY

Number of respondents:

154
(survey was conducted with a selected group of six malls)

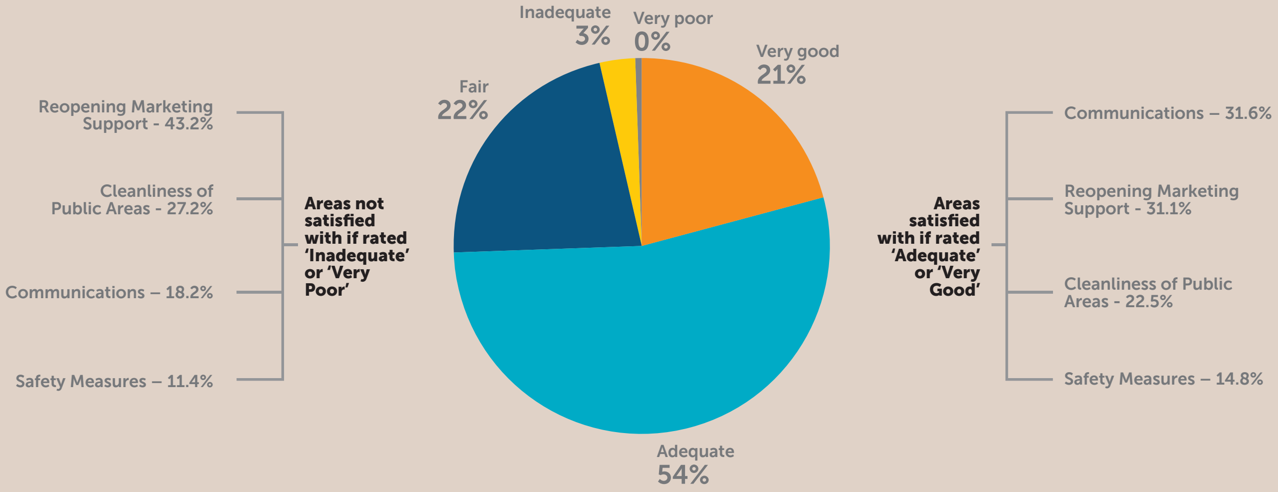
Breakdown of tenant sectors:

F&B
(36.4%)

FASHION
(32.5%)

OTHERS
(31.1%, of which there are 2 supermarkets and 2 departmental stores)

Overall, how would you rate the support given by the Trust/Mall Operator during the pandemic period?



SOCIAL

AREAS OF SUPPORT WHICH CAN BE IMPROVED
(Feedback from Tenants' Survey)

More marketing and promotional activities to draw more shoppers, given the impact of the pandemic on visitor traffic

Cleanliness of toilets can be improved and timely repair

Better pest control measures

Better building maintenance

Security measures could be improved to control the shopping crowd

Safety measures can be stepped up and perhaps 'safe shopping' can become a competitive advantage

Enhance communication platform to tenants about latest measures for timely deliverance of information

Step up promotions on social media because during the pandemic people spend more time on social media

Collaboration with key opinion leaders to increase mall traffic

Provide more resting areas for visitors to sit down and relax

Streamline tenant's request approval

Give more access for tenants to operate marketing booths on the ground floor

Provision of live music as a way to draw shoppers back to the mall

Improve the communication of mall operating hours to shoppers during PSBB

Better social distancing measures to be enforced in F&B spaces because it gets quite crowded frequently

Tenants and mall manager to jointly create more cashback promotions for shoppers

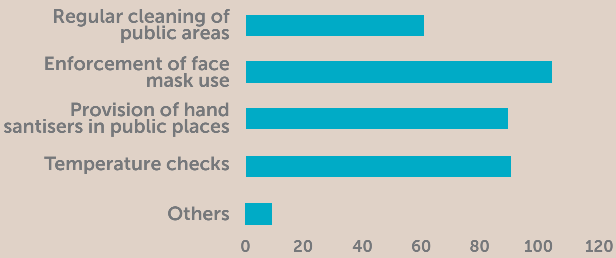
Offer a visible media platform for tenants to put up promotional ads in the mall, e.g. banners and billboards

PORTFOLIO-WIDE PANDEMIC SURVEY (CONT'D)

AREAS OF SUPPORT WHICH CAN BE IMPROVED (CONT'D)

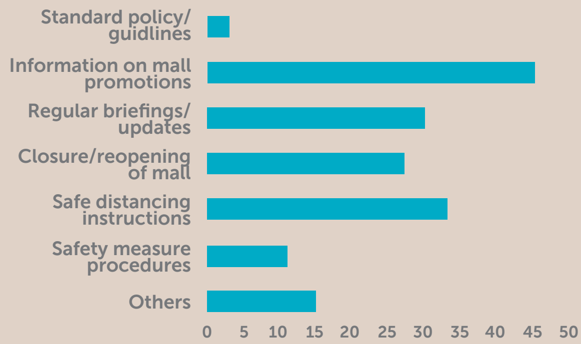
71.1% of tenant respondents rated the mall's safety measures as **'Adequate'** or **'Very Good'**.

Which safety measures that you are satisfied with?
(No. of response)



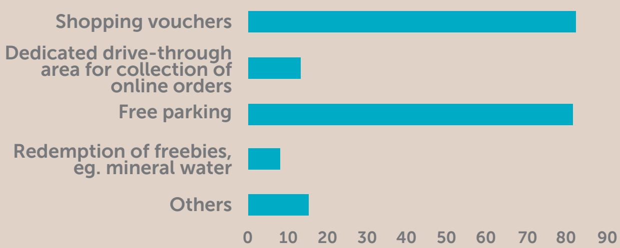
78.9% of tenant respondents rated the mall's level of communications as **'Adequate'** or **'Very Good'**.

Which area of communications do you find lacking?
(No. of response)



74.1% of tenant respondents rated the mall's post-reopening marketing support as **'Adequate'** or **'Very Good'**.

Which promotions do you think is most effective in bringing back shoppers?
(No. of response)



DIVERSE AND EQUAL OPPORTUNITY

OUR COMMITMENT

Employees are the core of our business operations and we are committed to creating a fair, equitable, harmonious, and conducive working environment for them. Embracing diversity and inclusivity regardless of age, religion, gender, race and nationality is the cornerstone of creating such an environment. The Manager recognises the immense value diversity brings to the business and believes that every employee is able to offer a significant value-add based on their unique background, talent, expertise and experience.

OUR APPROACH

To build a workforce that is diverse and provides equal opportunities, the Manager engages in fair employment practices that are aligned with the Tripartite Alliance for Fair Employment guidelines. Employees are selected on the basis of merit, focusing on skills, experience and ability, regardless of race, gender, age and nationality.

Fair Employment

Align practices with the Tripartite Alliance for Fair employment guidelines e.g. recruitment and selection of employees based on merit regardless of age, race, gender, religion, marital status and disability

Regulatory Compliance

Comply with labour laws and abide by the Tripartite guidelines on fair employment practices

Fair Rewards

Reward employees based on their ability, performance, contribution, and experience

Equal Growth Opportunity

Provide employees with equal opportunities for training and development to achieve their full potential

DIVERSE AND EQUAL OPPORTUNITY (CONT'D)

OUR PERFORMANCE

Workforce Snapshot

As at 31 December 2020, the Manager has 16 full time employees and 1 contract employee. There are no part time employees. 16 employees are based in Singapore and 1 employee is based in Indonesia. Employee turnover rate is low despite keen competition for talents in the real estate investment trust ("REIT") industry, and the Manager's fair employment practices and competitive remuneration have helped to retain existing talents and attract new employees. In addition, this has created a vibrant, motivated and qualified workforce that gives LMIR Trust a competitive edge.

In 2020, the Manager had two resignations and welcomed two new staff members. More than 50% of the employees have been with the organisation for more than three years. 71% of the Manager's workforce is aged between 30 and 49 with the remaining 29% below 30 years old. The employee demographics are illustrated in the charts below, based on Gender, Diversity and Age Profile.

MANPOWER BREAKDOWN

Gender

77% FEMALE

23% MALE

Ethnicity

15 CHINESE

1 OTHERS

1 INDIAN

Nationality

12 SINGAPOREAN

3 MALAYSIAN (PERMANENT RESIDENT)

1 FILIPINO

1 INDONESIAN

Age

71% 30-49 YEARS OLD

29% LESS THAN 30 YEARS OLD

EMPLOYEE TRAINING AND DEVELOPMENT

OUR COMMITMENT

The Manager believes that the continual learning and development of our employees is fundamental to building a successful organisation. We encourage our employees to pursue personal and professional development and are committed to investing the right resources to support their development process. As such, at the Manager level, employees are provided with a cohesive working environment and culture, adequate welfare benefits, as well as the appropriate job-related training to ensure they are better equipped with the necessary skills and knowledge to contribute effectively to the Manager's performance.

OUR APPROACH

Employee Growth Journey

We aim to create fulfilling careers for our employees in which they can grow both work-related skills and skills for personal growth. We view their career paths in a holistic manner and chart the various steps and milestones of their career journey accordingly.

We keep in close interaction with our employees to understand their respective directions and progresses. Performance appraisals are conducted for all employees where the respective heads of departments ("HODs") will discuss work performance with their teammates, including work responsibilities, job improvement areas as well as their career aspirations. The respective HODs will also propose salary recommendations.

Training and Development

To ensure that our employees have the capabilities and confidence to perform under different situations with excellence and to manage various challenges, we are committed to investing in employee training and development to build a competent, competitive and sustainable workforce.

To determine the type of training required for our employees to be adequately equipped with the foundational and functional competencies to perform their job, conducting a training needs analysis is the first step before employees are enrolled into the appropriate training programmes. We have created a culture of learning within the organisation and we constantly encourage our employees to look out for training or learning opportunities both locally and overseas to further enhance their knowledge and skills.

Fostering Teamwork

The Manager believes a culture of teamwork is derived from fostering engagement and communication with the employees. This can be achieved through a combination of events and communication channels. Company staff engagement events are typically organised throughout the year with the objective of interacting with our employees and providing team bonding opportunities. Work-From-Home arrangements due to the Covid-19 pandemic are also redefining the ways our employees collaborate and interact with each other.

Employee Wellness

The Manager aims to provide a working environment that is healthy, safe and beneficial to the well-being of its staff. As part of the Manager's employee wellness initiatives, we have organised our annual programmes centred on the concepts of mental, physical and emotional wellness for our staff.

OUR PERFORMANCE

Training and Development

6.6
AVERAGE HOURS OF TRAINING PER EMPLOYEE IN 2020

94%
TRAINING ATTENDANCE FOR EMPLOYEES

(based on every employee attending at least one training)

In 2020, our employees continued to attend training programmes on various topics such as Rules and Ethics, REITAS KPMG Webinar – Climate Related Risk Management and Disclosure, Singapore Budget, Principles of Making Good SGXNets Announcement, Impact of Covid-19 on Indonesia Business Continuity and Practical Legal Approach etc. However, due to the Covid-19 pandemic, training programmes were conducted online and training formats for our employees had to be adapted to Work-From-Home arrangements.

Attending these programmes allowed them opportunities to improve on their existing skills and knowledge and to remain relevant and updated for the ever-evolving REIT industry.

EMPLOYEE TRAINING AND DEVELOPMENT (CONT'D)

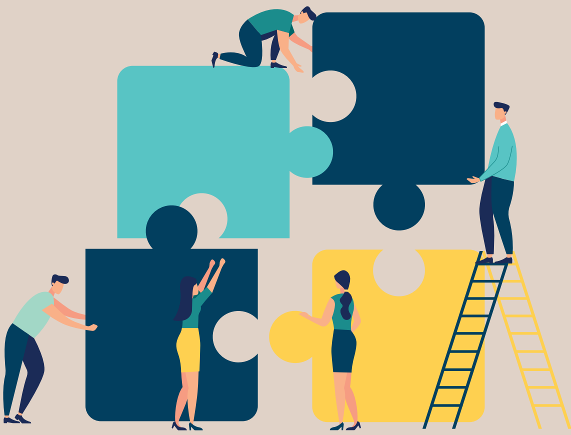
FOSTERING TEAMWORK

In 2020, the Manager continued to engage its staff through various staff engagement events, though the Work-From-Home arrangements meant several of the usual physical get-together activities had to be modified. Working from home also meant that communication channels had to be adapted to facilitate discussions and interactions.

Two company staff engagement events were organised in 2020, each with 90% participation rate. These included:

Chinese New Year Luncheon

The Chinese New Year lunch get-together was the only staff engagement activity in which employees physically attended. This was organised in January 2020 before the Circuit Breaker period.



Virtual Mid-autumn Festival

The mid-autumn festival gathering was modified into a virtual event. Everyone from the employees to the senior management to the Board of Directors attended the virtual event conducted via video-conferencing app, Zoom. As part of the event, one box of mooncakes was delivered to every staff member.

Christmas Log Cakes in place of Annual Christmas Lunch

Christmas log cakes were delivered to every staff during the festive period as we were unable to host our annual Christmas lunch.

EMPLOYEE WELLNESS

Our commitment to ensuring employee wellness was represented through the following initiatives and activities:

Work-life Balance

The 'Sunshine Friday' initiative was implemented in January to promote a better work-life balance for our employees. Heads of Departments were given the discretion to make the following arrangements with their staff having taken into consideration work exigencies plans: employees can take three hours off on one Friday every month, or they can take an hour off on every three Fridays, capped at three hours per month.

Well-being

In 2020, to help our employees alleviate the stress and uncertainty caused by the pandemic, and as part of our ongoing efforts to ensure the well-being of our workforce, our employees were gifted cash vouchers to either enjoy a staycation or a meal at Mandarin Orchard Hotel, allowing them an opportunity to bond with family and friends.

Healthy Diet

Due to the Work-From-Home arrangements, the Manager was unable to continue with the weekly fruit distribution activity during the year. As a way of encouraging staff to continue eating and staying healthy, care packages of fruit baskets and durians were delivered to our staff and their family members.

Sports

Our yearly marathon participation, which started in 2019 could not take place due to the pandemic and the restrictions on large-scale activities.

Flexible Benefits

We provide our employees with a wide range of life and medical insurance plans under the flexible benefits programme. Employees can complement their personal medical insurance coverage with those that we provide and also customise the benefits for their dependents.

Flexible Culture

The Manager believes in building an open and flexible culture. To do so, in 2020, we have adapted with the times and created a more flexible working culture through:

- FlexSpace - giving employees the option to either work from home or at the office
- FlexDress - allowing employees to dress appropriately and comfortably for their day during this period.
- FlexTime - giving our employees the freedom to manage their time on a flexible basis as long as they fall within the agreed working-hours.

CORPORATE GOVERNANCE

OUR COMMITMENT

The Manager observes the highest standard of corporate governance, which is vital to the sustainability of LMIR Trust and the interests of the Trust's diverse pool of stakeholders.

OUR APPROACH

Corporate Governance

The Manager ensures that the business of LMIR Trust is conducted in a proper and efficient manner, adhering to the principles and guidelines of the Code of Corporate Governance 2012 (the "CG Code") and other applicable laws and regulations, including the Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Manual ("Listing Manual"), the Code on Collective Investment Schemes (the "Code on CIS") and the Securities and Futures Act ("SFA").

A revised Corporate Governance Code was issued in August 2018 ("2018 Code"), with key amendments in areas including Board composition of independent directors, remuneration disclosures of the Board and key management personnel as well as stakeholders' engagement. In line with the recommendations of the Code, our revisions include:

- Audit & Risk Committee (ARC) Terms of Reference;
- Nomination & Remuneration Committee (NRC) Terms of Reference;
- Board and Board Committee Evaluation Form;
- Board Diversity Policy;
- Terms of Reference for Chairman, CEO and Lead Independent Director;
- Policy on the multiple directorships

For more details on LMIR Trust's corporate governance, please refer to pages 80 to 105 of this Annual Report.

Management Approach

The Board and management are dedicated in conducting business with integrity and business ethics consistently, ensuring that LMIR Trust complies with all relevant laws and regulatory requirements. This helps to set the tone at the top of the organisation, shaping a culture of responsibility among all employees.

Code of Business Conduct and Ethics

The Manager has an internal code of business conduct and ethics forming the Manager's business principles and practices on matters which may have ethical implications. The code provides a clear and concise framework for staff to observe the Manager's principles such as integrity and accountability at all levels of the organisation and in conducting their day-to-day work.

The code provides guidance on issues such as:

- Compliance with all relevant laws and regulations such as the Code of Corporate Governance 2018, SGX-ST Listing Manual and those of the Monetary Authority of Singapore
- Conflict of interests and the appropriate disclosures and reporting to be made
- The Manager's stance against bribery and corruption and the reporting guidelines of actual or suspected wrongdoing
- Adherence to the Manager's policy on Employee Conduct, Confidentiality, Personal Trading, Personal Data Protection and Whistle Blowing
- Compliance to guidelines on contracting with Associated Persons, related party transactions and outsourcing arrangements

OUR PERFORMANCE

In 2020, there were zero incidents of fraud and corruption across our business operations and the Manager will continue to maintain its target of zero incidents of bribery or corruption involving our Employees.

"The Company adopts a zero-tolerance approach to bribery and corruption of any form as reflected in this anti-bribery / anti-corruption policy.

This Policy applies to all employees, officers and directors of the Company ("Employees").

Consultants and all other service providers that perform services for or on behalf of the Company (collectively, "Associated Persons") are also expected to comply with this Policy."

LMIR Trust's Code of Conduct

REGULATORY COMPLIANCE

OUR COMMITMENT

Recognising that non-compliance with laws and regulations can have significant adverse impact on the Trust's reputation, business continuity and financial performance, high emphasis is placed on regulatory compliance in all our business operations and we have zero-tolerance for non-compliance. Through ensuring business continuity, we are safeguarding the interests of various stakeholders such as our Unitholders, employees, tenants and business partners.

OUR APPROACH

LMIR Trust and the Manager comply with applicable laws and regulations, including the Listing Manual, Code on CIS SFA and conditions of the Capital Markets Services Licence of the Manager issued by the Monetary Authority of Singapore, as well as the tax rulings issued by the Inland Revenue Authority of Singapore. As LMIR Trust owns retail property assets in Indonesia, it must also comply with the relevant laws and regulations in Indonesia.

The Manager has in place a set of relevant policies and procedures to ensure that regulations are observed. It achieves compliance through ensuring that its Board of directors are competent and well-informed in regulatory matters. This is achieved through a strong selection of directors who are professionals and business leaders with diverse backgrounds so that they possess the necessary mix of knowledge and expertise to tackle regulatory issues relating to the business. It also schedules the Board directors to attend update sessions, trainings or seminars so that they are well-informed of the latest regulatory changes which enable them to advise the Trust in various situations and minimise impact of such regulatory changes.

OUR PERFORMANCE

In 2020, we reported zero incidents of non-compliance with any relevant laws and regulations for which significant fines or non-monetary sanctions would be issued to the Manager for non-compliance. Moving forward, the Manager intends to maintain its record of zero non-compliance breaches.

BOARD GOVERNANCE

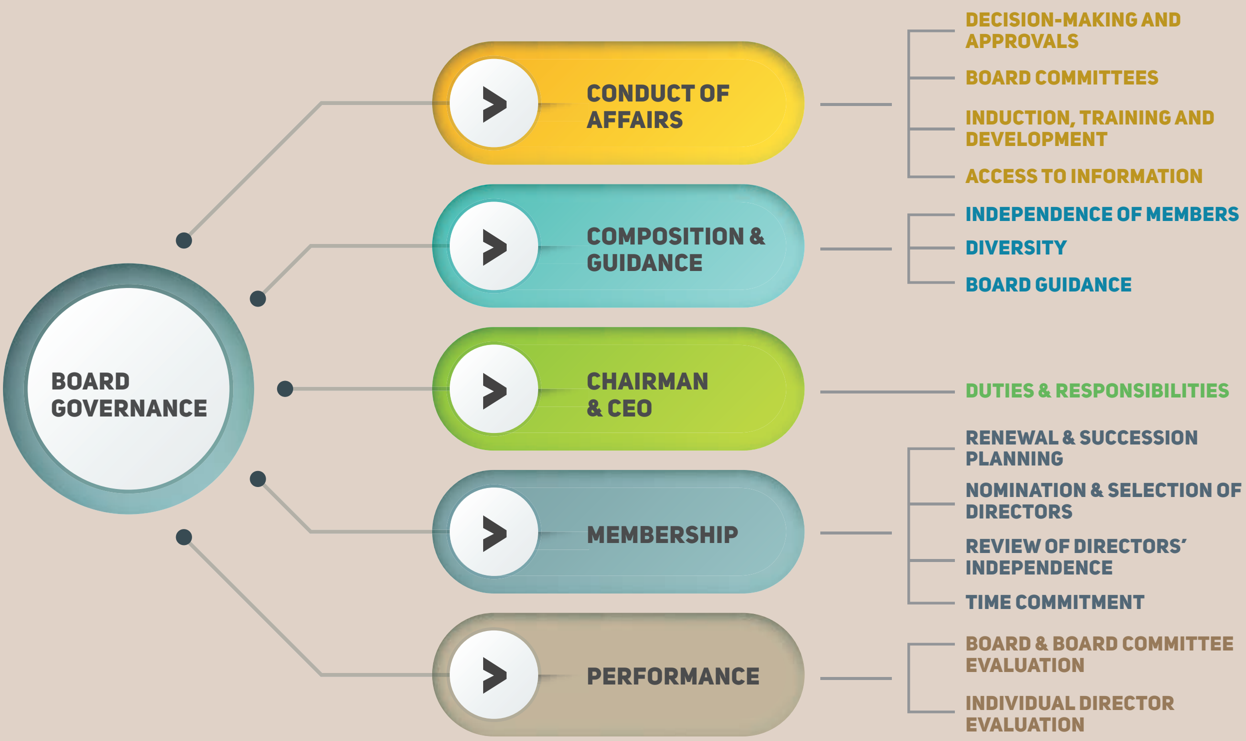
OUR COMMITMENT

The Board of the Manager, being a key decision-making and advisory body of the Trust, forms an integral part of its engine for growth and sustainability. The Manager is committed to ensure the Board fulfils various requirements so that it is able to perform its duties in the best interest of the Trust. These requirements include the diversity, independence, commitment and renewal of the board members. It is also committed to ensuring a robust system of training and development, decision-making and approval structure, as well as performance evaluation so that the Board is optimally effective in the discharge of its duties.

OUR APPROACH

The Manager governs the Board along a set of key pillars, which include the Board's conduct of affairs, Board composition and guidance, duties of the Chairman and Chief Executive Officer, Board membership and Board performance. For full details on LMIR Trust's board governance principles, policies and practices, please refer to pages 80 to 89 in the Corporate Governance section of this Annual Report.

An Overview of Board Governance and its Key Components



OUR PERFORMANCE

Selected performance indicators for FY 2020:

Meetings Attendance Record	• Board meetings (8 in total) – **100%** attendance • ARC meetings (4 in total) – **100%** attendance • NRC meetings (1 in total) – **100%** attendance • Annual General Meeting (1 in total) – **100%** attendance
Training & Development	• Completion of compulsory directors' training (by SID) for Chairman and CEO • Directors attended several seminars and conferences such as ACRA-SGX-SID Audit Committee Seminar 2020, REDAS Property Valuation Fundamental, Rules and Ethics, SID Director Conference etc
Board Diversity	• **3 out of 5** directors are independent • **1 out of 5** directors is female
Board Renewal	• **2** directors reached 9-year tenure in FY 2020 (Mr Lee Soo Hoon Phillip and Mr Goh Tiam Lock) • Both retired in July 2020 and two new independent directors were appointed – Mr Mark Leong Kei Wei and Mr Sandip Talukdar
Directors' Time Commitment	• **10 => 6**: Reduced maximum number of listed company board representations allowed for a director.

SUSTAINABILITY REPORT

ENVIRONMENTAL

CONSERVATION OF WATER AND ENERGY

OUR COMMITMENT

Being in the retail mall business, our business activities generate significant carbon footprint and usage of resources. Due to the wide range of stakeholders the Trust interacts with, including employees, co-partners, shoppers and tenants, the LMIR Trust has the potential to make a significant contribution towards fighting climate change and preserving the environment. While dealing with the Covid-19 pandemic was a key issue during 2020, LMIR Trust remained committed to doing its part for environmental protection and conserving the earth's precious resources, so as to achieve sustainability for the long term.

OUR APPROACH

Water and electricity usage constitute the key environmental footprint created by our properties. Across our retail properties, electricity is needed to run our lighting, air-conditioning units and other essential building features such as lifts, escalators and air handling units. Water is used in our common amenities as well as by various tenants.

We manage the usage of energy and water by tracking energy and water consumption at our properties since 2015, investing in energy-saving products and driving water use efficiency in our operations. Most of our malls have been installed with energy-saving Light Emitting Diode ("LED") lights and we are continuing with this installation at the rest of our properties. Regular maintenance for the air-conditioning and ventilation units is also scheduled to ensure optimal and efficient energy use.

OUR PERFORMANCE

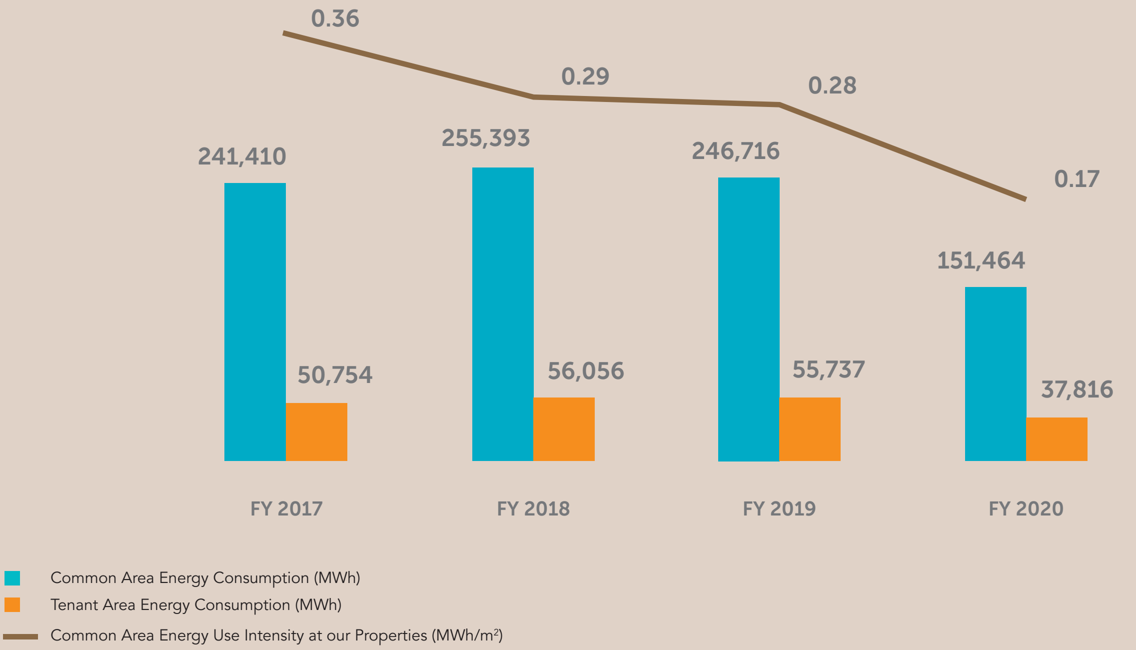
In FY 2020, we saw energy consumption and water consumption for the common areas of our portfolio declining 41.2% and 43.4% respectively. This was largely due to the temporary closure of our malls between March and June, conservation of energy and water due to shorter mall operating hours and the divestment of Pejaten Village in July and Binjai Supermall in August.

For our energy consumption, we will continue to conserve the usage of electricity with the move to replace all fluorescent lights in its malls to energy-saving LED lights.

Looking ahead, the Trust is working on achieving green certifications such as Greenship certification across LMIR Trust portfolio over coming years. Gajah Madah Plaza, which will be undergoing an asset enhancement initiative ("AEI") in 2021, has committed to make major changes to its M&E system to become more energy-efficient, following the AEI completion in 2023. The Trust is also exploring to provide electric vehicle charging stations within suitable malls.

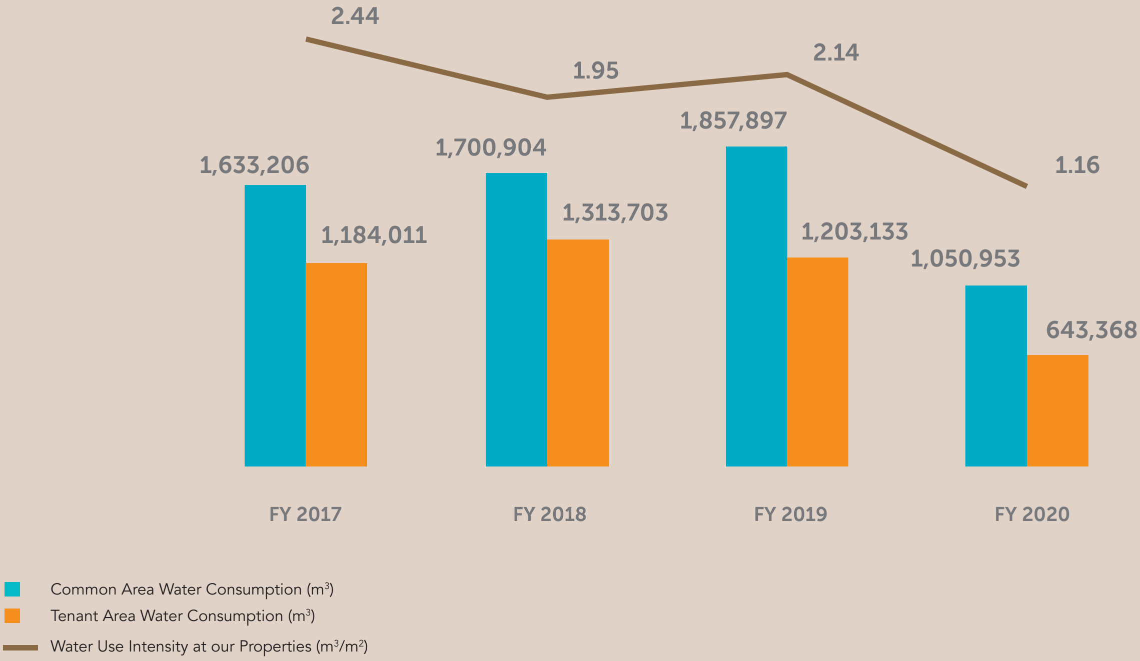
ENVIRONMENTAL

ENERGY CONSUMPTION



Note:
FY 2017 energy consumption excludes newly-acquired properties Lippo Plaza Kendari, Lippo Plaza Jogja and Kediri Town Square

WATER CONSUMPTION



Note:
FY 2017 water consumption excludes newly-acquired properties Lippo Plaza Kendari, Lippo Plaza Jogja and Kediri Town Square

GRI CONTENT INDEX

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Disclosure 102-2	Activities, brands, products, and services	About LMIR Trust , Page 1
Disclosure 102-3	Location of headquarters	Corporate Information, Page 40
Disclosure 102-4	Location of operations	Portfolio Overview, Page 22
Disclosure 102-5	Ownership and legal form	Trust Structure, Page 41
Disclosure 102-6	Markets served	Portfolio Overview, Page 22
Disclosure 102-7	Scale of the Organisation	Diverse and equal opportunity, Page 67
Disclosure 102-8	Information on employees and other workers	Diverse and equal opportunity, Page 67
Disclosure 102-9	Supply Chain	Not significant to report on.
Disclosure 102-10	Significant changes to the organisation and its supply chain	Not Applicable
Disclosure 102-11	Precautionary Principle or approach	Risk Management, Page 38
Disclosure 102-12	External initiatives	None
Disclosure 102-13	Membership of associations	REITAS
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Disclosure 102-15	Key impacts, risks, and opportunities	Board's Statement, Page 44
ETHICS AND INTEGRITY		
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Disclosure 102-17	Mechanisms for advice and concerns about ethics	Corporate Governance report, Page 80
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Disclosure 102-41	Collective bargaining agreements	No collective bargaining agreements are in place.
Disclosure 102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 48
Disclosure 102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 48
Disclosure 102-44	Key topics and concerns raised	Stakeholder Engagement, Page 48
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Disclosure 102-46	Defining report content and topic boundaries	About This Report, Page 43
Disclosure 102-47	List of material topics	Material Topics – At A Glance, Page 52
Disclosure 102-48	Restatements of information	None
Disclosure 102-49	Changes in reporting	None
Disclosure 102-50	Reporting period	About This Report, Page 43
Disclosure 102-51	Date of most recent report	This is Company's fourth sustainability report.
Disclosure 102-52	Reporting cycle	Annual
Disclosure 102-53	Contact point for questions regarding the report	Corporate Information, Page 40
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	About This Report, Page 43
Disclosure 102-55	GRI content index	GRI Content Index, Page 78
Disclosure 102-56	External assurance	Not sought

GRI STANDARD	DISCLOSURE TITLE	PAGE REFERENCE & REMARKS
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Disclosure 103-2	The management approach and its components	
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Disclosure 302-4	Reduction of energy consumption	
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Disclosure 405-1	Diversity of governance bodies and employees	Diverse and Equal Opportunity, Page 67 Board Governance, Page 74

CORPORATE GOVERNANCE REPORT

LMIRT Management Ltd (the "Manager" or "LMIRT Management") is appointed as the manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust") in accordance with the terms of the trust deed constituting LMIR Trust dated 8 August 2007, as amended or supplemented (the "Trust Deed"). The Manager is committed to upholding high standards of corporate governance in the business and operations of the Manager, LMIR Trust and its subsidiaries ("LMIR Trust Group") so as to protect the interest of, and enhance the value of Unitholders' investments in LMIR Trust.

LMIR Trust is a real estate investment trust ("REIT") listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Manager is an indirect wholly-owned subsidiary of PT Lippo Karawaci Tbk, the flagship company of diversified Indonesian conglomerate, Lippo Group, and sponsor to LMIR Trust.

The Manager is licensed under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") to conduct real estate investment trust management with effect from 6 May 2010 and its officers are authorised representatives.

The Manager has general powers of management over the assets of LMIR Trust. The Manager's key responsibility is to manage LMIR Trust's assets and liabilities for the benefit of Unitholders, with a focus on delivering a stable and sustainable distribution to Unitholders and, where appropriate, enhance the values of existing properties and increase the property portfolio over time.

The other functions and responsibilities of the Manager include preparing annual asset plans and undertaking regular individual asset performance analysis and market research analysis, managing finance functions relating to LMIR Trust (which include capital management, treasury, co-ordination and preparation of consolidated budgets) and supervising the property manager who performs the day-to-day property management functions for the properties of LMIR Trust.

The Manager ensures that the business of LMIR Trust is carried on and conducted in a proper and efficient manner, adhering to the principles, guidelines and recommendations of the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore ("MAS") on 6 August 2018 (the "2018 CG Code") and other applicable laws and regulations, including the Listing Manual of SGX-ST (the "Listing Manual"), the Code on Collective Investment Schemes issued by the MAS (the "CIS Code"), in particular, Appendix 6 of the CIS Code (the "Property Funds Appendix") and the SFA. The Manager is committed to good corporate governance as it believes that such self-regulation is essential in protecting the interests of Unitholders and is critical to the performance of the Manager.

This report sets out the Manager's corporate governance practices for the financial year ended 31 December 2020, with specific reference to the 2018 CG Code. Save for the provisions in relation to the disclosures of remuneration for CEO and Key Management Personnel, the Manager has complied with the principles and provisions of the 2018 CG Code in all material aspects.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1

The board of directors of the Manager (the "Directors", and the board of Directors, the "Board") is collectively responsible for the business affairs and long-term success of LMIR Trust and the Manager.

As the Board exercises stewardship of the Manager, it establishes values, standards and a code of conduct so that the Manager and its personnel conduct themselves at the highest professional and ethical standards in order to meet their obligations to Unitholders and other stakeholders. The code of conduct puts in place deals with issues such as compliance of laws, confidentiality, conduct and work discipline, conflicts of interest and anti-bribery/anti-corruption.

The Board has also reviewed and considered sustainability issues in the environment, social and governance aspects driving LMIR Trust's business. The Board is pleased to present LMIR Trust's sustainability report for the financial year ended 31 December 2020 ("FY 2020"). More information on the material sustainability issues are set out in the Sustainability Report on pages 42 to 79 of this Annual Report.

The Board is involved strategically in the business direction and establishment of performance objectives for both LMIR Trust and the Manager, financial planning, budget creation and monitoring, material operational initiatives, investment and asset enhancement initiatives, and financial and operational performance reviews. It establishes a framework of prudent risk management policies and procedures (covering different aspects of risk including operational, investment, credit and capital management) to enable the Manager and LMIR Trust to assess and address risks effectively to ensure LMIR Trust's assets and Unitholders' interests are safeguarded.

Board Approval

In addition to its statutory responsibilities, matters which require the Board's approval are as follows:

(1) all acquisitions, investments, disposals and divestments;

(2) unit issuances, distributions and other returns to Unitholders;

(3) corporate and financial restructuring;

(4) fund raising for new acquisitions and/or refinancing;

(5) approving and assessing LMIR Trust's/Manager's performance budgets;

(6) the adequacy of internal controls, risk management, financial reporting and compliance;

(7) assumption of corporate governance responsibilities; and

(8) matters which involve a conflict of interest for a controlling Unitholder or a Director.

The Board has a clear fiduciary duty to act in the interest of the Manager and LMIR Trust, and all Directors have been objectively discharging their duties and responsibilities at all times. The Directors are collectively and individually obliged to act honestly, with diligence, and in the best interest of the Manager. The Board has delegated certain responsibilities and limits for ease of operational efficiency (such as certain expenditure for regular maintenance of the properties and for expenses) to the Chief Executive Officer ("CEO")/Executive Director and the management team ("Management"). The Board continues, however, to maintain an oversight over such costs through regular reporting.

The Board has also examined the relationships or circumstances under which the Directors are involved and has confirmed that no such relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgment. The Board has put in place requirements that all Directors should disclose to the Board as and when any such relationship or circumstance arises. In the event of conflict of interest arising in respect of a matter under consideration by the Board, the Director concerned shall comply with disclosure obligations and shall recuse himself/herself from participating in the Board's deliberation and decision on the matter.

Board and Board Committees

The Board has established the Audit and Risk Committee ("ARC") and the Nominating and Remuneration Committee ("NRC") (collectively, the "Board Committees") with clear written terms of reference to assist it in the discharge of its functions. The compositions and duties of these committees are described in this CG Report. Membership of these Board Committees is managed to ensure an equitable distribution of responsibilities among Board members so as to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Each of these Board Committees operates and makes decisions on certain board matters under delegated authority from the Board with the Board retaining overall oversight. These Board Committees report their decisions and recommendations for the Board's final endorsement and approval.

On 13 April 2020, the Manager announced that it will continue with the quarterly reporting of LMIR Trust's financial results on a voluntary basis notwithstanding the amendments to the listing rules of the Listing Manual which came into effect on 7 February 2020 that LMIR Trust is no longer required by SGX-ST to perform quarterly reporting. Hence, the ARC and Board continues to conduct quarterly scheduled meetings.

If a Director is unable to attend a meeting, he/she will still receive all the papers and materials for discussion for that meeting for review. He/She will advise the Chairman of the Board or Board Committees or CEO on his/her views and comments on the matters to be discussed or to be conveyed to other members at the meeting. The constitution of the Manager permits the Directors to participate via teleconferencing or video conferencing, if necessary. Time is set aside for discussions amongst the Non-Executive Directors without the presence of Management at the end of each scheduled Board meeting. The Board and Board Committees may also make decisions by way of resolutions in writing. In addition to the meetings, the Directors have access to Management throughout the year, thereby allowing the Board continuous strategic oversight over the activities of LMIR Trust. A total of fourteen Board meetings were held in FY 2020. Additional board meetings on top of the quarterly meetings were held during the financial year under review to discuss LMIR Trust's budget, operations of the Trust's portfolio in light of Covid-19 pandemic, issuance of bond, rights issue as well as acquisitions and divestments.

The attendance record of the Directors at meetings of the Board and Board Committee meetings in FY 2020 is set out below:

Name of Directors	Board Meeting Attendance / No. of Meeting held	Audit and Risk Committee Meeting Attendance/No. of meetings held	Nominating and Remuneration Meeting Attendance/No. of meetings held	General Meeting Attendance/No. of meetings held
Mr Murray Dangar Bell	14/14	4/4	4/4	2/2
Ms Gouw Vi Ven	14/14	4/4(1)	4/4	2/2
Mr Goh Tiam Lock*	6/6	3/3	3/3	1/1
Mr Lee Soo Hoon, Phillip*	6/6	3/3	3/3(1)	1/1
Mr Liew Chee Seng James	14/14	4/4(1)	4/4(1)	2/2
Mr Mark Leong Kei Wei**	9/9	2/2(2)	1/1(1)	1/1
Mr Sandip Talukdar**	9/9	2/2(2)	1/1	1/1

Note:

* Resigned on 31 July 2020

** Appointed on 15 July 2020

(1) Attendance by invitation.

(2) Mr Mark Leong Kei Wei and Mr Sandip Talukdar attended an ARC meeting as an invitee before their appointment.

Induction, Training and Development

The Board and NRC place great emphasis on a proper induction and orientation of new Directors and continued training of existing Directors. Upon appointment, a Director is provided with a formal letter of appointment as well as information on matters relating to the role of a Director (including his/her role as executive, non-executive and independent director, as applicable). Newly appointed Directors are required to undertake an induction programme to familiarise themselves with the Manager's business and strategies. This includes meeting with the Board members and briefings by Management. Likewise, site visits are organised to familiarise Directors with LMIR Trust's properties and to facilitate better understanding of the operations of LMIR Trust and its subsidiaries. Mr Mark Leong Kei Wei and Mr Sandip Talukdar joined the Board during the financial year, however, site visits were not carried out due to travel restriction imposed in Indonesia in connection with the Covid-19 pandemic. The Manager would make the necessary arrangements for site visits for the newly-appointed director once the border restrictions are lifted.

For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will also attend the mandatory training courses organised by the Singapore Institute of Directors ("SID") or other training institutions, where appropriate, in connection with their duties. Both Mr Murray Dangar Bell and Mr Liew Chee Seng James who were appointed as Director in FY 2019 had completed the compulsory directors' training organized by SID in 2020. Arrangement had been made for Mr Sandip Talukdar who was appointed as Director during the financial year to attend the mandatory training by SID. He will be completing the mandated training within one year from the date of his date of appointment.

On an ongoing basis, Directors are also briefed on any changes to regulations, policies and accounting standards that affects LMIR Trust or have an important bearing on the Manager's or Directors' disclosure obligations during Board meetings or at specially-convened sessions by Management or relevant professionals. All Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Manager is supportive of the Directors' participation in relevant conferences and seminars, and will fund the Directors' attendance at any course or training programme in connection with their duties as Directors.

In FY 2020, the Directors attended several seminars and conferences such as the ACRA-SGX-SID Audit Committee Seminar 2020, REDAS Property Valuation Fundamental, Rules and Ethics, SID Director Conference, etc.

Access to Information

The Board is provided with complete, adequate and timely information through regular updates on financial results, market trends and business developments prior to any Board meeting and/or when necessary. Any material variances between the projections and actual results are disclosed and explained. Management provides timely, adequate and complete information to the Board relating to the Board affairs and matters requiring its decision or approval. Reports such as, but not limited to, the operations and financial performance of LMIR Trust, are likewise provided. Prompt communication to the Directors outside of Board meetings is made through several mediums such as email, teleconferencing and video conferencing.

The Manager's policy is to furnish the Directors with board papers at least one week prior to Board meetings in order to give them ample time to prepare for the Board meetings. This will enable them to peruse the contents of the reports and papers to be presented during the Board meetings and provide an opportunity for relevant questions and discussions to take place in the Board meeting. Proposals on certain corporate undertakings are likewise provided to the Directors prior to the Board meetings set for this purpose.

The appointment and removal of the Company Secretary of the Manager is a matter for the Board to decide as a whole. The Company Secretary (or his nominee) attends to corporate secretarial administration and corporate governance matters, attends all Board and Board Committee meetings and provides relevant and complete information to the Directors in a timely manner when requested. The Board has separate and independent access to Management and the Company Secretary at all times and vice versa.

The Board, whether individually or as a group, also has access to independent professional advice where appropriate, and at the Manager's expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2

The Board, through the NRC, periodically reviews the size, structure and composition of the Board, to ensure that the size of the Board is appropriate in fully discharging its functions and facilitating effective decision making for the Manager and that the Board has a strong independent element.

The Board presently consists of five Directors, of whom three (including the Chairman) are Independent Directors. In relation to gender diversity, one out of the five Directors is a female. Accordingly, more than half of the Board is made up of Independent Directors. There is a strong and independent element on the Board, capable of exercising objective judgement on corporate affairs independently of the LMIR Trust. The Board's views and opinions often provide different perspectives to the LMIRT Trust's business. No individual or small group of individuals dominates the Board's decision-making. There is no alternate director appointed. The Board comprises the following members:

Name of Directors	Nature of Designation	Appointment Date
Mr Murray Dangar Bell	Lead Independent Director, Chairman of the Board, Chairman of the NRC	Appointed as Lead Independent Director, ARC Member and NRC Member on 1 November 2019; Appointed as Chairman of the Board on 31 December 2019; and Appointed as Chairman of the NRC on 31 July 2020
Ms Gouw Vi Ven	Non-Executive Non-Independent Director	Re-designated from Executive Director to Non-Executive Non-Independent Director on 31 December 2019; and Appointed as NRC Member on 31 December 2019
Mr Mark Leong Kei Wei	Independent Director, Chairman of the ARC	Appointed as Independent Director on 15 July 2020; and Appointed as Chairman of the ARC on 31 July 2020
Mr Sandip Talukdar	Independent Director	Appointed as Independent Director on 15 July 2020; and Appointed as ARC Member and NRC Member on 31 July 2020
Mr Liew Chee Seng James	Executive Director and Chief Executive Officer ("CEO")	Appointed as Chief Executive Officer on 1 May 2019; and Appointed as Executive Director on 31 December 2019

The profiles of the Directors are set out on pages 16 to 19 of this Annual Report.

Independence

The Board, through the NRC, assesses the independence of each Director, on an annual basis based on a declaration provided, bearing in mind the 2018 CG Code's definition of an "independent director" and guidance as to the existence of relationships which would deem a Director not be independent, the Listing Manual as well as Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "SFLCB Regulations") (the "Enhanced Independence Requirements").

Under the 2018 CG Code, a Director who has no relationship with the Manager, its related companies, its 5% shareholders/unitholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of LMIR Trust, is considered to be independent. In addition, under the Enhanced Independence Requirements, an independent director is one who:

(i) is independent from any management and business relationship with the Manager and LMIR Trust;

(ii) is independent from every substantial shareholder of the Manager and every substantial Unitholder of LMIR Trust;

(iii) is not a substantial shareholder of the Manager or a substantial Unitholder of LMIR Trust; and

(iv) has not served on the Board for a continuous period of nine years or longer.

Based on a review of the relationships between the Directors, the Manager and LMIR Trust in accordance with the requirements of the Code and the Enhanced Independence Requirements, the Board has determined each of Mr Murray Dangar Bell, Mr Mark Leong Kei Wei and Mr Sandip Talukdar (1) has been independent from management and business relationships with the Manager and LMIR Trust, (2) has not been a substantial shareholder of the Manager or a substantial unitholder of LMIR Trust, and (3) has been independent from every substantial shareholder of the Manager and substantial unitholder of LMIR Trust.

The Board has determined Ms Gouw Vi Ven as non-independent by virtue that she held the appointment of Chief Executive Officer until 1 May 2019 and as an Executive Director until she was re-designated as Non-Executive Director on 31 December 2019.

Mr Liew Chee Seng James is determined as not independent by virtue of his CEO appointment.

None of the Directors have served on the Board for a continuous period of 9 years.

Board Diversity

The Board has put in place a Board Diversity Policy which sets out the approach to diversity of the Board. The Board Diversity Policy would be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. The Board, through NRC, aims to ensure that there is an optimal blend in the Board of background, experience, skills expertise, independence and knowledge in business, banking and finance, real estate and management skills critical to LMIR Trust's business and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interest of LMIR Trust.

The Board considers that the present composition of the Board and of each Board committee provides an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as age and gender, taking into account the nature and scope of the LMIR Trust's operations, requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees. The Board also considers the current size of the Board and of each Board committee ideal for effective debate and decision-making. The Directors bring with them a wide spectrum of industry knowledge and skills, experience in accounting, finance, business strategies, management expertise, real-estate based experience, knowledge of the LMIR Trust and objective perspective to effectively lead and direct the Trust.

Board Guidance

The Non-Executive and Independent Directors contribute to the board process by monitoring and reviewing Management's performance. For the financial year under review, the Non-Executive and Independent Directors have constructively challenged Management's proposals and decisions and reviewed Management's performance. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively. Given that the majority of the Directors are non-executive and independent, this enables Management to benefit from their external, diverse and objective perspectives on issues that are brought before the Board. It also enables the Board to work with Management through robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles between the Chairman and the CEO, provide a healthy professional relationship between the Board and Management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

Meeting of Directors without Management

The Non-Executive Directors would meet without the presence of Management or Executive Directors at each Board meeting. The Chairman of the Board who is also Non-Executive Director would feedback to the CEO on any concerns or feedbacks raised by Non-Executive Directors during such meeting.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

To maintain due accountability and capacity of the Board for independent decision making, the roles and responsibilities of the Chairman and the CEO are clearly segregated and held by different individuals. The Board has set out in writing the division of roles and responsibilities of the Chairman and CEO.

The Chairman of the Board is responsible for the leadership of the Board and to ensure overall effectiveness of the Board in discharging its duties. This includes setting the agenda of the Board in consultation with the CEO and promoting constructive engagement among the Directors as well as between the Board and CEO on strategic issues and discussions. The Chairman of the Board plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO on strategies. The Chairman of the Board ensures effective communication with Unitholders and leads discussions with them. He also takes a leading role in promoting high standards of corporate governance with the full support of the Directors and Management. The Chairman is not part of the Management.

The CEO, Mr Liew Chee Seng James has full executive responsibilities over the business directions and operational decisions of the Manager. He ensures that all approved strategies and policies, as set down by the Board, are fully implemented.

The Chairman of the Board and the CEO are not immediate family members. The separation of the roles of the Chairman of the Board and the CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitates robust deliberations on LMIR Trust's activities and the exchange of ideas and views to help shape the strategic process.

The current Chairman of the Board, Mr Murray Dangar Bell, is also the Lead Independent Director. The Lead Independent Director is available to Unitholders where they have concerns and for which contact through the normal channels of the CEO has failed to resolve or is inappropriate.

BOARD MEMBERSHIP

Principle 4

The NRC, which was established on 15 March 2016, comprises three members, a majority of whom (including the Chairman of NRC) are Independent Directors. As at the date of this Annual Report, the members are as follows:

Mr Murray Dangar Bell (Chairman) (Independent Director)
Ms Gouw Vi Ven (Member) (Non-Executive Non-Independent Director)
Mr Sandip Talukdar (Member) (Independent Director)

During the financial year under review, the NRC had 4 meetings.

The NRC makes recommendations to the Board on all appointments to the Board and Board Committees. The NRC seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience, gender and knowledge of the industry, and that the Directors, as a group, have the necessary core competencies relevant to LMIR Trust's business.

The NRC is guided by its term of reference. The key terms of reference which sets out its responsibilities, include:

(1) making recommendations to the Board on the appointment of Executive and Non-Executive Directors, including making recommendations on the size and composition of the Board taking into consideration the Board Diversity Policy and the balance between Executive and Non-Executive Directors as well as between Independent and Non-Independent Directors appointed to the Board;

(2) reviewing and recommending to the Board the training and professional development programmes for new and existing Directors;

(3) reviewing and making plans for succession of Directors, in particular, for the Chairman of the Board and CEO;

(4) determining annually, and as and when required, if a Director is independent;

(5) assessing the performance and effectiveness of the Board as a whole and the Board Committees and the contribution of each Director to the effectiveness of the Board proposing objective performance criteria for the Board's approval;

(6) recommending a general framework of remuneration for the board and key management personnel;

(7) reviewing and recommending to the Board the specific remuneration packages and terms of employment (where applicable) for each Director, CEO and key management personnel;

(8) reviewing the Manager's obligations to ensure that contracts of service of the CEO and key management personnel contain fair and reasonable termination clauses which are not overly generous.

Continuous Board Renewal and Succession Planning for the Board

In view that both Mr Lee Soo Hoon, Phillip and Mr Goh Tiam Lock had reached the nine years tenure during FY 2020 and in compliance with the 2018 CG Code and the Enhanced Independence Requirements, the Manager had procured the resignation of Mr Lee Soo Hoon, Phillip and Mr Goh Tiam Lock as Independent Director on 31 July 2020 and appointed Mr Mark Leong Kei Wei and Mr Sandip Talukdar as Independent Directors on 15 July 2020. This renewal has also taken into consideration the Board Diversity Policy.

When considering the appointment of Mr Mark Leong Kei Wei, the Board, through the NRC's recommendation, had considered his many years of experience in several corporate environment, namely audit firms, small medium enterprises, US-based multi-national corporation, a family office and listed companies, his experience in the capital and debts markets through various fund raising exercises and various C-suite and directorship roles with a number of listed companies in Singapore. With his proven track record, experience and expertise, the Board believes that he will complement with the existing skillset of the board members.

Mr Sandip Talukdar has over 20 years of experience in finance and investment banking. He was previously the Chief Financial Officer of the manager of Prime US REIT. Prior to this, he was the head of equity corporate finance for South East Asia for Standard Chartered Bank and co-head of corporate finance for South East Asia for Credit Suisse. He has also held positions in investment banking at Dresdner Kleinwort Wassertein and Merrill Lynch. He has extensive expertise in corporate finance and equity, debt and merger & acquisition transactions.

Renewal or replacement of Board members does not necessarily reflect their contributions to date but may be driven by the need to position and shape the Board in line with the evolving needs of LMIR Trust and the Manager. The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is under continuous review.

The Manager is of the view that the current Board member's collection of skills, experience and diversity meets the current needs of the Manager and LMIR Trust.

Nomination and Selection of Directors

The composition of the Board, including the selection of candidates for appointments as part of the Board's renewal process, is determined using the following principles:

(a) the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management, the property industry banking and finance;

(b) at least half of the Board should comprise Non-Executive Independent Directors. Where, among other things, the Chairman of the Board is not an Independent Director, at least half of the Board should comprise Independent Directors; and

(c) The prescribed factors under the Board Diversity Policy.

The NRC then taps on the Directors' resources for recommendations of potential candidates. Executive recruitment agencies may also be appointed to assist in the search process where necessary. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the NRC to assess them before a decision is made. As recommended by the NRC, a new Director can be appointed by way of a Board resolution.

In addition, as part of the regulatory requirements, the MAS also gives approval for any change of CEO or of any appointment of Director. Directors of the Manager are not subject to periodic retirement by rotation. The selection of candidates for appointment takes into account of various factors including the current and mid-term needs and goals of LMIR Trust and the Manager as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations.

Review of Directors' Independence

The NRC conducts an annual review of each director's independence and takes into consideration 2018 CG Code, the Listing Manual as well as Enhanced Independence Requirements. The NRC has ascertained that, save for Ms Gouw Vi Ven and Mr Liew Chee Seng James, all Directors are considered independent according to these criteria. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The Board has determined that a Director may hold a maximum of six listed company board representations. In respect of financial year under review, each Director is able to and has adequately carried out his/her duties as a Director of the Manager. Factors taken into account which include, but are not limited to, the Director's regular attendance at the Board meetings, prompt and efficient discharge of his/her duties and responsibilities and the ability to deliver on matters needing the Director's advice, proposal and recommendations. The Board and NRC are satisfied that all Directors have discharged their duties adequately for the financial year ended 31 December 2020 notwithstanding their multiple directorship where applicable and other principal commitments.

The profile and key information regarding the Directors such as academic and professional qualifications, list of the present and past directorships and chairmanships held over the last three years, and other principal commitments are found on pages 16 to 19 of this Annual Report.

BOARD PERFORMANCE

Principle 5

The Manager believes that board performance is ultimately reflected in the long-term performance of LMIR Trust.

Board and Board Committee Evaluation

The NRC undertakes a process to assess the effectiveness of the Board and its Board Committees. Directors are requested to complete a Board and Board Committees Evaluation Questionnaires to assess the overall effectiveness of the Board and the Board Committees. To ensure confidentiality, the Company Secretary compiles the Directors' responses to the Board and Board Committees Evaluation Questionnaires on a collective basis and present the results to the NRC. The results of the evaluation exercises are considered by the NRC which then makes recommendations to the Board aimed at helping the Board and Board Committees to discharge its duties more effectively. The Chairman of the NRC, will act on the results of the performance evaluation and in consultation with the NRC propose recommendations to be implemented to further enhance the effectiveness of the Board, where appropriate. As part of the assessment of the performance and composition of the Board for FY 2020, the Board, after taking into account the NRC's views, is satisfied that it has the appropriate size and mix of expertise and experience, taking into account the skills, experience, gender and knowledge of the Directors in the financial year, including the level of attendance and participation at Board meetings.

Board Performance Criteria

The NRC has in place appraisal criteria as agreed by the Board which includes an evaluation of the size and composition of the Board, the Board's conduct of affairs, internal controls and risk management, Board accountability and communication with top management and standards of conduct. These performance criteria shall not change from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the NRC and the Board shall justify its decision for the change. The Manager also has in place quantitative and qualitative key performance indicators to appraise the performance of the CEO/Executive Director.

Individual Director Evaluation

Individual Director self-assessment is also conducted to provide performance feedback which can help individuals to evaluate their own skills and performance as directors and motivate them to more effective contributors. The Board is cognizant that individual director evaluations are an important complement to the evaluation of a board's overall performance and the results of the Individual Director self-assessment are also compiled by the Company Secretary and discussed by the NRC.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6

LEVEL AND MIX OF REMUNERATION

Principle 7

DISCLOSURE ON REMUNERATION

Principle 8

The NRC has established a framework of remuneration for the Board and Management and also reviews and recommends to the Board the specific remuneration packages for each Director and key management personnel. In addition, the NRC helps to ensure that the remuneration payable is in line with the objectives of the remuneration policies. The NRC seeks to structure the remuneration of Management so as to link reward to the performance and long term success of LMIR Trust. This ensures that the interest of Management is aligned with the interest of the Unitholders. The NRC also considers all aspects of remuneration, including termination terms, to ensure they are fair. The remuneration of the Non-Executive Directors in the form of directors' fees is paid wholly in cash and the remuneration of the CEO and key management personnel in the form of salaries, annual bonuses and benefits in kind is also paid wholly in cash. There is no non-monetary remuneration in the form of stock options or Units paid to the Non-Executive Directors, CEO or the key management personnel for FY 2020.

The NRC, when required, has access to expert advice both within and outside the Company, on remuneration of directors.

Non-Executive Director Remuneration

The fee structure for Director's fees is as follows:

Committee	Structure	Remuneration (S$)
Board	Basic fee	60,000
	Chair fee	35,000
Audit & Risk Committee	Basic fee	12,500
	Chair fee	12,500
Nominating & Remuneration Committee	Basic fee	3,000
	Chair fee	5,000
Additional Meeting	Per Meeting	4,000
For offsite meetings only	Attendance fee on a per diem per day	1,000

As part of the annual review of the Non-Executive Director Remuneration Framework, the NRC has considered the level and range of non-executive directors' fees of S-REITs with market capitalisation S$250 million to S$500 million. Based on the annual review, the Board through the NRC, is satisfied that the Non-Executive Director's fee is in line and within the range of such S-REITs of comparable size and they are not overcompensated to the extent that their independence is compromised. The remuneration for each Non-Executive Director takes into account the relevant Director's contribution and responsibilities, including attendance and time spent at Board and Board Committee meetings. The current remuneration framework for the Non-Executive Directors remains unchanged from that of the previous financial year.

The following table shows the Directors' fees paid in the year ended 31 December 2020:

Name of Non-Executive Director	Total Remuneration (S$)
Mr Murray Dangar Bell[3]	175,118
Mr Lee Soo Hoon, Phillip[1]	87,660
Mr Goh Tiam Lock[2]	85,031
Ms Gouw Vi Ven[3]	111,760
Mr Mark Leong Kei Wei[4]	62,179
Mr Sandip Talukdar[5]	58,204
Total	579,952

Note:

(1) Mr Lee Soo Hoon, Phillip resigned on 31 July 2020 and his fee is pro-rated to his date of resignation. Included in his fee was an ex-gratia payment paid to him in recognition of his contribution during his tenure as Director of the Manager.

(2) Mr Goh Tiam Lock resigned on 31 July 2020 and his fee is pro-rated to his date of resignation. Included in his fee was an ex-gratia payment paid to him in recognition of his contribution during his tenure as Director of the Manager.

(3) Fee paid is inclusive of withholding tax.

(4) Mr Mark Leong Kei Wei was appointed as Independent Director on 15 July 2020 and was also appointed as the Chairman of the ARC on 31 July 2020. His fee is pro-rated to his date of appointment and office.

(5) Mr Sandip Talukdar was appointed as Independent Director on 15 July 2020 and was also appointed as member of the ARC and NRC on 31 July 2020. His fee is pro-rated to his date of appointment and office.

The NRC had recommended to the Board a total amount of S$498,884 as Directors' fees for the financial year ending 31 December 2021, to be paid quarterly in arrears. This recommendation had been endorsed by the Board and will be tabled for approval at the Manager's forthcoming AGM for shareholder approval.

Executive Director Remuneration

The Executive Director is also the CEO. The remuneration and terms of appointment of the Executive Director/CEO was negotiated and endorsed by the Board. The remuneration of the Executive Director/CEO comprised of a fixed salary, performance bonus and benefits in kind relating to payment of season parking and insurance premium for self and dependent by the Manager. The Executive Director does not receive any director's fees.

The performance bonus and annual increment are based on an annual appraisal. In particular, the performance bonus is linked to the stability and performance of the net property income, distributable amount and distribution per unit of LMIR Trust as compared to the preceding year and as such, it is in alignment with the performance of LMIR Trust and is in the interests of Unitholders. The key performance indicators for the Executive Director/CEO include but are not limited to, the following:

(i) unit price performance and distribution per unit yield for LMIR Trust;

(ii) containment of budgeted operational cost for LMIR Trust and the Manager;

(iii) effective and productive asset acquisitions from the Sponsor and third parties;

(iv) effective capital management including competitive cost of funds and fund raising fees, and effective exchange rate management for LMIR Trust;

(v) compliance with regulatory requirements; and

(vi) More active engagement with Unitholders.

For the avoidance of doubt, the Executive Director/CEO was not involved in the decision of the Board on his own remuneration.

The Manager is aware of the 2018 CG Code's requirement and the Notice to All Holders of a Capital Markets Service Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the SFA) to disclose the exact quantum of the remuneration of the CEO and the Directors. The Board has assessed and decided against the disclosure of the exact quantum of the Executive Director/CEO's remuneration and has instead disclosed his remuneration in bands of S$250,000. The Manager believes that such disclosure, together with the disclosure on the remuneration policies, the type of remuneration and the factors taken into account in linking performance of LMIR Trust to remuneration of the key management personnel set out below, is sufficient for providing transparency to Unitholders without prejudicing the interest of Unitholders. In view of the highly competitive REIT management industry, the Manager believes that opting not to disclose the exact quantum of the remuneration of the Executive Director/CEO will minimise the risk of potential staff movements and loss of key personnel which would cause undue disruptions to the management of LMIR Trust and which would not be in the interests of Unitholders. However, the Manager has decided to disclose the aggregate remuneration of the key management personnel of the Manager (including the Executive Director/CEO) found on page 93 of this Annual Report.

Remuneration of Key Management Personnel

The Manager's remuneration framework for key management personnel comprises fixed salary, performance bonuses and benefits in kind. The performance bonus and annual increment are based on an annual appraisal of each individual employee of the Manager. In particular, the performance bonus of the key management personnel is linked to their contribution to the performance of the net property income, distributable amount and distribution per unit of LMIR Trust as compared to the preceding year and, as such, is in alignment with the performance of LMIR Trust and is in the interests of Unitholders.

The 2018 CG Code requires the Manager to disclose the remuneration of the Manager's top five key management personnel (who are not Directors or CEO) on a named basis in bands of S$250,000 as well as the aggregate remuneration paid to the top five key management personnel (who are not Directors or CEO). In addition, pursuant to MAS' "Notice to All Holders of a Capital Markets Services Licence for Real Estate investment Trust Management" (Notice No: SFA4-N14), the Manager is required to disclose the remuneration of the CEO and each individual director on a named basis, and the remuneration of at least the top five key management personnel (which shall not include the CEO and key management personnel who are directors), on a named basis, in bands of S$250,000. The Manager may provide an explanation if it does not wish to or is unable to comply with such requirement. The Board has identified five key management personnel who have the authority and responsibility to assist the CEO in planning, directing and controlling the activities of the Manager. The Manager has decided (a) to disclose the Executive Director's (who is also the CEO) remuneration in bands of S$250,000 (instead of on a quantum basis), (b) not to disclose the remuneration of the key management personnel of the Manager in bands of S$250,000, and (c) to disclose the aggregate remuneration of all key management personnel of the Manager (including the Executive Director/CEO) for the following reasons:

(i) competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the exact remuneration of its Executive Director/CEO and Key Management Personnel as this may give rise to recruitment and talent retention issues as well as the risk of unnecessary key management turnover;

(ii) the composition of the current management team has been stable and to ensure the continuity of business and operations of LMIR Trust, it is important that the Manager continues to retain its team of competent and committed staff;

(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosure could be prejudicial to the interests of Unitholders; and

(iv) the remuneration of the CEO and Key Management Personnel are paid by the Manager and there is full disclosure of the total amount of fees paid to the Manager set out at page 93 of this Annual Report.

The components of the CEO's and the key management personnel's remuneration, comprising the fixed salary and performance bonus, the annual appraisal process and the factors which are taken into account in assessing performance of the CEO and key management personnel and which go towards determination of the performance bonus, including but not limited to, (in the case of the CEO) unit price performance and distribution per unit yield, containment of corporate and operation costs, effective and productive asset acquisitions from the Sponsor and third parties, effective capital management, compliance with regulatory requirements and active engagement with Unitholders, and (in the case of the key management personnel) improvement in the net property income, distributable amount and distribution per unit of LMIR Trust. The disclosure of these performance metrics show the relationship between the CEO's and the key management personnel's remuneration and the performance and long term value creation for LMIR Trust.

The Manager believes that there is sufficient transparency on the Manager's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8.

The level and mix of the remuneration of the Executive Director/CEO in the bands of S$250,000 are set out below:

Remuneration for Executive Director and Chief Executive Officer for FY 2020	Salary & AWS	Bonus	Allowance and Benefits[1]	Total
Between S$250,000 to S$500,000				
Mr Liew Chee Seng James	68%	28%	4%	100%
Below S$250,000				
Ms Gouw Vi Ven*				

Note:

* Stepped down as an Executive Director on 31 December 2019. Bonus paid to her is for FY 2019

Key Management Personnel (excluding Executive Director/CEO) For FY 2020	Salary & AWS	Bonus	Allowance and Benefits[1]	Total
Mr Wong Han Siang* Ms Ella Jia Ms Christina Lee** Mr Heng Shao Sheng Mr Cesar Agor	67%	8%	25%	100%
Aggregate Remuneration (including Executive Director & CEO)				**$1,554,796**

Note:

* Resigned on 31 July 2020

** Resigned on 5 May 2020

(1) The amount disclosed includes allowance, employer CPF, ex-gratia, notice in lieu, loss of office, annual leaves encashment, handphone allowance and benefits in kind such as professional membership, season parking and insurance premium for self and dependent etc.

There is no existing service agreement entered into by the Directors or key management personnel with the Manager that provides for benefits upon termination of appointment or post-employment. The Manager has also not set aside nor accrued any amounts to provide for pension, retirement or similar benefits for the Directors and key management personnel.

The Manager does not have any employee share or unit scheme and does not remunerate directors and key management personnel in the form of shares or interests in the Sponsor or its related entities or any other entities.

No remuneration consultants were engaged in FY 2020. The NRC may seek expert advice from remuneration consultants on remuneration matters, as and when necessary.

There were no employees of the Manager and its subsidiaries who are:

(i) a substantial shareholder of the Manager;

(ii) a substantial Unitholder of LMIR Trust; or

(iii) an immediate family member of

a. a Director;

b. the CEO;

c. a substantial shareholder of the Manager; or

d. a substantial Unitholder of LMIR Trust,

and whose remuneration exceeded S$100,000 in FY 2020.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9

Risk Management

Effective risk management is an integral part of LMIR Trust's business at both strategic and operations level. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and monitoring of the risk management and internal control systems. The ARC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies of LMIR Trust. The Manager has established an enterprise risk management ("ERM") framework and policies which have been approved by the Board that provide a more structured approach to identifying, reviewing and managing the key risks arising from management and operations of LMIR Trust's portfolio of assets. The ERM framework and policies are monitored and reviewed by the Board regularly and major developments or significant revisions to the ERM framework or policies will be submitted to the Board for approval.

The Board reviews the business risks of LMIR Trust, examines liability management and acts upon any comments from the Manager and the auditors of LMIR Trust. In assessing business risks, the Board considers the economic environment and risks relevant to the property industry. The Board reviews management reports and feasibility studies on individual projects prior to approving any major transactions. Management meets regularly to review the operations of the Manager and LMIR Trust and to discuss any risks relating to its assets and the management thereof.

The Manager maintains a risk register to track and monitor risks faced by LMIR Trust in the areas of strategic, operational, financial, compliance and information technology. The risk register is updated on a periodic basis and top-tier risks, as well as risk mitigation measures for top-tier risks, are reported to the ARC and the Board for review.

Internal Controls

The Company's internal auditor conducts independent reviews of the adequacy and effectiveness of the internal controls of the LMIR Trust Group and the Manager, including financial, operational, compliance and information technology controls addressing the key risks identified in the enterprise risk management framework. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditors in this respect.

In the course of the statutory audit, the Company's external auditor will highlight any material internal control weaknesses which have come to their attention in the course of carrying out their audit procedures, which are designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the ARC.

The Board has received assurance from the CEO and Financial Controller that, as at 31 December 2020, the financial records of LMIR Trust have been properly maintained, and the financial statements give a true and fair view of the LMIR Trust's operations and finances.

The Board has also received assurance from the CEO and Key Management Personnel that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020 to address the risks that the Manager considers relevant and material to LMIR Trust's operations.

Based on the internal controls established and maintained by LMIR Trust Group, work performed by the internal and external auditors, reviews performed by Management, the ARC and the Board as well as the assurances set out above, the Board, with the concurrence of the ARC, is of the opinion that LMIR Trust Group's present risk management systems and internal controls (including financial, operational, compliance and information technology controls), were adequate and effective as at 31 December 2020 to address risks which the Company considers relevant and material to the LMIR Trust Group's operations.

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute, assurance, that LMIR Trust Group, will not be adversely affected by any event that could be reasonably foreseen or anticipated, as it works to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

The Manager's approach to risk management and internal controls and the management of key business risks is set out in the "Risk Management" section of page 38 of this Annual Report.

AUDIT AND RISK COMMITTEE ("ARC")

Principle 10

The ARC comprises three members, all of whom (including the Chairman of the ARC) are Independent Directors. As at the date of this report, the members are as follows:

Mr Mark Leong Kei Wei (Chairman)
Mr Murray Dangar Bell (Member)
Mr Sandip Talukdar (Member)

The members of the ARC are appropriately qualified to discharge their responsibilities and have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment. None of the ARC members were previous partners or directors of the Company's external auditor, RSM Chio Lim LLP, within the last 24 months or hold any financial interest in the external auditor.

The ARC's responsibilities as set forth in its terms of reference include:

- reviewing significant financial reporting issues and judgements so as to ensure the integrity of financial statements and announcements on the Trust's financial performance, and making recommendations, if any, to the Board, and in particular, monitoring the integrity of the financial reports prepared by the Manager and reviewing the application and consistency of the accounting standards used;

- monitoring the procedures established to regulate Related Party Transactions (as defined herein), including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" (as defined therein) and the provisions of the Appendix 6: Investment Property Funds of the CIS Code ("Property Funds Appendix") relating to "interested party transactions" (as defined therein) (both such types of transactions constituting "Related Party Transactions");

- monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;

- reviewing arrangements by which whistle-blowers may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;

- reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the risk management and internal control systems (including financial, operational, compliance and information technology controls), and state whether the ARC concurs with the Board's comment on adequacy and effectiveness of the Company's internal controls and risk management systems;

- reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management;

- making recommendations to the Board on the appointment, re-appointment and removal of external auditors and approving the remuneration and terms of engagement of external auditors;

- reviewing, on an annual basis, the scope and result of the external audit, the independence and objectivity of the external auditors and where the external auditors also provide a substantial volume of non-audit services to LMIR Trust, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

- reviewing the adequacy, effectiveness, independence, scope and results of the Trust's internal audit by, *inter alia*, monitoring and assessing the role and effectiveness of the internal audit function, including the internal audit plans, activities, budget and resources;

- reviewing the assurances required under Provision 9.2 of the 2018 CG Code that the financial records have been properly maintained and the financial statements give a true and fair view of the Trust's operations and finances as well as the adequacy and effectiveness of risk management and internal control systems;

- meeting with external and internal auditors, without the presence of the executive officers of the Manager, at least on an annual basis;

- investigating any matters within the ARC's terms of reference, whenever it deems necessary; and

- reporting to the Board on material matters, findings and recommendations.

The ARC has the authority to investigate any matter within terms of reference, has full access to and co-operation from Management and has full discretion to invite any Director or executive officer of the Manager to attend its meetings. The ARC also has full access to reasonable resources to enable it to discharge its functions properly.

The ARC keeps abreast of changes to accounting standards and issues that may have a direct impact on financial statements by referring to the best practices and guidance in the Guidebook for Audit Committees in Singapore and the reports issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority.

In FY 2020, the ARC had:

(i) held four meetings during the year;

(ii) reviewed and approved the internal and external audit plans, including the nature and scope of work before commencement of these audits;

(iii) met with the internal and external auditors without the presence of Management, to discuss their findings as set out in their respective reports to the ARC. Both the internal and external auditors had confirmed that they had received the full co-operation of management and no restrictions were placed on the scope of audits;

(iv) reviewed and recommended to the Board, the quarterly and full-year financial statements and audit report;

(v) reviewed all services provided by the external auditors and were satisfied that the provision of such services did not affect their independence. The external auditors had also affirmed their independence in their report to the ARC;

(vi) reviewed Interested Person Transactions and Related Party Transactions on a quarterly basis;

(vii) reviewed and determined the adequacy and effectiveness of risk management and internal controls system, including financial, operational, compliance and information technology controls and made the requisite recommendation to the Board; and

(viii) reviewed the Manager's Risk Management Policy.

RSM Chio Lim LLP audited LMIR Trust and the Singapore subsidiaries. A member firm of RSM International, of which RSM Chio Lim LLP is a member, audited the foreign subsidiaries. LMIR Trust is in compliance with Listing Rules 712 and 715 of the SGX-ST Listing Manual.

The ARC has undertaken a review of all non-audit services provided by the external auditors in FY 2020, and is satisfied that the extent of such services would not affect the independence of the external auditors before confirming their re-nomination. The aggregate amount of audit fees payable to external auditors for FY 2020 was S$789,780, of which audit fees amounted to S$656,220 and non-audit fees amounting to S$133,560. In respect of the financial year under review, the external auditors have confirmed that they are in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics under the Accountants (Public Accountants) Rules of the Singapore Accountants Act and have affirmed their independence in this respect.

In the review of the financial statements for FY 2020, the ARC has discussed with Management and the external auditors on the key audit matters, which is included in the Independent Auditor's Report.

Key Audit Matters	How the ARC reviewed these matters and what decisions were made
Valuation of investment properties	The ARC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the investment properties. The valuation of investment properties was also an area of focus of the external auditor. The external auditor has included this item as a key audit matter in their audit of report for the financial year ended 31 December 2020. Please refer to the Independent Auditor's Report of this Annual Report. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties. No significant matter come to the attention of the Audit Committee in the course of the review, other than the valuation of investment properties being subject to significant estimate uncertainty given the constantly evolving impact from the Covid-19 pandemic. The ARC was satisfied with the valuation process, the methodologies used and the valuation of investment properties as adopted as at 31 December 2020.

The ARC, with the concurrence of the Board, had recommended the re-appointment of RSM Chio Lim LLP as the external auditors, which will be subject to approval of Unitholders at LMIR Trust's Annual General Meeting to be held on 21 April 2021.

Internal Audit

The internal audit function of the Manager is outsourced to KPMG Services Pte Ltd, a reputable accounting/auditing firm. The internal auditors will ensure that the internal audit function is carried out according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors by persons with the relevant qualifications and experience. The ARC approves the hiring, removal , evaluation and compensation of the internal auditors. The internal auditors report directly to the ARC. In line with the requirements under Rule 1207(10C) of the Listing Rules, following the review of the internal audit plan and the internal auditors' resources to conduct the internal audit plan, the internal auditors' objectivity in the assessment of issues and taking into account that the internal auditors have access to all the Company's documents, records, properties and personnel, including access to the ARC and having the co-operation of management, the ARC is satisfied with the independence of the internal auditors, and is of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the LMIR Trust Group.

In the financial year under review, the internal auditors have conducted audit reviews based on the internal audit plan approved by the ARC. They have full and unfettered access to the ARC and to all the documents, records, properties and personnel of the Manager. Upon completion of each audit assignment, they report their findings and recommendations to the Manager who would respond on the actions to be taken, before the audit report is submitted to ARC for deliberation and validation of the follow up actions taken.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES AND MANAGING STAKEHOLDERS RELATIONSHIPS

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

Principle 11

ENGAGEMENT WITH SHAREHOLDERS

Principle 12

The Manager is committed to treating all the Unitholders fairly and equitably and strives to uphold a strong culture of timely disclosure and transparent communication with Unitholders and the investing community. All Unitholders enjoy specific rights under the Trust Deed and the relevant rules and regulations. These include, among other things, the right to participate in profit or dividend distributions. Unitholders are also entitled to attend and vote at the general meetings of Unitholders and are accorded the opportunity to participate effectively.

The Manager provides Unitholders with quarterly and annual financial statements through the SGXNet. In presenting these financial statements to Unitholders, the Board aims to provide these Unitholders with a balanced, clear and understandable assessment of the Manager and LMIR Trust's performance, position and prospects on a quarterly basis. To achieve this, the Management provides the Board with management information and accounts as any Director may require from time to time in order to enable the Directors to keep abreast and make a balanced and informed assessment of LMIR Trust's financial performance, position and prospects. Other material information is also disseminated to Unitholders through announcements via SGXNet, press releases and LMIR Trust's website.

The Manager's disclosure policy requires timely and full disclosure of all material information relating to LMIR Trust by way of public releases or announcements through the SGX-ST via SGXNet at first instance and thereafter including the release or announcement on LMIR Trust's website at www.lmir-trust.com. When there is an inadvertent disclosure made to a selected group, the Manager will make the same disclosure publicly to all others as soon as practicable.

The Manager, through its Investor Relations Officer, also uses other channels of communication with Unitholders and investors to keep them informed regularly of corporate developments, such as:

- analysts' briefings on a quarterly basis;
- one-on-one/group meetings or conference calls on a quarterly basis, local/overseas non-deal specific roadshows;
- participation in forums and seminars organised by various financial institutions and attended by selected investors;
- responding to queries submitted to the Manager via electronic mail or telephone calls; and
- annual reports.

The list of investor activities for FY 2020 is disclosed on page 39 of this Annual Report.

The Board has taken active steps to solicit and understand the views of Unitholders by according them the opportunity to raise relevant questions on LMIR Trust's business activities, financial performance and other business matters and to communicate their views at the general meetings. We maintain a dedicated investor relations website http://lmir.listedcompany.com which provides comprehensive and updated information about LMIR Trust, as well as a dedicated IR email ir@lmir-trust.com to address all Unitholders' queries. All material information, corporate updates and quarterly financial results are posted in a timely manner on SGXNet and also on our dedicated investor relations website. The Directors, Chairmen of the Board Committees, representative(s) of the Trustee, external auditors, the Company Secretary, independent financial advisers, legal counsels and other professional advisers attend the annual or extraordinary general meetings to address Unitholders' queries. Unitholders are encouraged to participate in the question and answer sessions, whereby minutes of the proceedings, including any substantial queries raised by Unitholders in relation to the agenda and the accompanying responses from the Board and Management, are subsequently recorded, prepared and minuted. These minutes are made available to shareholders on the LMIR Trust's website.

Unitholders who are unable to attend general meetings can appoint up to two proxies to attend, participate and vote in general meetings on his/her behalf. Corporations providing nominee and custodial services can appoint more than two proxies to attend, participate and vote in general meetings on behalf of Unitholders who hold Units through such corporations. Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

The Manager conducts electronic poll voting for all the resolutions to be passed at general meetings of LMIR Trust for greater transparency in the voting process. An independent scrutineer firm is also present to validate the votes at each general meeting. The results of all votes for and against each resolution is tallied and instantaneously displayed at the meeting. The voting results are announced via SGXNet following each general meeting. There are separate resolutions at the general meetings on each substantially separate issue. Resolutions are not "bundled" unless resolutions are interdependent and linked so as to form one significant proposal.

LMIR Trust targets to provide sustainable distribution payouts. LMIR Trust current distribution policy is to distribute at least 90% of its tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received from the Singapore tax resident subsidiaries. The capital receipts comprise amounts received by LMIR Trust from redemption of redeemable preference shares in the Singapore subsidiaries. LMIR Trust's distributions are paid on a quarterly basis and for every dividend declaration made, Unitholders will be notified via an announcement made through SGXNet.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13

The Manager believes that engaging stakeholders is imperative for the success of LMIR Trust's performance. LMIR Trust has identified its stakeholders based on their impact on LMIR Trust's business and those with a vested interest in LMIR Trust's operations. LMIR Trust's stakeholders include investors, tenants and the local community. Through various engagement initiatives, LMIR Trust was able to strengthen its relationships with its stakeholders and obtain valuable feedback. The Manager also proactively communicates and engages with the investment community through investor conferences, non-deal roadshows ("NDR"), one-on-one meetings, tele-conferences and quarterly results briefings.

LMIR Trust maintains a dedicated investor website to communicate and engage with stakeholders which can be accessed at www.lmir-trust.com. Further details on how the Manager engages with its diverse stakeholders, their expectations and concerns, and how the Manager responds to them are detailed on page 39 (Investor Relations) as well as on page 42 (Company's Sustainability Report) of this Annual Report.

(E) ADDITIONAL INFORMATION

DEALING IN LMIR TRUST UNITS

The Board has adopted a code of conduct to provide guidance to its Directors and officers as well as the Manager on dealing in LMIR Trust's units ("Units"). A Director is required to give notice to the Manager of his/her acquisition of Units or changes in the number of Units he/she holds or in which he/she has an interest, within two business days after such acquisition or occurrence.

In general, the Manager's Personal Trading Policy permits Directors and employees of the Manager to hold Units but prohibits them and the Manager from dealing in such Units during the "closed" window period as follows:

(i) during the period commencing one month before the public announcement of LMIR Trust's full year results and (where applicable) property valuation and two weeks before the public announcement of LMIR Trust's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuation; and

(ii) on short term considerations or at any time whilst in possession of price sensitive information.

The Directors and employees of the Manager are expected to observe insider trading regulations at all times. The Manager issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealing in LMIR Trust units as set out above.

In addition, as part of its undertaking to MAS, the Manager has undertaken that it will not deal in the Units during the period commencing one month before the public announcement of LMIR Trust's full year results and where applicable, property valuation, and two weeks before the public announcement of LMIR Trust's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuation.

LMIR Trust announced on 3 February 2021 that its wholly-owned subsidiary, LMIRT Capital Pte Ltd had priced and allocated its US$200.0 million 7.50% Guaranteed Senior Notes due 2026 (the "Notes"). On 1 March 2021, LMIR Trust released its unaudited full year financial results for the financial year ended 31 December 2020. In satisfaction of Listing Rule 1207(19), LMIR Trust wishes to disclose that the Notes were priced within one month of the announcement of LMIR Trust's full year financial statements.

FEES PAYABLE TO THE MANAGER

Under the CIS Code where fees are payable out of the deposited property of a property fund, the methodology and justifications for each type of fees payable should be disclosed. The methodology for computing the fees payable to the Manager is contained in Clause 15 of the Trust Deed (as amended), details of which are disclosed under the Notes to Financial Statements.

Pursuant to Clause 15.1.3, 15.1.4, 15.1.5 and 15.2.1 of the Trust Deed, the Manager is entitled to (i) a base fee of 0.25% per annum of the value of the Deposited Property (excluding those authorised investments not in the nature of real estate, whether directly held by LMIR Trust or indirectly through one or more special purpose vehicles), (ii) an annual performance fee of 4.0% per annum of the Net Property Income (as defined in the Trust Deed) for each financial year (calculated before accounting for this fee in that financial year) (iii) an authorised investment management fee of 0.5% per annum of the investment value of such authorised investment, (iv) an acquisition fee of 1.0% on the acquisition price upon the completion of an acquisition and (v) a divestment fee of 0.5% on the sale price upon the completion of a divestment.

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 FY 2020, the breakdown of the management fees and frequency of payment is as follows:

	Group		LMIR Trust	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Base fee	3,795	5,107	3,725	5,037
Performance fee	3,054	7,048	3,054	7,048
Authorised Investment fee	159	62	159	62
Divestment fee	540	–	540	–
Total	7,548	12,217	7,478	12,147

In FY 2020, the Manager's performance fee is payable once a year after completion of the audited financial statements for the relevant financial year in arrears.

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 (excluding those authorised investments not in the nature of real estate) 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's 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 2020, LMIR Trust existing portfolio comprises 21 retail malls and 7 retail spaces spread over Indonesia with a combined gross floor area of 1,647,402 square metres and valuation of S$1,462.7 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. For FY 2020, the authorised investment management fees was 0.5%.

   Since August 2019, the Manager has been actively managing surplus funds via weekly placements with domestic banks to generate interest income for the Trust. Interest income for FY 2020 was S$2,374,000 compared to S$2,013,000 in prior year.

4. **Acquisition and divestment fees**

In line with the Manager's key objective of managing LMIR Trust for the benefit of Unitholders, the Manager regularly reviews its portfolio of properties and considers the acquisition and/or recycling of assets, where appropriate, to optimise its portfolio. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of acquisitions or divestments to LMIR Trust's existing portfolio and future growth expectations.

In undertaking a proposed acquisition, the Manager is expected to spend time and effort in conducting due diligence, structuring the acquisition, negotiating transaction documentation with the vendor, liaising with the valuers and working with the professional advisers and regulatory authorities to seek the necessary approvals from the regulators and/or Unitholders (where required). Similarly, in undertaking a proposed divestment, the Manager is expected to spend time and effort in negotiating with the prospective purchaser, structuring the divestment, liaising with the valuers and working with the professional advisers and regulatory authorities to seek the necessary approvals from regulators and/or the Unitholders (where required).

The Manager receives an acquisition fee of 1.0% on the acquisition price upon the completion of an acquisition, and a divestment fee of 0.5% on the sale price upon the completion of a divestment. The acquisition fee is higher than the divestment fee because there is additional work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for an acquisition, as compared to a divestment.

The acquisition and divestment fees seek to motivate and compensate the Manager for the time, cost and effort spent in sourcing, evaluating and executing potential opportunities to acquire new properties to further grow LMIR Trust asset portfolio (in the case of an acquisition) or, in rebalancing and unlocking the underlying value of the existing properties (in the case of a divestment). The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long- term returns, income sustainability and achieving the investment objectives of LMIR Trust.

As required by the Property Funds Appendix, where acquisition fees or divestment fees are to be paid to the Manager for the acquisition of assets from, or divestment of assets to, an interested party, the acquisition fees or divestment fees are to be paid in the form of units in LMIR Trust issued at the prevailing market price, which should not be sold for a period of one year from their date of issuance. This additional requirement for interested party acquisitions and divestments further aligns the Manager's interests with Unitholders.

DEALING WITH CONFLICT OF INTEREST

The Manager has instituted the following procedures to deal with potential conflicts of interest issues, which the Manager may encounter, in managing LMIR Trust:

- The Manager will not manage any other real estate investment trust which invests in the same type of properties as LMIR Trust;
- All executive officers will be employed by the Manager;
- All resolutions in writing of the Directors in relation to matters concerning LMIR Trust must be approved by a majority of the Directors, including at least one Independent Director;
- At least half of the Board shall comprise Independent Directors; and
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interest will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude the nominee Directors of the Sponsor and/ or its subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of LMIR Trust with a related party of the Manager, the Manager shall be obliged to consult a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that LMIR Trust has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors shall have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of LMIR Trust with a related party of the Manager and the Trustee may take any action it deems necessary to protect the rights of Unitholders and/or which is in the interest of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Manager has zero tolerance towards bribery and corruption. In addition to clear guidelines and procedures for giving and receipt of corporate gifts and concessionary offers, all employees of LMIR Trust are required to uphold the Manager's core values and not to engage in any corrupt or unethical practices. This is geared towards maintaining the value of integrity, in all the employees' dealings at work, to the highest standards.

As a further extension of its policy stance, the Manager requires that agreements entered into with third parties contain provisions against bribery and corruption.

WHISTLE BLOWING POLICY

The ARC has put in place procedures to provide employees of the Manager and external parties such as suppliers, customers, contractors and other stakeholders with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to LMIR Trust or the Manager, and for the independent investigation of any reports by employees or any third party and appropriate follow-up action. The aim of the whistle blowing policy is to encourage the reporting of such matters in good faith, with the confidence that a whistle-blower making such reports will be treated fairly, and to the extent possible, be protected from reprisal. Reports can be lodged via email at whistleblow@lmir-trust.com.

There were no whistle-blowing reports received by the ARC in the financial year under review.

RELATED PARTY TRANSACTIONS

The Manager has established procedures to ensure that all Related Party Transactions will be undertaken on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of LMIR Trust and Unitholders.

The Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuation from independent professional valuers (in accordance with the Property Funds Appendix).

The ARC reviews and approves all Related Party Transactions on a quarterly basis or, if the situation requires, as soon as the Related Party Transactions arise. In addition to the foregoing, the following procedures will be undertaken:

- for Related Party Transactions (either individually or aggregated during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of LMIR Trust's net tangible assets/net asset value, the ARC shall only give its approval for such transactions if they are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager;

- for Related Party Transactions (either individually or aggregated during the same financial year) equal to or exceeding 5% of the value of LMIR Trust's net tangible assets/net asset will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transactions from independent sources or advisers, including obtaining valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders; and

- aggregate value of Related Party Transactions entered into during the financial year under review will be disclosed in the Annual Report.

For Related Party Transactions entered into or to be entered into by the Trustee, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm's length basis and on normal commercial terms, are not prejudicial to the interests of LMIR Trust and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a Related Party Transaction. If the Trustee is to sign any Related Party Transaction contract, the Trustee will review the contract to ensure that it complies with the requirements relating to Related Party Transaction as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

ROLE OF THE AUDIT AND RISK COMMITTEE FOR RELATED PARTY TRANSACTIONS

All Related Party Transactions are subjected to regular periodic reviews by the ARC. The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of Unitholders.

The Manager maintains a register to record all Related Party Transactions (and the bases, including any quotations from unrelated third parties and independent valuations obtained to support such bases, on which they are entered into) which are entered into by LMIR Trust. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix have been complied with. The ARC will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control procedures and with the relevant provisions of the Property Funds Appendix and/or the Listing Manual. The review will include the examination of the nature of the transactions and its supporting documents or such other data deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, he is required to abstain from participating in the review and approval process in relation to that transaction.

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REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Lippo Malls Indonesia Retail Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of LMIRT Management Ltd (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 8 August 2007 (as amended by the first supplemental deed dated 18 October 2007, second supplemental deed dated 21 July 2010, first amending and restating deed dated 18 March 2016), supplemental deed of retirement and appointment of trustee dated 1 November 2017 and third supplemental deed dated 19 April 2018 (collectively the "Trust Deed") between the Trustee and the Manager in each annual financial reporting year and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year covered by these financial statements set out on pages 113 to 187 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
Perpetual (Asia) Limited

....
Sin Li Choo
Director

Singapore

26 March 2021

STATEMENT BY THE MANAGER

In the opinion of the directors of LMIRT Management Ltd (the "Manager"), the accompanying financial statements of Lippo Malls Indonesia Retail Trust (the "Trust") and its subsidiaries (the "Group") set out on pages 113 to 187, comprising the statements of total return, statements of distribution, statements of financial position and statements of changes in unitholders' funds of the Group and of the Trust, the statement of cash flows and statement of portfolio of the Group, and summary of significant accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio holdings of the Group as at 31 December 2020, and the total return, distributable income and changes in unitholders' funds of the Group and of the Trust and cash flows of the Group for the year then ended in accordance with the provisions of the Trust Deed and the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager
LMIRT Management Ltd

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Liew Chee Seng James
Director

Singapore

26 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Lippo Malls Indonesia Retail Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Trust and the statement of portfolio of the Group as at 31 December 2020, the statements of total return, statements of distribution, statements of changes in unitholders' funds of the Group and of the Trust, and the consolidated statement of cash flows of the Group for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, statement of distribution and statement of changes in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and portfolio holdings of the Group and the financial position of the Trust as at 31 December 2020 and the consolidated total return, consolidated distributable income, consolidated changes in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and changes in unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants ("ISCA").

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

Please refer to note 2A on accounting policies, note 2C on critical judgements, assumptions and estimation uncertainties, note 14 on investment properties, and the annual report on the section on the audit committee's views and responses to the reported key audit matter.

The Group owns a portfolio of investment properties comprising retail malls and retail spaces located within other malls in Indonesia. These investment properties are stated at their fair values based on independent external valuations.

KEY AUDIT MATTERS (CONT'D)

<u>Valuation of investment properties (cont'd)</u>

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used and the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, including contracted and future potential rental revenue, quality and condition of the properties, tenant covenants and yields. A small change in the assumptions can have a significant impact to the valuation.

Certain of the external valuation reports have highlighted estimation uncertainty arising from the Covid-19 pandemic and, consequently, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuations and values may change significantly and unexpectedly over a short period of time.

As part of our audit procedures, we evaluated the independence, objectivity and competency of the external valuers and read their terms of engagement to check whether there are matters that might have affected the scope of their work and their objectivity. The external valuers have considerable experience in the markets in which the properties are located.

In addition, using our internal valuation specialists, the audit team also assessed the valuation methodologies used by the external valuers.

The audit team tested the integrity of inputs of the projected cash flows used. The audit team also challenged the growth rates and discount rates used in the computations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors (including the impact of the Covid-19 pandemic). Where the rates were outside the expected range, the audit team undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with management and the external valuers.

Further, we also considered the disclosures in the financial statements which explain the inherent degree of subjectivity and key assumptions adopted in the valuations.

OTHER INFORMATION

LMIRT Management Ltd, the manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by ISCA, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

26 March 2021
Engagement partner – effective from year ended 31 December 2020

STATEMENTS OF TOTAL RETURN

YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Gross revenue	4	148,535	273,001	68,114	78,156
Property operating expenses	5	(72,178)	(96,796)	–	–
Net property income		76,357	176,205	68,114	78,156
Interest income		2,374	2,013	924	2,373
Other (losses)/income	6	(3,467)	–	(45)	359
Manager's management fees	7	(7,548)	(12,217)	(7,478)	(12,147)
Trustee's fees		(436)	(428)	(436)	(428)
Finance costs	8	(47,954)	(41,377)	(49,653)	(44,561)
Other expenses	9	(2,492)	(6,617)	(2,095)	(2,870)
Net income		16,834	117,579	9,331	20,882
Decrease in fair value of investment properties	14A	(193,597)	(65,329)	–	–
Decrease in fair value of investment properties held for divestment	14B	(18,508)	–	–	–
Impairment loss on investments in subsidiaries	16	–	–	(170,365)	(31,511)
Realised gains/(losses) on derivative financial instruments		495	(1,242)	495	(1,242)
Decrease in fair value of derivative financial instruments	28	(5,916)	(11,067)	(5,916)	(11,067)
Realised foreign exchange losses		(11,024)	(3,119)	(10,951)	(2,696)
Unrealised foreign exchange gains		5,628	5,965	2,279	8,010
Amortisation of intangible assets	15	(2,197)	(3,335)	–	–
Total (loss)/return before tax		(208,285)	39,452	(175,127)	(17,624)
Income tax expense	10	(21,920)	(25,952)	(140)	(371)
Total (loss)/return for the year		(230,205)	13,500	(175,267)	(17,995)
<u>Other comprehensive (loss)/return</u>					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations, net of tax		(42,251)	52,796	–	–
Total comprehensive (loss)/return		(272,456)	66,296	(175,267)	(17,995)
Total (loss)/return attributable to:					
Unitholders of the Trust		(247,974)	(4,220)	(193,036)	(35,715)
Perpetual securities holders		17,769	17,720	17,769	17,720
		(230,205)	13,500	(175,267)	(17,995)
Total comprehensive (loss)/return attributable to:					
Unitholders of the Trust		(290,225)	48,576	(193,036)	(35,715)
Perpetual securities holders		17,769	17,720	17,769	17,720
		(272,456)	66,296	(175,267)	(17,995)
		Cents	Cents		
Earnings per unit					
Basic and diluted	11	(8.49)	(0.15)		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF DISTRIBUTION

YEAR ENDED 31 DECEMBER 2020

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Total (loss)/return for the year	(230,205)	13,500	(175,267)	(17,995)
Add: Net adjustments (note A below)	233,454	54,750	178,516	86,245
Income available for distribution to Unitholders (note B below)	3,249	68,250	3,249	68,250
Distributions to Unitholders:				
Interim distributions paid during the year (note 12A)	8,698	49,756	8,698	49,756
Distribution to Unitholders for the quarter ended 31 December paid after end of year (note 12A)	3,042	15,094	3,042	15,094
	11,740	64,850	11,740	64,850
Unitholders' distribution:				
– As distribution from operations	–	43,112	–	43,112
– As distribution of Unitholders' capital contribution	11,740	21,738	11,740	21,738
	11,740	64,850	11,740	64,850
<u>Note A – Net adjustments</u>				
Decrease in fair value of investment properties, net of deferred tax	194,101	53,563	–	–
Decrease in fair value of investment properties held for divestment, net of deferred tax	17,093	–	–	–
Manager's management fees payable in units	2,629	7,048	2,629	7,048
Depreciation of plant and equipment	3,233	3,422	–	–
Decrease in fair value of derivative financial instruments	5,916	11,067	5,916	11,067
Unrealised foreign exchange gains	(5,628)	(5,965)	(2,279)	(8,010)
Amortisation of intangible assets	2,197	3,335	–	–
Amount reserved for distribution to perpetual securities holders	(17,769)	(17,720)	(17,769)	(17,720)
Capital repayment of shareholders' loans	–	–	11,740	21,738
Exchange differences arising from recognising dividend income	–	–	(154)	(230)
Impairment loss on investments in subsidiaries	–	–	170,365	31,511
Allocation of realised exchange differences to capital repayment of shareholders' loans	–	–	10,222	3,087
Net overseas income not distributed to the Trust	–	–	2,502	28,507
Other adjustments	31,682*	–	(4,656)	9,247
	233,454	54,750	178,516	86,245

<u>Note B</u>

For the year ended 31 December 2019, this include amount retained for general corporate and working capital purposes.

* Other adjustments represent a non-accounting adjustment to arrive at nil income available for distribution for the 3rd and 4th quarters of 2020.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Non-current assets					
Plant and equipment	13	7,637	10,255	–	–
Investment properties	14	1,459,360	1,696,813	–	–
Intangible assets	15	3,326	5,694	–	–
Investments in subsidiaries	16	–	–	1,238,919	1,463,831
Total non-current assets		1,470,323	1,712,762	1,238,919	1,463,831
Current assets					
Trade and other receivables	18	43,863	50,465	177,070	214,490
Other non-financial assets	19	13,047	15,967	1,379	949
Investment properties held for divestment	14	–	124,086	–	–
Cash and cash equivalents	20	108,923	109,726	30,711	5,312
Derivative financial instruments	28	442	–	442	–
Total current assets		166,275	300,244	209,602	220,751
Total assets		1,636,598	2,013,006	1,448,521	1,684,582
Non-current liabilities					
Deferred tax liabilities	10	7,861	11,475	–	–
Other financial liabilities	24	458,208	635,766	133,559	306,966
Other non-financial liabilities	25	79,550	103,910	–	–
Derivative financial instruments	28	15,518	13,671	15,518	13,671
Total non-current liabilities		561,137	764,822	149,077	320,637
Current liabilities					
Income tax payable		3,749	2,128	208	150
Trade and other payables	26	33,729	47,547	400,419	482,270
Other financial liabilities	24	219,042	74,858	218,590	–
Other non-financial liabilities	27	41,483	47,706	–	–
Derivative financial instruments	28	4,511	–	4,511	–
Total current liabilities		302,514	172,239	623,728	482,420
Total liabilities		863,651	937,061	772,805	803,057
Net assets		772,947	1,075,945	675,716	881,525
Represented by:					
Unitholders' funds	21	509,329	816,298	412,098	621,878
Perpetual securities	23	263,618	259,647	263,618	259,647
Net assets		772,947	1,075,945	675,716	881,525
Net asset value per unit attributable to Unitholders (in cents)	21	17.40	28.20	14.08	21.48

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2020

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Unitholders' funds				
At beginning of year	816,298	819,564	621,878	709,435
Operations				
Total (loss)/return for the year	(230,205)	13,500	(175,267)	(17,995)
Less: Amount reserved for distribution to perpetual securities holders	(17,769)	(17,720)	(17,769)	(17,720)
Net decrease in net assets resulting from operations attributed to Unitholders	(247,974)	(4,220)	(193,036)	(35,715)
Unitholders' contribution				
Manager's management fees settled in units	7,048	6,599	7,048	6,599
Change in net assets resulting from creation of units	7,048	6,599	7,048	6,599
Distributions (note 12)	(23,792)	(58,441)	(23,792)	(58,441)
Total net assets before movements in foreign currency translation reserve and perpetual securities	551,580	763,502	412,098	621,878
Foreign currency translation reserve*				
Net movement in other comprehensive (loss)/return	(42,251)	52,796	–	–
At end of year	509,329	816,298	412,098	621,878
Perpetual securities				
At beginning of year	259,647	259,647	259,647	259,647
Amount reserved for distribution to perpetual securities holders	17,769	17,720	17,769	17,720
Distributions to perpetual securities holders	(13,798)	(17,720)	(13,798)	(17,720)
At end of year	263,618	259,647	263,618	259,647
Net assets	772,947	1,075,945	675,716	881,525

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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Group	
	2020 $'000	2019 $'000
Cash flows from operating activities		
Total (loss)/return before tax for the year	(208,285)	39,452
Adjustments for:		
Interest income	(2,374)	(2,013)
Interest expense and other related costs	44,601	37,485
Amortisation of borrowing costs	3,353	3,892
Depreciation of plant and equipment	3,233	3,422
Amortisation of intangible assets	2,197	3,335
Decrease in fair value of investment properties held for divestment	18,508	–
Decrease in fair value of investment properties	193,597	65,329
Fair value loss on derivative financial instruments	5,916	11,067
Unrealised foreign exchange gains	(5,628)	(5,965)
Loss on disposal of plant and equipment	148	–
Manager's management fees payable in units	2,629	7,048
Operating cash flows before changes in working capital	57,895	163,052
Trade and other receivables	5,245	(10,809)
Other non-financial assets	2,617	6,381
Trade and other payables	2,021	11,051
Other non-financial liabilities, current	(4,923)	6,581
Net cash flows from operations before tax	62,855	176,256
Income tax paid	(23,913)	(39,471)
Net cash flows from operating activities	38,942	136,785
Cash flows from investing activities		
Divestment of investment properties held for divestment	108,152	–
Capital expenditure on investment properties	(7,546)	(16,218)
Capital expenditure on investment properties held for divestment	(2,951)	–
Purchase of plant and equipment	(1,897)	(2,794)
Interest received	2,374	2,013
Net cash flows from/(used in) investing activities	98,132	(16,999)
Cash flows from financing activities		
Repayment of bank borrowings	–	(295,000)
Repayment of notes issued under EMTN	(75,000)	–
Proceeds from bank borrowings	44,000	–
Net proceeds from bond issuance	–	333,056
Distributions to unitholders	(23,792)	(58,441)
Distributions to perpetual securities holders	(13,798)	(17,720)
Other financial liabilities, current	(81)	(68)
Other non-financial liabilities, non-current	(21,867)	11,964
Interest paid	(44,601)	(37,485)
Cash restricted in use for bank facilities	1,181	3,416
Net cash flows used in financing activities	(133,958)	(60,278)
Net increase in cash and cash equivalents	3,116	59,508
Cash and cash equivalents at beginning of year	105,765	45,299
Effect of exchange rate fluctuations on cash held	(2,738)	958
Cash and cash equivalents at end of year (note 20)	106,143	105,765

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2020

Indonesia retail malls

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
1. Gajah Mada Plaza	Jalan Gajah Mada 19-26 Sub-District of Petojo Utara, District of Gambir, Regency of Central Jakarta, Jakarta-Indonesia	19 November 2007	79,830
2. Cibubur Junction	Jalan Jambore No.1 Cibubur, Sub-District of Ciracas, Regency of East Jakarta, Jakarta-Indonesia	19 November 2007	66,935
3. The Plaza Semanggi	Jalan Jenderal Sudirman Kav.50, Sub-District of Karet Semanggi, District of Setiabudi, Regency of South Jakarta, Jakarta-Indonesia	19 November 2007	155,122
4. Mal Lippo Cikarang	Jalan MH Thamrin, Lippo Cikarang, Sub-District of Cibatu, District of Lemah Abang, Regency of Bekasi, West Java-Indonesia	19 November 2007	39,604
5. Lippo Plaza Ekalokasari Bogor	Jalan Siliwangi No. 123, Sub-District of Sukasari, District of Kota Bogor Timur, Administrative City of Bogor, West Java-Indonesia	19 November 2007	58,859
6. Bandung Indah Plaza	Jalan Merdeka No. 56, Sub-District of Citarum, District of Bandung Wetan, Regency of Bandung, West Java-Indonesia	19 November 2007	75,868
7. Istana Plaza	Jalan Pasir Kaliki No. 121 – 123, Sub-District of Pamoyanan, District of Cicendo, Regency of Bandung, West Java-Indonesia	19 November 2007	47,533

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Tenure of land	Last valuation date	Fair value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %	Fair value at 31 December 2019 $'000	Percentage of net assets at 31 December 2019 %
Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040	31 December 2020	65,902	8.5	77,524	7.2
Build, Operate and Transfer ("BOT") scheme, expires on 28 July 2025	31 December 2020	22,736	2.9	30,967	2.9
BOT scheme, expires on 31 March 2054	31 December 2020	83,239	10.8	98,443	9.1
HGB title, expires on 5 May 2023	31 December 2020	66,572	8.6	72,881	6.8
BOT scheme, expires on 27 June 2032	31 December 2020	30,725	4.0	34,606	3.2
BOT scheme, expires on 31 December 2030	31 December 2020	55,466	7.2	68,924	6.4
BOT scheme, expires on 17 January 2034	31 December 2020	49,688	6.4	58,758	5.5

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	167,000
9. Pluit Village	Jalan Pluit Indah Raya, Sub-District of Pluit, District of Penjaringan, City of North Jakarta, Province of DKI Jakarta, Indonesia	6 December 2011	150,905
10. Plaza Medan Fair	Jalan Jendral Gatot Subroto, Sub-District of Sekip, District of Medan Petisah, City of Medan, Province of North Sumatera, Indonesia	6 December 2011	141,866
11. Palembang Square Extension	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia	15 October 2012	23,825
12. Lippo Plaza Kramat Jati	Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province, Indonesia	15 October 2012	65,446
13. Tamini Square	Jalan Raya Taman Mini Pintu 1 No.15, Pinang Ranti Sub District, Makasar Distrik, East Jakarta Region, DKI Jakarta Province, Indonesia	14 November 2012	18,963
14. Palembang Square	Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatra Province, Indonesia	14 November 2012	50,000
15. Lippo Mall Kemang	Jalan Kemang VI, Bangka Sub District, Mampang Prapatan District, South Jakarta, DKI Jakarta Province, Indonesia	17 December 2014	150,932

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Tenure of land	Last valuation date	Fair value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %	Fair value at 31 December 2019 $'000	Percentage of net assets at 31 December 2019 %
HGB title, expires on 24 November 2032	31 December 2020	191,937	24.8	219,073	20.4
BOT scheme, expires on 9 June 2027	31 December 2020	63,101	8.2	78,993	7.3
BOT scheme, expires on 23 July 2027	31 December 2020	86,433	11.2	99,799	9.3
BOT scheme, expires on 25 January 2041	31 December 2020	25,648	3.3	28,486	2.6
HGB title, expires on 24 October 2024	31 December 2020	52,837	6.8	64,007	5.9
Strata title constructed on HGB title common land, expires on 26 September 2035	31 December 2020	24,558	3.2	27,227	2.5
Strata title constructed on HGB title common land, expires on 1 September 2039	31 December 2020	64,731	8.4	71,507	6.6
Strata title constructed on HGB title common land, expires on 28 June 2035	31 December 2020	212,419	27.5	258,606	24.0

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Indonesia retail malls (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
16. Lippo Plaza Batu	Jalan Diponegoro RT. 07 RW. 05, Sub District of Sisir, District of Batu, City of Batu, Province of East Java, Indonesia	7 July 2015	34,340
17. Palembang Icon	Jalan POM IX, Sub District of Lorok Pakjo, District of llir Barat I, City of Palembang, Province of South Sumatra, Indonesia	10 July 2015	50,889
18. Lippo Mall Kuta	Jalan Kartika Plaza, Sub District of Kuta, District of Kuta, Regency of Badung, Province of Bali, Indonesia	29 December 2016	48,467
19. Lippo Plaza Kendari	Jalan MT Haryono No.61-63, Kendari, South East Sulawesi 93117, Indonesia	21 June 2017	34,784
20. Lippo Plaza Jogja	Jalan Laksda Adi Sucipto No.32-34, Yogyakarta, Indonesia	22 December 2017	66,098
21. Kediri Town Square	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java, Indonesia	22 December 2017	28,688
22. Pejaten Village*	Jalan Warung Jati Barat No.39, Jati Padang Sub District, Pasar Minggu District, South Jakarta Region, DKI Jakarta Province, Indonesia	20 December 2012	91,749
23. Binjai Supermall*	Jalan Soekarno Hatta No.14, Timbang Langkat Sub District, East Binjai District, Binjai City, North Sumatra Province, Indonesia	28 December 2012	44,153

* The fair value of investment properties held for divestment as at 31 December 2019 were based on the sales consideration in the conditional sale and purchase agreements entered into by the Group on 30 December 2019. The malls were divested on 30 July 2020 and 3 August 2020 respectively.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Tenure of land	Last valuation date	Fair value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %	Fair value at 31 December 2019 $'000	Percentage of net assets at 31 December 2019 %
HGB title, expires on 8 June 2031	31 December 2020	21,870	2.8	25,698	2.4
HGB title, BOT scheme, expires on 30 April 2040	31 December 2020	66,892	8.7	74,801	7.0
HGB title, expires on 22 March 2037	31 December 2020	65,666	8.5	76,339	7.1
BOT scheme, expires on 7 July 2041	31 December 2020	32,015	4.1	34,021	3.2
HGB title, expires on 27 December 2043	31 December 2020	48,304	6.2	53,303	5.0
HGB title, expires on 12 August 2024	31 December 2020	35,175	4.6	40,537	3.8
HGB title, expires on 3 November 2027	–	–	–	96,636	9.0
HGB title, expires on 2 September 2036	–	–	–	27,450	2.5

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)
AS AT 31 DECEMBER 2020

Indonesia retail spaces

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
1. Mall WTC Matahari Units	Jalan Raya Serpong No.39, Sub-District of Pondok Jagung, District of Serpong, Regency of Tangerang, Banten-Indonesia	19 November 2007	11,184
2. Metropolis Town Square Units	Jalan Hartono Raya, Sub-District of Cikokol, District of Cipete, Regency of Tangerang, Banten-Indonesia	19 November 2007	15,248
3. Depok Town Square Units	Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Depok, Regency of Depok, West Java-Indonesia	19 November 2007	13,045
4. Java Supermall Units	Jalan MT Haryono, No. 992-994, Sub-District of Jomblang, District of Semarang Selatan, Regency of Semarang, Central Java-Indonesia	19 November 2007	11,082
5. Malang Town Square Units	Jalan Veteran No. 2, Sub-District of Penanggungan, District of Klojen, Regency of Malang, East Java-Indonesia	19 November 2007	11,065

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Tenure of land	Last valuation date	Fair value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %	Fair value at 31 December 2019 $'000	Percentage of net assets at 31 December 2019 %
Strata title constructed on HGB title common land, expires on 8 April 2038	31 December 2020	10,016	1.3	11,231	1.0
Strata title constructed on HGB title common land, expires on 27 December 2029	31 December 2020	12,728	1.6	14,021	1.3
Strata title constructed on HGB title common land, expires on 27 February 2035	31 December 2020	13,832	1.8	15,300	1.4
Strata title constructed on HGB title common land, expires on 24 September 2037	31 December 2020	12,270	1.6	13,525	1.3
Strata title constructed on HGB title common land, expires on 21 April 2033	31 December 2020	16,132	2.1	16,681	1.6

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Indonesia retail spaces (cont'd)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
6. Plaza Madiun Units	Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Regency of Madiun, East Java-Indonesia	19 November 2007	16,094
7. Grand Palladium Units	Jalan Kapten Maulana Lubis, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia	19 November 2007	13,730

Investment properties and investment properties held for divestment
Other net liabilities
Net asset value

Disclosed in statement of financial position as follows:

	2020 $'000	2019 $'000
Investment properties – non-current	1,459,360	1,696,813
Investment properties held for divestment – current	–	124,086
	1,459,360	1,820,899

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO (CONT'D)

AS AT 31 DECEMBER 2020

Tenure of land	Last valuation date	Fair value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %	Fair value at 31 December 2019 $'000	Percentage of net assets at 31 December 2019 %
Strata title constructed on HGB title common land, expires on 9 February 2032	31 December 2020	20,599	2.7	22,354	2.1
Strata title constructed on HGB title common land, expires on 9 November 2028	31 December 2020	7,869	1.0	9,201	0.8
		1,459,360	188.8	1,820,899	169.2
		(686,413)	(88.8)	(744,954)	(69.2)
		772,947	100.0	1,075,945	100.0

The accompanying notes form an integral part of these financial statements.

1. GENERAL

Lippo Malls Indonesia Retail Trust ("LMIR Trust" or the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 8 August 2007 (the "Trust Deed") entered into between LMIRT Management Ltd (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"), governed by the laws of the Republic of Singapore.

On 1 November 2017, the Manager entered into a Supplemental Deed of Retirement and Appointment of Trustee with HSBC Institutional Trust Services (Singapore) Limited as the retiring Trustee and Perpetual (Asia) Limited as the new Trustee. The change of trustee took effect on 3 January 2018.

The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The parent company of the Manager is PT Lippo Karawaci Tbk (the "Sponsor"), incorporated in Indonesia and a substantial Unitholder.

The property manager of the properties is PT Lippo Malls Indonesia (the "Property Manager"), a wholly-owned subsidiary of the Sponsor.

The financial statements are presented in Singapore dollars, recorded to the nearest thousands, unless otherwise stated, and they cover the Trust and the Group.

The board of directors of the Manager approved and authorised these financial statements for issue on 26 March 2021.

The registered office of the Manager is located at 6 Shenton Way, OUE Downtown 2 #12-08 Singapore 068809.

The principal activities of the Group and of the Trust are to invest in a diversified portfolio of income-producing real estate properties in Indonesia. These are primarily used for retail and/or retail-related purposes. The primary objective is to deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per unit.

The Covid-19 pandemic and its aftermath have caused, and will continue to cause, disruptions for the foreseeable future to, and create uncertainty surrounding, the Group's business. The Group incurred a loss after tax of $230,205,000 for the reporting year ended 31 December 2020 and, as at that date, its current liabilities exceeded its current assets by $136,239,000. There is significant uncertainty around the medium to long term impact of Covid-19. Economic forecasts are continually changing and government support for businesses are evolving. These uncertainties have impacted the Group's operations and may create questions regarding, among other things, the valuation of investment properties and allowance for impairment of trade receivables. These uncertainties give rise to difficulties in making an accurate assessment by management of the future impact on the Group.

Notwithstanding the above, management concludes that the going concern basis of accounting is still appropriate because, subsequent to year end, the Group issued US$200.0 million 7.50% Guarantee Senior Notes to repay both the $175.0 million loan facilities due in August 2021 and the $44.0 million revolving credit facilities. Following the repayment of these borrowings that are due within 12 months, the Group will only have two borrowings that will be due in 2022, namely, the $40.0 million vendor financing due in April 2022 (extendable by one year upon mutual consent) and a $67.5 million loan facility due in November 2022. These will represent only 12.6% of the Group's total debt obligations at that point in time. In addition, average weighted debt maturity has improved from 2.31 years to 3.55 years. Accordingly, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

1. GENERAL (CONT'D)

Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* ("RAP 7") issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that the accounting policies should generally comply with the principles relating to recognition and measurement of the Financial Reporting Standards ("FRS") issued by the Accounting Standards Council.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair value) as disclosed where appropriate in these financial statements. The accounting policies in FRS may not be applied when the effect of applying them is immaterial. The disclosures required by FRS need not be made if the information is immaterial.

Other comprehensive return comprises items of income and expenses (including reclassification adjustments) that are not recognised in the profit or loss, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Trust and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within Unitholders' funds as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted for as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

1. GENERAL (CONT'D)

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Net assets attributable to Unitholders

RAP 7 requires that unit trusts classify the units on initial recognition as equity. The net assets attributable to Unitholders comprise the residual interest in the assets of the unit trust after deducting its liabilities. Under RAP 7, distributions are accrued for at reporting year end date if the Manager has the discretion to declare distributions without the need for Unitholder or trustee approval and a constructive or legal obligation has been created. Distributions to Unitholders are recognised as liabilities when they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Income and revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year. Revenue is recognised as follows:

<u>Rental revenue from operating leases</u>

Rental revenue, service charge revenue and other rental income are recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

<u>Revenue from rendering of services</u>

Car park revenue is recognised when the Group satisfies the performance obligation at a point in time. Utility recovery revenue is recognised over time at the amount that the Group has the right to bill a fixed amount for service provided.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Income and revenue recognition (cont'd)

Dividend income

Dividend from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Interest income

Interest income is recognised using the effective interest method.

Income tax

The income taxes are accounted for using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in Unitholders' funds if the tax is related to an item recognised directly in Unitholders' funds. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not be reversed in the foreseeable future or for deductible temporary differences, they will not be reversed in the foreseeable future and they cannot be utilised against taxable profits.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Foreign currency transactions

The functional currency of the Trust is Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit or loss except when recognised in other comprehensive income and if applicable deferred in Unitholders' funds such as for qualifying cash flow hedges. The presentation is the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive return are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive return and accumulated in a separate component of Unitholders' funds until the disposal of that relevant reporting entity.

Segment reporting

Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Segment information has not been presented as all of the Group's investment properties are used primarily for retail purposes and are all located in Indonesia. They are regarded as one component by the chief operating decision maker.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Unit-based payments

The issued capital is increased by the fair value of the transaction. Incidental costs directly attributable to the issuance of units are deducted against Unitholders' funds.

Plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment – 25% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the de-recognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value at least once a year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by the financial reporting standard on non-current assets held for sale and discontinued operations in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

Assets classified as held for sale comprise investment properties held for divestment.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Intangible assets

Intangible assets relating to guaranteed rental payments from certain master lease agreements are measured initially at cost, being the fair value at the date of acquisition. Following the initial recognition, intangible asset is measured at cost less any accumulated amortisation and any impairment losses. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at each financial year-end.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

The rental guaranteed payments are amortised over the guarantee periods, which range from 3 to 6 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the Trust's separate financial statements, the investments in subsidiaries are accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying values and the net book values of the investments in subsidiaries are not necessarily indicative of the amounts that would be realised in a current market exchange.

Joint arrangements – joint operations

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint operation, the parties with joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. The reporting entity recognises its share of the operation's assets, liabilities, income and expenses that are combined line by line with similar items in the reporting entity's financial statements and accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses. When the reporting entity enters into a transaction with a joint operation, such as a sale or contribution of assets, the reporting entity recognises gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no business combinations during the reporting year.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through the profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

<u>Recognition and de-recognition of financial instruments</u>

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets

(i) Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is: (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

(ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI")

There were no financial assets classified in this category at reporting year end date.

(iii) Financial asset that is an equity investment classified as measured at FVTOCI

There were no financial assets classified in this category at reporting year end date.

(iv) Financial asset classified as measured at FVTPL

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances:

(i) The liabilities are managed, evaluated and reported internally on a fair value basis; or

(ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, and on demand deposits. For the statement of cash flows, the items include cash and cash equivalents less cash subject to restriction.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Hedging

The Group is exposed to currency risks and interest rate risks. The policy is to reduce currency risks and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of financial assets and liabilities. The gain or loss from re-measuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The applicable derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

A derivative financial instrument is a financial instrument with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

In making the fair value measurement for a non-financial asset, management determines the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Perpetual securities

Proceeds from issuance of perpetual securities have been recognised as equity. Distributions to the perpetual securities holders are payable semi-annually in arrears on a discretionary basis and are non-cumulative. Expenses relating to issuance of these perpetual securities are deducted against the proceeds from the issue.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to make sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

<u>Valuation of investment properties</u>

Significant judgements and assumptions are made in the valuation of investment properties, and these require the use of estimates including future cash flows, growth rates, discount rates and terminal discount rates. Please refer to note 14 for greater details.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Income tax

The Group recognises tax liabilities and tax assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made.

In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the Group expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination.

Further, deferred tax relating to an asset is dependent on whether the Group expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 40 *Investment Property* or when fair value is required or permitted by an FRS for a non-financial asset. In this connection, management has taken the view that there is clear evidence that it will consume the economic benefits of the investment properties throughout their economic lives.

The current and deferred tax amounts are disclosed in note 10.

Assessment of impairment of trade receivables

The allowance for expected credit losses ("ECL") assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the ECL, management considers all reasonable and supportable information such as the Group's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in note 18 on trade and other receivables.

Fair value of derivative financial instruments

Certain of the financial instruments stated at fair values are not based on quoted prices in active markets, and therefore there is significant measurement uncertainty involved in this valuation. Management makes any adjustments where necessary to reflect the assumptions that marketplace participants would use in similar circumstances. The assumptions and fair values are disclosed in note 28.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Assessment of impairment of investments in subsidiaries

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flows. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected. The carrying amount of investments in subsidiaries is disclosed in note 16.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is PT Lippo Karawaci Tbk.

3A. Related party transactions

There are transactions and arrangements between the Trust and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

Significant related party transactions

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, the Trust has also entered into several service agreements in relation to the management of the Trust and its property operations.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3A. Related party transactions (cont'd)

(A) Manager's fees

Under the Trust Deed, the Manager is entitled to the following:

(i) A base fee of 0.25% (2019: 0.25%) per annum of the value of the Deposited Property (excluding those authorised investment not in the nature of real estate), and the Manager may opt to receive the base fee in the form of units and/or cash;

(ii) A performance fee is fixed at 4.0% (2019: 4.0%) per annum of the Group's net property income ("NPI") (calculated before accounting for this additional fee expense in the reporting year). NPI in relation to real estate, whether held directly by the Trust or indirectly through a special purpose company, and in relation to any year or part thereof, means its property income less property operating expenses for such real estate for that year or part thereof. The Manager may opt to receive the performance fee in the form of units and/or cash. Based on the First Amending and Restating Deed dated 18 March 2016, the performance fees for the financial year is computed based on audited financial statements of the Trust. The performance fee of the Manager is paid annually, in accordance with the Code on Collective Investment Schemes;

(iii) An authorised investment management fee of 0.5% (2019: 0.5%) per annum of the value of authorised investments which are not in the form of real estate (whether held directly by the Trust or indirectly through one or more subsidiaries). Where such authorised investment is an interest in a property fund (either a REIT or private property fund) wholly managed by a wholly-owned subsidiary of the Sponsor, no authorised investment management fee shall be payable in relation to such authorised investment;

(iv) An acquisition fee at 1.0% (2019: 1.0%) flat of value or consideration as defined in the Trust Deed for any real estate or other investments (subject to there being no double-counting). Payment of such acquisition fee must comply with Appendix 6 of the Code on Collective Investment Scheme entitled "Investment: Property Funds"; and

(v) A divestment fee of 0.5% (2019: 0.5%) flat of the sales price of any authorised investment directly or indirectly sold or divested from time to time by the Trustee on behalf of the Trust. The Manager may opt to receive the divestment fee in the form of units and/or cash.

(B) Property Manager's fees

Under the property management agreements in respect of each retail mall and retail space, the Property Manager is entitled to the following:

(i) 2.0% (2019: 2.0%) per annum of the gross revenue for the relevant retail mall and retail space;

(ii) 2.0% (2019: 2.0%) per annum of NPI for the relevant retail mall and retail space (after accounting for the fee expense of 2.0% per annum of gross revenue for the relevant retail mall and retail space); and

(iii) 0.5% (2019: 0.5%) per annum of NPI for the relevant retail mall and retail space in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3A. Related party transactions (cont'd)

(B) Property Manager's fees (cont'd)

Under each existing property management agreement, each of the Indonesian subsidiaries that are owners of retail malls and retail spaces ("Retail Mall Property Companies") agrees to reimburse the Property Manager for its expenses incurred in connection with provision of property management services and with the performance of its duties which are in compliance with the approved annual business plan and budget as stated in the existing property management agreement. Such expenses include, but are not limited to, rent and service charge payable by the Property Manager of its lease of its office premises, advertising and promotion costs, and salaries of the Property Manager's employees who are approved by the relevant Retail Mall Property Companies.

(C) Trustee's fees

The Trustee's fees shall not exceed 0.03% (2019: 0.03%) per annum of the value of the deposited property (as defined in the Trust Deed), subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and goods and services tax ("GST"). The Trustee's fee is presently charged on a scaled basis of up to 0.03% per annum of the value of the deposited property, subject to a minimum sum per month. Any increase in the rate of remuneration of the Trustee above the permitted limit or any change in the structure of the remuneration of the Trustee shall be approved by an extraordinary resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Manager				
Manager's management fees expense (note 7)	7,548	12,217	7,478	12,147
Trustee				
Trustee's fees expense	436	428	436	428
Property Manager				
Property manager fees expense (note 5)	4,098	7,927	–	–
Affiliates of Sponsor[1]				
Rental revenue and service charge[2][3][4]	(31,215)	(61,200)	–	–

[1] The affiliates of the Sponsor are PT First Media Tbk, Yayasan Universitas Pelita Harapan, PT Bank National Nobu, PT Matahari Putra Prima Tbk, PT Gratia Prima Indonesia, PT Matahari Graha Fantasi, PT Maxx Coffee Prima, PT Maxx Food Pasifik, PT Matahari Department Store Tbk, PT Cinemaxx Global Pasifik, PT Internux, PT Sky Parking Utama, PT Solusi Ecommerce Global, PT Visionet Internasional, PT Grahaputra Mandirikharisma, PT Prima Cipta Lestari, PT Prima Wira Utama and PT Link Net. These affiliates of the Sponsor are entities that either have common shareholders with the Sponsor or in which the Sponsor has an interest.

[2] The amount also includes revenue from Lippo Mall Kemang under Sponsor Lessees with PT Multiguna Selaras Maju, PT Harapan Insan Mandiri and PT Violet Pelangi Indah in year 2019.

[3] The amount also includes revenue from Lippo Mall Kuta under Sponsor Lessees with PT Kencana Agung Pratama, PT Kridakarya Anugerah Utama and PT Trimulia Kencana Abdi.

[4] The amount also includes revenue from Lippo Plaza Jogja under Sponsor Lessees with PT Andhikarya Sukses Pratama, PT Manunggal Megah Serasi and PT Mulia Cipta Sarana Sukses.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. Key management compensation

The Group and the Trust have no employees. All its services are provided by the Manager and others. There are no charges made other than the fees disclosed above.

The Trust obtains key management personnel services from the Manager. Key management personnel of the Manager include the directors of those persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly.

Further information about the remuneration of individual directors of the Manager is provided in the Report on Corporate Governance of the Trust's Annual Report.

3C. Interest in the Trust

	2020		2019	
	Number of units held	% interest held	Number of units held	% interest held
Manager	88,122,619	3.01	56,230,228	1.94

On 21 January 2021, the Manager has subscribed additional 140,996,190 rights units in the Trust and this increased its total units in the Trust to 229,118,809, representing 3.01% of the total number of issued units of the Group at the date of these financial statements.

4. GROSS REVENUE

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Rental revenue	78,290	155,259	–	–
Car park revenue	5,020	18,203	–	–
Dividend income from subsidiaries	–	–	68,114	78,156
Service charge and utilities recovery	63,192	96,124	–	–
Other rental income	2,033	3,415	–	–
	148,535	273,001	68,114	78,156

Car park revenue is recognised based on point in time. The customers are visitors of the retail malls. The operation of the car park is outsourced to a related party service provider, PT Sky Parking Utama, based on a profit-sharing arrangement.

Utilities recovery revenue is recognised over time. The customers are tenants of the retail malls and retail spaces.

5. PROPERTY OPERATING EXPENSES

	Group 2020 $'000	Group 2019 $'000
Land rental expense	1,496	1,734
Property management fees (note 3)	4,098	7,927
Legal and professional fees	1,799	1,993
Depreciation of plant and equipment (note 13)	3,233	3,422
Reversal of allowance for impairment of trade receivables (note 18)	(640)	(56)
Allowance for impairment of trade receivables (note 18)	5,016	81
Property operating and maintenance expenses	56,738	80,451
Other property operating expenses	438	1,244
	72,178	96,796

6. OTHER (LOSSES)/INCOME

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Allowance for impairment of other receivables (note 18)	(1,516)	–	–	–
Loss on disposal of plant and equipment	(148)	–	–	–
Other expenses written off	(1,803)	–	–	–
Others	–	–	(45)	359
	(3,467)	–	(45)	359

7. MANAGER'S MANAGEMENT FEES

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Base fee	3,795	5,107	3,725	5,037
Performance fee	3,054	7,048	3,054	7,048
Authorised investment fee	159	62	159	62
Divestment fee	540	–	540	–
	7,548	12,217	7,478	12,147

Included in the base fee of the Group are management fees paid in cash by the subsidiaries to the Manager for managing investment related activities in the current year.

The Manager elected to receive certain of the above fees in the form of units as shown in note 22.

8. FINANCE COSTS

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Interest expense	42,900	37,485	44,808	40,902
Amortisation of borrowing costs	3,353	3,892	3,144	3,659
Issuance and commitment fees	1,701	–	1,701	–
	47,954	41,377	49,653	44,561

9. OTHER EXPENSES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Bank charges	96	71	3	4
Professional fees	750	1,031	730	1,007
Investor relation expenses	79	79	79	79
Listing expenses	35	35	35	35
Security agent fees	60	60	60	60
Valuation expenses	596	728	596	728
Flood mitigating expenditures	–	2,202	–	–
Other expenses	876	2,411	592	957
	2,492	6,617	2,095	2,870

A wholly-owned subsidiary contributed to the government led initiative to install flood mitigating/prevention equipment around the compound of the relevant mall amounting to Nil (2019: $2,202,000) to ensure operations would not be negatively impacted following occurrence of heavy rainfall.

	Group	
	2020 $'000	2019 $'000
Audit fees to independent auditors of the Trust	397	397
Audit fees to other independent auditors	259	305
Non-audit fees to independent auditors of the Trust	15	110
Non-audit fees to other independent auditors	119	108

Total fees to independent auditors are included in property operating expenses (note 5) and other expenses (note 9).

10. INCOME TAX

10A. Components of tax expense recognised in statements of total return

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current tax				
Singapore income tax	58	150	58	150
Foreign income tax	15,540	27,813	–	–
Withholding tax	7,233	9,755	82	221
	22,831	37,718	140	371
Deferred tax				
Deferred tax benefit	(911)	(11,766)	–	–
	21,920	25,952	140	371

The income tax in statements of total return varied from the amount of income tax expense determined by applying the Singapore statutory tax rate of 17.0% (2019: 17.0%) to total (loss)/return before tax as a result of the following differences:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Total (loss)/return before tax	(208,285)	39,452	(175,127)	(17,624)
Income tax (benefit)/expense at statutory rate	(35,408)	6,707	(29,772)	(2,996)
Non-deductible expenses	23,499	29,580	29,830	3,146
Withholding tax	7,233	9,755	82	221
Effect of tax rates in different jurisdictions	(10,456)	(20,417)	–	–
Recognised deferred tax assets written down	25,900	–	–	–
Deferred tax assets not recognised	11,612	–	–	–
Others	(460)	327	–	–
	21,920	25,952	140	371

The amount of current income taxes outstanding for the Group at end of reporting year was $3,749,000 (2019: $2,128,000). Such an amount is net of tax advances which, according to the tax rules, were paid before the year end.

Please refer to note 12 for income tax on distributions to Unitholders.

10. INCOME TAX (CONT'D)

10B. Deferred tax recognised in statements of total return

	Group	
	2020 $'000	2019 $'000
Deferred tax credit relating to changes in fair value of investment properties	911	11,766

10C. Deferred tax in statements of financial position

	Group	
	2020 $'000	2019 $'000
Deferred tax liabilities relating to changes in fair value of investment properties	7,861	11,475

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

10D. Tax matters

Corporate tax in Indonesia

Article 3 of Indonesian Government Regulation No. 5/2002 on the payment of income tax on income from the lease of land and/or building stipulates that income tax on income received or acquired by individuals or entities from the leasing of land and/or buildings consisting of land, houses, multi-storey houses, apartments, condominiums, office buildings, office-cum-living spaces, shops, shop-cum-houses, warehouses, and industrial spaces which is received or earned from a tenant acting or appointed as a tax withholder, is to be withheld by the tenant. The tax rate is 10% of the gross value of the land and/or building rental and is final in nature.

Withholding tax in Indonesia

Under the income tax treaty between Singapore and Indonesia, the Indonesia withholding tax is capped at 10% in respect of:

(a) Dividends paid by a company resident in Indonesia to a company resident in Singapore which owns directly at least 25% of the capital of the company paying the dividends; and

(b) Interest paid to a resident of Singapore.

Indonesia withholding tax is at 15% in respect of dividends paid by a company resident in Indonesia to a company resident in Singapore who owns directly less than 25% of the capital of the company paying the dividends.

10. INCOME TAX (CONT'D)

10D. Tax matters (cont'd)

Dividends from Indonesia subsidiaries

Dividends received by the Singapore subsidiaries of the Trust from their respective Indonesia subsidiaries are exempt from Singapore income tax under section 13(8) of the Income Tax Act provided the following conditions are met:

(a) In the year the dividends are received in Singapore, the headline corporate tax rate in the foreign country from which the dividends are received is at least 15%;

(b) The dividends have been subject to tax in the foreign jurisdiction from which they are received; and

(c) The Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the Singapore subsidiaries.

Dividends from Singapore subsidiaries

Dividends received by the Trust from the Singapore subsidiaries are exempt from Singapore income tax provided that the Singapore subsidiaries are tax residents of Singapore for income tax purposes.

Interest income from Indonesia subsidiaries

Interest received by the Singapore subsidiaries of the Trust on loans made to the Indonesia subsidiaries is exempt from Singapore income tax under section 13(12) of the Income Tax Act on the condition that the full amount of remitted interest, less attributable expenses, is distributed by the Singapore subsidiaries to the Trust for onward distribution to its Unitholders.

Redemption of redeemable preference shares in Singapore subsidiaries

Proceeds received by the Trust from the redemption of its redeemable preference shares in the Singapore subsidiaries at the original cost of the redeemable preference shares are regarded as capital receipts and hence not subject to Singapore income tax.

Receipt from Indonesia subsidiaries for repayment of shareholder loans

Proceeds received by the Singapore subsidiaries for the repayment of the principal amount of the shareholder loans from their Indonesia subsidiaries are capital receipts and hence not subject to Singapore income tax.

11. EARNINGS PER UNIT

The following table sets out the numerators and denominators used to calculate earnings per unit of no par value:

	Group	
	2020 $'000	2019 $'000
Numerator		
Total (loss)/return after tax	(230,205)	13,500
Less: Amount reserved for distribution to perpetual securities holders	(17,769)	(17,720)
Total loss attributable to Unitholders	(247,974)	(4,220)

	Group	
	2020	2019
Denominator		
Weighted average number of units	2,919,998,278	2,886,663,345

	Group	
	2020 Cents	2019 Cents
Earnings per unit[(1)]	(8.49)	(0.15)
Adjusted earnings per unit[(2)]	(1.26)	1.71

(1) Notwithstanding the rights issue of 4,682,872,029 units in January 2021, the earnings per unit for the previous year were not restated because the number of outstanding units used in calculating earnings per unit for both years before the rights issue were not affected as there was no bonus element in the rights issue.

(2) Adjusted earnings exclude changes in fair value of investment properties (net of deferred tax).

The weighted average number of units refers to units in circulation during the reporting year.

Diluted earnings per unit are the same as basic earnings per unit as there were no dilutive instruments in issue during the reporting year.

12. DISTRIBUTION TO UNITHOLDERS

Total distributions paid during the year are as follows:

	Group and Trust	
	2020 $'000	2019 $'000
Distribution of 0.30 cents per unit for the period from 1 October 2018 to 31 December 2018	–	8,685
Distribution of 0.55 cents per unit for the period from 1 January 2019 to 31 March 2019	–	16,079
Distribution of 0.60 cents per unit for the period from 1 April 2019 to 30 June 2019	–	17,481
Distribution of 0.56 cents per unit for the period from 1 July 2019 to 30 September 2019	–	16,196
Distribution of 0.52 cents per unit for the period from 1 October 2019 to 31 December 2019	15,094	–
Distribution of 0.12 cents per unit for the period from 1 January 2020 to 31 March 2020	3,512	–
Distribution of 0.11 cents per unit for the period from 1 April 2020 to 30 June 2020	3,137	–
Distribution of 0.07 cents per unit for the period from 1 July 2020 to 30 September 2020	2,049	–
	23,792	58,441

12A. Distribution per unit

Name of distribution	Distribution during the year (interim distributions)
Type	Income/capital

	Group and Trust			
	2020 Cents per unit	2019 Cents per unit	2020 $'000	2019 $'000
Tax-exempt income[(1)]	–	1.09	–	31,787
Capital[(2)]	0.30	0.62	8,698	17,969
	0.30	1.71	8,698	49,756

12. DISTRIBUTION TO UNITHOLDERS (CONT'D)

12A. Distribution per unit (cont'd)

Name of distribution	Distribution declared subsequent to year-end (final distribution)
Type	Income/capital

	Group and Trust			
	2020 Cents per unit	2019 Cents per unit	2020 $'000	2019 $'000
Tax-exempt income[1]	–	0.39	–	11,325
Capital[2]	0.04	0.13	3,042	3,769
	0.04	0.52	3,042	15,094
Total distributions	0.34[3][4]	2.23[3]	11,740	64,850

(1) Unitholders are exempt from tax on such distributions.

(2) Such distributions are treated as return of capital for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from the sale of the Trust's units, the amount of capital distribution will be applied to reduce the cost base of their LMIR Trust units for Singapore income tax purposes.

(3) The Trust makes distribution quarterly. The distribution rates above are based on the amount distributed quarterly divided by the units outstanding at end of the relevant quarters.

(4) The number of units used to compute distribution per unit for the reporting year are as follows:
(i) 2,926,795,018 units used for the period from 1 January 2020 to 30 September 2020; and
(ii) 7,609,667,047 units used for the period from 1 October 2020 to 31 December 2020.

12B. Distribution policy

The Trust's current distribution policy is to distribute at least 90% (2019: at least 90%) of its tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received from the Singapore tax resident subsidiaries. The capital receipts comprise amounts received by the Trust from redemption of redeemable preference shares in the Singapore subsidiaries.

As disclosed in the Trust's prospectus and in accordance with the trust deed of the Trust, the actual level of distribution will be determined at the Manager's discretion.

13. PLANT AND EQUIPMENT

	Group 2020 $'000	Group 2019 $'000
Cost		
At beginning of year	23,476	20,132
Additions	1,897	2,794
Disposals	(590)	–
Reclassification to investment properties held for divestment	(1,490)	–
Foreign exchange adjustments	(712)	550
At end of year	22,581	23,476
Accumulated depreciation		
At beginning of year	13,221	9,537
Depreciation for the year	3,233	3,422
Disposals	(442)	–
Reclassification to investment properties held for divestment	(665)	–
Foreign exchange adjustments	(403)	262
At end of year	14,944	13,221
Net book value		
At beginning of year	10,255	10,595
At end of year	7,637	10,255

Depreciation expense is charged to profit or loss as property operating expenses (note 5).

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT

14A. Investment properties

	Group 2020 $'000	Group 2019 $'000
At beginning of year	1,696,813	1,831,646
Enhancement expenditure capitalised	7,546	16,218
	1,704,359	1,847,864
Changes in fair value included in profit or loss	(193,597)	(65,329)
Reversal of accrued adjustment sum*	–	(12,179)
Foreign exchange adjustments	(51,402)	50,543
Transfer to investment properties held for divestment	–	(124,086)
At end of year	1,459,360	1,696,813
Gross revenue from investment properties and investment properties held for divestment	148,535	273,001
Direct operating expenses (including repairs and maintenance) arising from investment properties and investment properties held for divestment that generated rental revenue during the year	(72,178)	(96,796)

* The reversal of accrued adjustment sum in relation to termination of extension of lease period agreement for Plaza Medan Fair in prior year.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

The fair values of the retail malls and retail spaces set out below were determined by the following external valuers:

External valuer	2020	2019
Colliers International Consultancy & Valuation (Singapore) Pte Ltd	–	• Lippo Mall Kemang
Cushman & Wakefield VHS Pte. Ltd.	• Lippo Plaza Kramat Jati • Tamini Square • Cibubur Junction • Pluit Village • Lippo Mall Kemang	• Lippo Plaza Kramat Jati • Tamini Square • Cibubur Junction
KJPP Wilson & Rekan (in association with Knight Frank)	• Lippo Plaza Kendari • Lippo Plaza Ekalokasari Bogor • Lippo Plaza Batu • Lippo Plaza Jogja • Kediri Town Square • Istana Plaza • Bandung Indah Plaza	• Lippo Plaza Kendari • Lippo Plaza Ekalokasari Bogor • Lippo Plaza Batu • Lippo Plaza Jogja • Kediri Town Square • Istana Plaza • Bandung Indah Plaza
KJPP Rengganis, Hamid & Rekan (in association with CBRE)	• Mall WTC Matahari Units • Java Supermall Units • Plaza Madiun Units • Depok Town Square Units • Malang Town Square Units • Metropolis Town Square Units • Grand Palladium Units • Lippo Mall Kuta • Gajah Mada Plaza • Mal Lippo Cikarang	• Mall WTC Matahari Units • Java Supermall Units • Plaza Madiun Units • Depok Town Square Units • Malang Town Square Units • Metropolis Town Square Units • Grand Palladium Units • Lippo Mall Kuta • Gajah Mada Plaza • Mal Lippo Cikarang
Savills Valuation and Professional Services (S) Pte Ltd	• The Plaza Semanggi • Palembang Square • Palembang Square Extension • Palembang Icon • Plaza Medan Fair • Sun Plaza	• The Plaza Semanggi • Palembang Square • Palembang Square Extension • Palembang Icon
Jones Lang LaSalle Property Consultants Pte Ltd	–	• Pluit Village • Plaza Medan Fair • Sun Plaza

All fair value measurements of investment properties are based on discounted cash flow method and are categorised within Level 3 of the fair value hierarchy.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

The external valuers' reports included a material valuation uncertainty clause as per VPGA 10 of the RICS Valuation Global Standard which highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuations as a result of the Covid-19 pandemic. The valuations were based on information available and market conditions as at 31 December 2020. Values may change subsequently as the impact of Covid-19 is fluid and continues to evolve.

Cushman & Wakefield VHS Pte Ltd has been appointed as external valuer of Lippo Plaza Kramat Jati, Tamini Squares and Cibubur Junction for the third consecutive financial year.

KJPP Wilson & Rekan has been appointed as external valuer of Lippo Plaza Ekalokasari Bogor and Lippo Plaza Kendari for the third consecutive financial year

KJPP Rengganis, Hamid & Rekan has been appointed as external valuer of Lippo Mall Kuta, Mall WTC Matahari Units, Java Supermall Units, Plaza Madiun Units, Depok Town Square Units, Malang Town Square Units, Metropolis Town Square Units and Grand Palladium Units for the third consecutive financial year.

Savills Valuation and Professional Services (S) Pte Ltd has been appointed as external valuer of The Plaza Semanggi, Palembang Square, Palembang Square Extension and Palembang Icon for the third consecutive financial year.

The above consecutive financial years are permitted under 8.3(e) of Appendix 6 to the Code on Collective Investment Schemes.

The information about the significant unobservable inputs used in the fair value measurements are as follows:

		2020	2019
1.	Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the properties	12.2% to 12.7%	12.1% to 12.8%
2.	Growth rates	0.0% to 6.0%	3.0% to 6.0%
3.	Terminal discount rates	8.0% to 10.0%	8.0% to 10.0%
4.	Cash flow forecasts derived from most recent financial budgets and plans approved by management	Note 1	Note 1

Note 1: Discounted cash flow analysis over remaining lease period for existing BOT malls and over a 10-year projection for non-BOT malls and for retail spaces.

Relationship of unobservable inputs to fair value are as follows:

1.	Discount rates	–	The higher the discount rates, the lower the fair value
2.	Growth rates	–	The higher the growth rates, the higher the fair value
3.	Terminal discount rates	–	The higher the terminal discount rates, the lower the fair value

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

Sensitivity analysis

1. Discount rates

   A hypothetical 10% (2019: 10%) increase or decrease in pre-tax discount rate applied to the discounted cash flows would have an effect on return before tax of: lower by $83,290,000; higher by $88,915,000 (2019: $117,551,000; higher by $134,318,000).

2. Growth rates

   A hypothetical 10% (2019: 10%) increase or decrease in rental revenue would have an effect on return before tax of: higher by $53,456,000; lower by $52,053,000 (2019: higher by $80,795,000; lower by $80,234,000).

3. Terminal discount rates

   A hypothetical 10% (2019: 10%) increase or decrease in terminal discount rate would have an effect on return before tax of: lower by $40,737,000; higher by $48,149,000 (2019: lower by $41,102,000; higher by $76,628,000).

The decrease in fair value was largely due to the impact of the Covid-19 pandemic on mall traffic coupled with the rental and service charge discount extended to tenants to support their business recovery. These factors were taken into account by external valuers in their cash flow projections for the purpose of the valuation.

By relying on the valuation reports, management is satisfied the external professional valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. Other details of the properties are disclosed in the statement of portfolio.

The types of property titles in Indonesia held by the Group are as follows:

(a) HGB title

This title gives the right to construct and own buildings on a plot of land. The right is transferable and may be encumbered. Technically, HGB is a leasehold title where the state retains "ownership". However, 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.

The cost of extension is determined based on certain formula as stipulated by the National Land Office (Badan Pertanahan Nasional) in Indonesia. The commencement date of each title varies.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

(b) BOT schemes

This title gives the Indonesia subsidiaries ("BOT Grantee") the right to build and operate the retail mall for a particular period of time as stipulated in the BOT Agreement by the land owner ("BOT Grantor").

A BOT scheme is not registered with any Indonesian authority. Rights under a BOT scheme do not amount to a legal title and represent only contractual interests.

In exchange for the right to build and operate the retail mall on the land owned by the BOT Grantor, the BOT Grantee is obliged to pay a certain compensation (as stipulated in the BOT agreement), which may be made in the form of a lump sum or staggered.

A BOT scheme is granted for an initial period of 20 to 30 years and is extendable upon agreement of both parties. Upon expiration of the term of the BOT agreement, the BOT Grantee must return the land, together with any buildings and fixtures on top of the land, without either party providing any form of compensation to the other.

(c) Strata Title

This title gives the party who holds the property the ownership of common areas, common property and common land proportionately with other strata title unit owners.

The investment properties are leased out to tenants under operating leases.

As the lessor, the Group manages the risks associated with any rights it retains in the underlying assets including any means to reduce that risk. Such means may include insurance coverage and having clauses in the leases providing for compensation to the lessor when a property has been subjected to excess wear-and-tear during the lease term. Please also see note 32 for more information.

14B. Investment properties held for divestment

	Group 2020 $'000	Group 2019 $'000
At beginning of year	124,086	–
Enhancement expenditure capitalised	2,951	–
Transfer from plant and equipment to investment properties held for divestment	825	–
Foreign exchange adjustments	(1,202)	–
Changes in fair value included in profit or loss	(18,508)	–
Divestments	(108,152)	–
Transfer from investment properties	–	124,086
At end of year	–	124,086

On 30 December 2019, the Group entered into conditional sale and purchase agreements ("CSPA") in relation to the divestments of Pejaten Village and Binjai Supermall. These properties were transferred from investment properties to investment properties held for divestment at end of the prior year. On 23 July 2020, the Group entered into revised CSPA for these divestments, resulting in a change of the aggregate sales consideration from $124,086,000 to $108,152,000.

The divestments of Pejaten Village and Binjai Supermall were completed on 30 July 2020 and 3 August 2020, respectively.

15. INTANGIBLE ASSETS

	Group 2020 $'000	Group 2019 $'000
Cost		
At beginning of year	44,791	44,455
Foreign exchange adjustments	(384)	336
At end of year	44,407	44,791
Accumulated amortisation		
At beginning of year	39,097	35,665
Amortisation for the year	2,197	3,335
Foreign exchange adjustments	(213)	97
At end of year	41,081	39,097
Net book value		
At beginning of year	5,694	8,790
At end of year	3,326	5,694

Intangible assets represent the unamortised aggregate rental guarantee amounts receivable by the Group from master leases upon the acquisitions of Lippo Mall Kemang in 2014, Palembang Icon and Lippo Plaza Batu in 2015, Lippo Mall Kuta in 2016, Lippo Plaza Kendari and Lippo Plaza Jogja in 2017, respectively. The master leases range from 3 to 5 years apart from the sports centre at Palembang Icon, which is under a master lease that is revised from 25 years in the prior year to 6 years. At end of reporting year, the remaining rental guarantee periods are for 1 to 2 years (2019: 1 to 3 years).

The master lease agreements signed with respective master lessors that are effective during the year are as follows:

Property	From	To	Amount per annum IDR (in millions)
Palembang Icon (Sports Centre)	10 July 2015	31 December 2020	6,908
Lippo Mall Kuta	29 December 2016	28 December 2021	43,281
Lippo Plaza Kendari	21 June 2017	20 June 2022	15,100
Lippo Plaza Jogja	22 December 2017	21 December 2022	42,636
			107,925

The master leases as percentage of gross revenue of the respective malls are as follows:

	2020			2019		
	Master leases $'000	Gross revenue of mall $'000	Master leases as % of gross revenue %	Master leases $'000	Gross revenue of mall $'000	Master leases as % of gross revenue %
Lippo Mall Kemang[#]	–	–	–	19,341	36,478	53.0
Palembang Icon (Sports Centre)	649	8,080	8.0	669	12,756	5.2
Lippo Mall Kuta	4,066	5,631	72.2	4,194	8,806	47.6
Lippo Plaza Kendari	1,419	4,094	34.7	1,463	5,037	29.0
Lippo Plaza Jogja	4,006	6,545	61.2	4,131	6,970	59.3
	10,140	24,350		29,798	70,047	

[#] The gross revenue from master leases is pro-rated to the date of expiry on 16 December 2019 for Lippo Mall Kemang. Gross revenue of the mall represents the full revenue for the reporting year.

16. INVESTMENTS IN SUBSIDIARIES

	Trust	
	2020 $'000	2019 $'000
Unquoted equity shares, at cost	984,733	984,733
Redeemable preference shares, at cost	749,262	801,035
Quasi equity loans[#]	19,565	22,339
Less: Allowance for impairment	(514,641)	(344,276)
	1,238,919	1,463,831
Analysis by amounts denominated in non-functional currencies:		
USD	205	2,979
IDR	687,464	884,567

[#] The quasi-equity loans, which are extended to three Singapore subsidiaries, are unsecured, interest-free and with no fixed repayment terms. They are, in substance, part of the Trust's net investment in these subsidiaries.

Movements in allowance for impairment are as follows:

	Trust	
	2020 $'000	2019 $'000
At beginning of year	(344,276)	(312,765)
Impairment loss charged to profit or loss	(170,365)	(31,511)
At end of year	(514,641)	(344,276)

The list of subsidiaries is set out in note 37.

Management has assessed there are indicators of impairment for those subsidiaries with shortfalls between cost of investment in subsidiaries and recoverable amount of the investments mainly due to the decrease in fair value of the investment properties the subsidiaries hold as a result of negative impact from Covid-19. Based on the assessment, management made net allowance for impairment loss of $170,365,000 (2019: $31,511,000) in the Trust's financial statements.

17. INVESTMENTS IN JOINT OPERATION

Name	Place of operation	Principal activities	Proportion of ownership interest held by the Group 2020 %	2019 %
PT Yogya Central Terpadu[#]	Indonesia	Owner of Lippo Plaza Jogja and Siloam Hospital Yogyakarta	68.3	68.3

[#] Audited by RSM Amir Abadi Jusuf, Aryanto, Mawar & Rekan, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

On 13 October 2017, the Group entered into a joint venture deed through its wholly-owned Singapore subsidiary, Icon2 Investments Pte Ltd ("Icon2"), with Icon1 Holdings Pte Ltd ("Icon1"), a wholly-owned Singapore incorporated subsidiary of Singapore-listed First Real Estate Investment Trust ("First REIT"), to acquire an integrated development comprising a hospital component known as Siloam Hospital Yogyakarta ("SHYG") and a retail mall component known as Lippo Plaza Jogja. The carrying value at reporting date amounted to $48,304,000.

17. INVESTMENTS IN JOINT OPERATION (CONT'D)

Icon2 and Icon1 each holds 100.0% of the Class B Shares and Class A Shares, respectively, in PT Yogya Central Terpadu, which acquired the integrated development on 22 December 2017.

Class B Shares entitle the holder to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to Lippo Plaza Jogja, and Class A Shares entitle the holder to, *inter alia*, all the rights to the revenue and profits and all the obligations for the expenses and losses relating to SHYG. The Class B Shares and Class A Shares comprise 68.3% and 31.7% of the total issued share capital of PT Yogya Central Terpadu, respectively.

The Group has classified PT Yogya Central Terpadu as a joint operation.

18. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables				
Outside parties	21,754	14,721	367	269
Related parties (note 3)	13,799	15,723	–	–
Less: Allowance for impairment	(8,293)	(4,088)	–	–
	27,260	26,356	367	269
Other receivables				
Subsidiaries (note 3)	–	–	176,703	214,221
Related parties (note 3)	4,653	2,912	–	–
Other receivables	13,466	21,197	–	–
Less: Allowance for impairment	(1,516)	–	–	–
	16,603	24,109	176,703	214,221
	43,863	50,465	177,070	214,490

Movements in allowance for impairment for trade receivables are as follows:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
At beginning of year	(4,088)	(4,412)	–	–
Bad debts written-back (note 5)	640	56	–	–
Allowance utilised	29	508	–	–
Charge to profit or loss (note 5)	(5,016)	(81)	–	–
Foreign exchanges adjustments	142	(159)	–	–
At end of year	(8,293)	(4,088)	–	–

18. TRADE AND OTHER RECEIVABLES (CONT'D)

Movements in allowance for impairment for other receivables are as follows:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
At beginning of year	–	–	–	–
Charge to profit or loss (note 6)	(1,516)	–	–	–
At end of year	(1,516)	–	–	–

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants and credit policy of obtaining security deposits from most tenants for leasing the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades.

The trade receivables are subject to the ECL model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined as follows for trade receivables:

	Gross amount		Loss allowance	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current	10,353	15,500	36	47
1 to 30 days past due	2,842	3,751	59	67
31 to 60 days past due	901	1,904	188	57
Over 61 days past due	21,457	9,289	8,010	3,917
	35,553	30,444	8,293	4,088

19. OTHER NON-FINANCIAL ASSETS

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Prepayments	5,036	6,431	1,379	949
Prepaid tax	8,011	9,536	–	–
	13,047	15,967	1,379	949

20. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Not restricted in use	106,143	105,765	27,931	1,351
Cash pledged for bank facilities	2,780	3,961	2,780	3,961
	108,923	109,726	30,711	5,312
Interest earning balances	81,675	104,397	4,004	–

The rate of interest for the cash on interest earning accounts is between 0.1% and 5.8% (2019: 0.2% and 6.5%) per annum.

The cash pledged for bank facilities is to cover interest payments for the bank loans.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2020 $'000	2019 $'000
Amount as shown above	108,923	109,726
Less: Cash pledged for bank facilities	(2,780)	(3,961)
	106,143	105,765

20A. Non-cash transactions

During the year, units amounting to $7,048,000 (2019: $6,599,000) were issued as settlement of the Manager's management fees.

20B. Reconciliation of liabilities arising from financing activities

	2019 $'000	Cash flows $'000	Non-cash changes $'000	Reclassification* $'000	2020 $'000
Non-current borrowings	634,610	–	(2,478)	(174,590)	457,542
Current borrowings	74,815	(31,000)	185	174,590	218,590
Finance lease liabilities	1,199	(81)	–	–	1,118
Cash pledged for bank facilities	3,961	(1,181)	–	–	2,780
Total liabilities from financing activities	714,585	(32,262)	(2,293)	–	680,030

	2018 $'000	Cash flows $'000	Non-cash changes $'000	Reclassification* $'000	2019 $'000
Non-current borrowings	553,983	158,056	(2,614)	(74,815)	634,610
Current borrowings	120,000	(120,000)	–	74,815	74,815
Finance lease liabilities	1,267	(68)	–	–	1,199
Cash pledged for bank facilities	7,377	(3,416)	–	–	3,961
Total liabilities from financing activities	682,627	34,572	(2,614)	–	714,585

* Reclassification between long-term and short-term borrowings due to change in maturity of the borrowings.

21. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS

The following tables set out the numerators and denominators used to calculate net asset value per unit attributable to Unitholders:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Numerator				
Net assets attributable to Unitholders at end of year	509,329	816,298	412,098	621,878
Denominator				
Units in issue (note 22)	2,926,795,018	2,894,902,627	2,926,795,018	2,894,902,627

	Group		Trust	
	2020 Cent	2019 Cent	2020 Cent	2019 Cent
Net asset value per unit attributable to Unitholders	17.40	28.20	14.08	21.48

The issue price for determining number of units issued and issuable as Manager's management base fee, performance fee 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. The new units, upon issue and allotment, will rank *pari passu* in all respect with the units of the Trust.

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 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.

21. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

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, each unit carries the same voting rights.

Capital management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for Unitholders and benefits for other stakeholders, and to provide an adequate return to Unitholders by pricing services commensurately with the level of risk. The Manager sets the amount of capital in proportion to risk.

The Manager manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in economic conditions and the risk characteristics of the underlying assets. Please refer to note 12B on the distribution policy.

The only externally imposed capital requirement is that for the Group to maintain its listing on the SGX-ST it has to have issued equity with a free float of at least 10% of the units. Management receives a report from the registrar frequently on substantial unit interests showing the non-free float and it demonstrated continuing compliance with the SGX-ST requirement on the 10% limit throughout the year.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the total borrowings and deferred payments of the Group should not exceed 50% (2019: 45%) of the Group's deposited property. The Group has computed its aggregate leverage ratio as follows:

	Group	
	2020 $'000	2019 $'000
Total gross borrowings and deferred payments	685,287	721,725
Total deposited property	1,636,598	2,013,006
Aggregated leverage ratio (%)	41.9%	35.9%

The Group met the aggregate leverage ratio at end of reporting year. The increase in aggregate leverage ratio for the reporting year is due primarily from the increase in debt for working capital purposes.

22. UNITS IN ISSUE

	Group and Trust	
	2020	2019
At beginning of year	2,894,902,627	2,859,933,585
Manager's management fees settled in units	31,892,391	34,969,042
At end of year	2,926,795,018	2,894,902,627

A total of 4,682,872,029 new units were issued on 21 January 2021 at an issue price of $0.06 per unit pursuant to a renounceable and non-underwritten rights issue to raise gross proceeds, amounting to $281.0 million. The rights units, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the rights units, including the right to any distributions which accrue for the period from 1 October 2020 to 31 December 2020 as well as all distributions thereafter. Total number of units in issue after the rights issue is 7,609,667,047.

23. PERPETUAL SECURITIES

	Group and Trust	
	2020 $'000	2019 $'000
At beginning of year	259,647	259,647
Amount reserved for distribution to perpetual securities holders	17,769	17,720
Distribution to perpetual securities holders	(13,798)	(17,720)
At end of year	263,618	259,647

The perpetual securities are classified as equity instruments and recorded in equity in the statement of financial position.

LMIRT Capital Pte Ltd ("LMIRT Capital"), a wholly-owned subsidiary of the Trust, and the Trustee established a $1.0 billion Guaranteed Euro Medium Term Securities Programme ("EMTS") (together with EMTN as per note 24B, the "Programmes") on 9 September 2015. Under the EMTS:

(i) Each of LMIRT Capital and the Trustee may, from time to time, issue Medium Term Notes ("Notes") which, in the case of the Notes issued by LMIRT Capital, will be unconditionally and irrevocably guaranteed by the Trustee (in its capacity as trustee of the Trust); and

(ii) The Trustee may, from time to time, issue perpetual securities.

In 2016 and 2017, the Trust issued perpetual securities of $140.0 million and $120.0 million under the $1.0 billion EMTS at 7.0% and 6.6% per annum, respectively, with the first reset date on 27 September 2021 and 19 December 2022, respectively, and subsequent reset occurring every five years thereafter.

The distributions on the $140.0 million and $120.0 million perpetual securities are payable semi-annually on a discretionary basis and are non-cumulative. The perpetual securities of $140.0 million are payable on 27 March and 27 September each year and the perpetual securities of $120.0 million are payable on 19 June and 19 December each year.

23. PERPETUAL SECURITIES (CONT'D)

The key terms and conditions of the perpetual securities are as follows:

- There is no fixed redemption date;
- The redemption of the security is at the option of the Trust, in whole, but not in part, on the first reset date or later; and
- The payment obligations of the Trust under the perpetual securities will at all times rank ahead of the holders of junior obligations of the Trust.

The Group's ability to make optional distributions to the $120.0 million perpetual securities holders was affected by the terms and conditions of the Group's existing indebtedness under the US$250.0 million 7.25% Guarantee Senior Notes. On 21 January 2021, the Group issued 4,682,872,029 rights units to raise $281.0 million which unlocked the distribution restriction. The Group has made the optional distribution in February 2021, which was originally due on 19 December 2020.

24. OTHER FINANCIAL LIABILITIES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured) (note 24A)	135,000	310,000	135,000	310,000
Less: Unamortised transaction costs	(1,441)	(3,034)	(1,441)	(3,034)
	133,559	306,966	133,559	306,966
Financial instruments with fixed interest rates				
Senior notes (unsecured) (note 24C)	331,287	336,725	–	–
Less: Unamortised transaction costs	(7,304)	(9,081)	–	–
	323,983	327,644	–	–
Finance leases (note 24D)	666	1,156	–	–
	458,208	635,766	133,559	306,966
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured) (note 24A)	219,000	–	219,000	–
Less: Unamortised transaction costs	(410)	–	(410)	–
	218,590	–	218,590	–
Financial instruments with fixed interest rates				
Medium term notes (unsecured) (note 24B)	–	75,000	–	–
Less: Unamortised transaction costs	–	(185)	–	–
	–	74,815	–	–
Finance leases (note 24D)	452	43	–	–
	219,042	74,858	218,590	–
	677,250	710,624	352,149	306,966
Due within 2 to 5 years	458,174	635,732	133,559	306,966
Due after 5 years	34	34	–	–
	458,208	635,766	133,559	306,966

24. OTHER FINANCIAL LIABILITIES (CONT'D)

At end of reporting year, the range of floating interest rates paid per annum was as follows:

	Group and Trust	
	2020	2019
Bank loans (unsecured)	3.17% to 3.37%	4.73% to 4.93%

At end of reporting year, the range of fixed interest rates paid per annum was as follows:

	Group	
	2020	2019
Medium term notes (unsecured)	–	4.10%
Senior notes (unsecured)	6.71%	6.71%
Finance leases	14.00%	14.00%

The Trust has entered into interest rate swaps and cross currency swaps to convert floating borrowing rate to fixed borrowing rate and swap foreign currency interest to Singapore dollar interest. Please see notes 28A and 28C for more information.

The weighted effective interest rates paid per annum were as follows:

	Group		Trust	
	2020	2019	2020	2019
Bank loans (unsecured)	4.25%	5.38%	4.25%	5.38%
Medium term notes (unsecured)	–	4.62%	–	–
Senior notes (unsecured)	7.35%	7.31%	–	–

24A. Bank loans

Current bank loans (Unsecured)

(i) The Trust drew down $80.0 million and $40.0 million of unsecured uncommitted revolving credit facility in 2017 and 2018, respectively, at interest rate of 1.80% plus Singapore swap offer rate ("SOR") per annum. In June 2019, the revolving credit facility was fully repaid.

(ii) The Trust drew down $350.0 million in 2016 and 2017, respectively, which consist of two tranches, A and B, of $175.0 million each, maturing in August 2020 and August 2021,respectively, at interest rates of 2.95% plus SOR per annum and 3.15% plus SOR per annum, respectively.

In June 2019, tranche A of $175.0 million was fully paid before maturity. As at 31 December 2020, the outstanding loan amounted to $175.0 million (2019: $175.0 million). It has been fully repaid in February 2021.

(iii) During the year, the Trust drew down $40.0 million and $4.0 million of uncommitted revolving credit facility at interest rate of 3.75% plus SOR per annum. Both $40.0 million and $4.0 million were fully repaid in February 2021.

24. OTHER FINANCIAL LIABILITIES (CONT'D)

24A. Bank loans (cont'd)

Non-current bank loans (Unsecured)

On 19 November 2018, the Trust drew down $135.0 million which consist of two tranches, A and B, of $67.5 million each, maturing in November 2022 and November 2023, respectively, at interest rates of 3.05% plus SOR per annum and 3.25% plus SOR per annum, respectively.

As at 31 December 2020, the outstanding loan amounted to $135.0 million (2019: $135.0 million).

24B. Medium term notes (Unsecured)

On 25 June 2012, LMIRT Capital established a $750.0 million Guaranteed Euro Medium Term Note Programme ("EMTN").

$75.0 million notes were issued on 22 June 2015 which bears fixed interest of 4.10% per annum payable semi-annually in arrears and matured on 22 June 2020. It has been fully repaid upon maturity.

24C. Senior notes (Unsecured)

On 19 June 2019, the Trust, through LMIRT Capital, issued US$250.0 million Guarantee Senior Notes due in 2024. These senior notes bear fixed interest rate of 7.25% per annum payable semi-annually in arrears and were issued at an issue price of 98.973% of the principal of the senior notes.

The Trust entered into several cross currency swap contracts to swap the USD proceeds of the senior notes. Please refer to note 28C for more information.

The proceeds from the senior notes were used to repay $120.0 million uncommitted revolving credit and tranche A of $175.0 million of the bank loan, respectively. The remaining balance of the proceeds were used for working capital purposes.

At end of reporting year, $331.3 million (2019: $336.7 million) notes are outstanding.

The fair value of the fixed rate notes (Level 1) is $334.1 million (2019: $360.8 million).

On 15 June 2020, Moody's downgraded the corporate family rating from Ba3 to B1 and changed the outlook on the rating from stable to negative.

On 4 November 2020, Fitch downgraded Long-Term Issuer Default Rating of the US$250.0 million senior notes due in 2024 from BB to BB-.

The senior notes are listed on the SGX-ST.

24D. Finance leases

Finance lease is for the BOT fees payable.

The fixed rate of interest for finance leases is 14.00% (2019: 14.00%) per annum. The finance lease is on fixed repayment term and no arrangements have been entered into for contingent rental payments.

The carrying amount of the lease liabilities is not significantly different from the fair value.

25. OTHER NON-FINANCIAL LIABILITIES, NON-CURRENT

	Group	
	2020 $'000	2019 $'000
Advance payments by tenants	79,550	103,910

This relates to rental received in advance from certain tenants.

26. TRADE AND OTHER PAYABLES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables				
Outside parties and accrued liabilities	22,835	28,113	6,430	11,019
Related parties (note 3)	1,036	1,796	–	–
	23,871	29,909	6,430	11,019
Other payables				
Loan payable to subsidiaries[#]	–	–	358,888	437,364
Subsidiaries (note 3)	–	–	35,101	33,887
Other payables	9,858	17,638	–	–
	9,858	17,638	393,989	471,251
	33,729	47,547	400,419	482,270

[#] The loans are unsecured, bear fixed interest rates ranging from 5.00% to 7.25% (2019: ranging from 4.10% to 7.25%) per annum and are repayable on demand. The carrying amount is a reasonable approximation of fair value (Level 2).

27. OTHER NON-FINANCIAL LIABILITIES, CURRENT

	Group	
	2020 $'000	2019 $'000
Security deposits from tenants	41,483	47,706

28. DERIVATIVE FINANCIAL INSTRUMENTS

The table below summarises the fair value of derivatives engaged into at end of year. These derivatives are not designated as hedging instruments.

	Group and Trust	
	2020 $'000	2019 $'000
Derivatives with positive fair values		
Currency option contracts (note 28B)	179	–
Forward contracts (note 28B)	263	–
	442	–
Derivatives with negative fair values		
Interest rate swaps (note 28A)	(6,409)	(4,170)
Currency option contracts (note 28B)	–	(197)
Forward contracts (note 28B)	(8)	–
Cross currency swap contracts (note 28C)	(13,612)	(9,304)
	(20,029)	(13,671)
	(19,587)	(13,671)

Movements during the year are as follows:

	Group and Trust	
	2020 $'000	2019 $'000
At beginning of year	(13,671)	(2,604)
Fair value changes recognised in profit or loss	(5,916)	(11,067)
At end of year	(19,587)	(13,671)

Presented in statements of financial position as:

	Group and Trust	
	2020 $'000	2019 $'000
Current assets	442	–
Non-current liabilities	(15,518)	(13,671)
Current liabilities	(4,511)	–
	(20,029)	(13,671)

28A. Interest rate swaps

The notional amount of interest rate swaps for 2020 is $320.0 million (2019: $320.0 million). They are designed to convert floating rate borrowings to fixed rate exposure. The Group pays fixed interest rates, ranging from 1.99% and 2.10% per annum, and receives variable rate equal to the SOR on the notional contract amount (Level 2). The interest rate swaps will expire between December 2021 and March 2022.

Information on maturities of the borrowings is set out in note 24A.

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28B. Currency option contracts and forward contracts

	Notional amounts			Maturity		Fair value	
	2020 $'000	2019 $'000	Reference currency	2020	2019	2020 $'000	2019 $'000
Currency option contracts	25,367	52,322	IDR	February 2021	February 2020 to February 2021	179	(197)
Forward contracts	250,000	–	SGD	January 2021	–	255	–

The Trust has entered into currency option contracts to mitigate fluctuation of income denominated in IDR arising from: (i) dividends received or receivable by the Singapore subsidiaries; and (ii) capital receipts from repayment of shareholders loans to Singapore subsidiaries.

The Trust has entered into forward contracts to mitigate the foreign exchange fluctuation between SGD and IDR for the approved acquisition of Lippo Mall Puri which was completed on 27 January 2021.

Currency derivatives are utilised to hedge significant future transactions and cash flows. The Trust is a party to a variety of foreign currency options in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currency of the Trust's principal market. As a matter of principle, the Trust does not enter into derivative contracts for speculative purposes.

28C. Cross currency swap contracts

	Notional amounts			Maturity		Fair value	
	2020 $'000	2019 $'000	Reference currency	2020	2019	2020 $'000	2019 $'000
Cross currency swap contracts	341,683	341,683	USD	June 2024	June 2024	(13,612)	(9,304)

The Trust has entered into cross currency swap contracts to swap proceeds from the senior notes (note 24C) and the corresponding interest coupon payments into SGD obligations with a weighted average fixed interest rate of approximately 6.71% per annum payable semi-annually in arrears.

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28D. Fair value of derivative financial instruments

The derivative financial instruments are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

The fair value (Level 2) of interest rate swaps was measured on the basis of the current value of the difference between the contractual interest rate and the market rate at the end of the reporting year. The valuation technique used market observable inputs including interest rate curves.

The fair value (Level 2) of currency option contracts is based on option models. The valuation technique uses market observable inputs including forward rate curves and annualised volatility of exchange rate.

The valuation techniques applied on the currency swap contracts include forward pricing and swap models, using present value calculations. The models incorporate various inputs including credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, inputs into models are market observable (Level 2).

29. FINANCIAL RATIOS

	Group		Trust	
	2020	2019	2020	2019
Expenses to average net assets ratio – excluding performance related fee[1]	0.80%	1.12%	0.89%	0.91%
Expenses to average net assets ratio – including performance related fee[1]	1.13%	1.79%	1.29%	1.67%
Portfolio turnover ratio[2]	–	–	–	–

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust excluding any property related expenses, borrowing costs, foreign exchange losses/(gains), tax deducted at source and costs associated with purchase of investments.

(2) Turnover ratio means the number of times per year that a dollar of asset is reinvested. It is calculated based on the lesser of purchases or sales of underlying investments of a scheme expressed as a percentage of daily average net asset value.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

30A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at end of reporting year:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets				
Financial assets at FVTPL	442	–	442	–
Financial assets at amortised cost	152,786	160,191	207,781	219,802
	153,228	160,191	208,223	219,802
Financial liabilities				
Financial liabilities at FVTPL	20,029	13,671	20,029	13,671
Financial liabilities at amortised cost	710,979	758,171	752,568	789,236
	731,008	771,842	772,597	802,907

Further quantitative disclosures are included throughout these financial statements.

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, currency risk and price risk exposures. Management has certain practices for the management of financial risks and actions to be taken in order to manage the financial risks. The guidelines include the following:

- Minimise interest rate, currency, credit and market risks for all kinds of transactions;
- Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk;
- Enter into derivatives or any other similar instruments solely for hedging purposes;
- All financial risk management activities are carried out and monitored by senior management staff;
- All financial risk management activities are carried out following acceptable market practices; and
- May consider investing in shares, bonds or similar instruments.

The Group Financial Controller of the Manager who monitors the procedures reports to management of the Manager.

There have been no changes to exposures to risk, objectives, policies and processes for managing the risk and the methods used to measure the risk.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at end of reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For ECL on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables.

On initial recognition, a day-one loss is recorded equal to the 12-month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

30E. Liquidity risk

The following table analyses non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Over 5 years $'000	Total $'000
2020					
Group					
Gross borrowings commitments	248,520	189,083	342,496	–	780,099
Gross finance lease obligations	480	174	462	44	1,160
Trade and other payables	33,729	–	–	–	33,729
	282,729	189,257	342,958	44	814,988
Trust					
Gross borrowings commitments	224,502	141,047	–	–	365,549
Trade and other payables	400,419	–	–	–	400,419
	624,921	141,047	–	–	765,968

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk (cont'd)

	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Over 5 years $'000	Total $'000
2019					
Group					
Gross borrowings commitments	115,896	309,434	442,951	–	868,281
Gross finance lease obligations	86	750	402	48	1,286
Trade and other payables	47,547	–	–	–	47,547
	163,529	310,184	443,353	48	917,114
Trust					
Gross borrowings commitments	15,026	260,608	70,353	–	345,987
Trade and other payables	482,270	–	–	–	482,270
	497,296	260,608	70,353	–	828,257

The following table analyses the derivative financial instruments by remaining contractual maturity:

	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Total $'000
2020				
Group and Trust				
Net settled				
Currency option contracts	255	–	–	255
Forward contracts	179	–	–	179
Interest rate swaps	(4,503)	(1,906)	–	(6,409)
Cross currency swap contracts	–	–	(13,612)	(13,612)
	(4,069)	(1,906)	(13,612)	(19,587)

	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Total $'000
2019				
Group and Trust				
Net settled				
Currency option contracts	–	(197)	–	(197)
Interest rate swaps	–	(4,170)	–	(4,170)
Cross currency swap contracts	–	–	(9,304)	(9,304)
	–	(4,367)	(9,304)	(13,671)

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 30 (2019: 30) days. The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity need and no further analysis is deemed necessary.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk (cont'd)

	Group and Trust	
	2020	2019
	$'000	$'000
Undrawn bank facilities	99,386	–

The Trust has an undrawn bank facility amounting to US$75.0 million available to be used for the partial repayment of an existing $175.0 million facility maturing in August 2021. The facility has been cancelled in February 2021 upon successful issuance of US$200.0 million 7.50% Guaranteed Senior Notes which was partially used to repay $175.0 term loan facility.

A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management of the Manager to assist in monitoring the liquidity risk. The Manager also monitors and observes the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore concerning limits on total borrowings. The Manager is of the view that cash from operating activities will be sufficient to meet the current requirements to support ongoing operations, capital expenditures, and debt repayment obligations. The Trust's structure necessitates raising funds through debt financing and the capital markets to fund strategic acquisitions and capital expenditures. The Manager also ensures there are sufficient funds for declared and payable distributions and any other commitments.

30F. Interest rate risk

The interest rate risk exposure is from changes in fixed rates and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Trust	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial liabilities with interest				
Fixed rates	325,101	403,658	–	–
Floating rates	352,149	306,966	352,149	306,966
	677,250	710,624	352,149	306,966

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

In order to manage interest rate risk, the Trust entered into:

– Interest rate swaps to mitigate fair value risk by converting floating rate borrowings to fixed rate borrowings, as described in notes 24A and 28A; and

– Cross currency swaps contracts to swap foreign currencies interest into fixed Singapore dollar interest, as described in notes 24C and 28C.

The derivatives are carried at fair value, and changes in fair value are recognised in profit or loss. However, there is no impact to distributable income until realised.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30F. Interest rate risk (cont'd)

Sensitivity analysis

	Group and Trust 2020 $'000	Group and Trust 2019 $'000
A hypothetical variation in interest rates by 10 (2019: 10) basis points with all other variables held constant, would have an increase/decrease in total return before tax for the year by:	352	307

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

30G. Foreign currency risk

Analysis of amounts denominated in non-functional currencies:

	SGD $'000	USD $'000	Total $'000
Group			
2020			
Financial assets			
Cash and cash equivalents	1,155	580	1,735
Trade and other receivables	34,905	–	34,905
	36,060	580	36,640
Financial liabilities			
Loans and borrowings	–	331,287	331,287
	–	331,287	331,287
	36,060	(330,707)	(294,647)

	SGD $'000	USD $'000	Total $'000
Group			
2019			
Financial assets			
Cash and cash equivalents	14,009	616	14,625
Trade and other receivables	34,905	–	34,905
	48,914	616	49,530
Financial liabilities			
Loans and borrowings	–	336,725	336,725
	–	336,725	336,725
	48,914	(336,109)	(287,195)

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30G. Foreign currency risk (cont'd)

Analysis of amounts denominated in non-functional currencies (cont'd):

	USD $'000	IDR $'000	Total $'000
Trust			
2020			
Financial assets			
Other receivables from subsidiaries	–	149,976	149,976
	–	149,976	149,976
Financial liabilities			
Other payables to subsidiaries	–	1,953	1,953
Loan payables to subsidiaries	331,287	–	331,287
	331,287	1,953	333,240
	(331,287)	148,023	(183,264)

	USD $'000	IDR $'000	Total $'000
Trust			
2019			
Financial assets			
Other receivables from subsidiaries	–	185,613	185,613
	–	185,613	185,613
Financial liabilities			
Other payables to subsidiaries	–	2,014	2,014
Loan payables to subsidiaries	336,725	–	336,725
	336,725	2,014	338,739
	(336,725)	183,599	(153,126)

There is exposure to foreign currency risk as part of its normal business. In particular, there is significant exposure to:

- IDR currency risk arise from operations of the malls and retail spaces in Indonesia. In this respect, foreign currency contracts are entered into to take into consideration of anticipated revenues in IDR over operating expenses. Note 28B illustrates the foreign currency derivatives in place at end of reporting year; and

- USD currency risk arise as the Group issued US$250.0 million Guarantee Senior Notes whose functional currency is in SGD, have been fully hedged using the cross currency swaps contract that mature on the same dates that the senior notes are due from repayment. Note 28C illustrates the cross currency swaps derivatives in place at end of reporting year.

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30G. Foreign currency risk (cont'd)

	Group	
	2020 $'000	2019 $'000
A hypothetical 10% (2019: 10%) strengthening in exchange rate of functional currency IDR against SGD with all other variables held constant would have an adverse effect on total return before tax of:	(3,606)	(4,891)
A hypothetical 10% (2019: 10%) strengthening in exchange rate of functional currency SGD against USD with all other variables held constant would have a favourable effect on total return before tax of:	33,071	33,611

	Trust	
	2020 $'000	2019 $'000
A hypothetical 10% (2019: 10%) strengthening in exchange rate of functional currency SGD against IDR with all other variables held constant would have an adverse effect on total return before tax of:	(14,802)	(18,360)
A hypothetical 10% (2019: 10%) strengthening in exchange rate of functional currency SGD against USD with all other variables held constant would have a favourable effect on total return before tax of:	33,129	33,673

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure. The analysis above has been carried out without taking into consideration hedged transactions.

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on the profit or loss.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

31. CAPITAL COMMITMENTS

At the end of the reporting year, the Group committed to purchase plant and equipment and assets enhancements in retail malls estimated to amount to $7,051,000 (2019: $13,069,000).

32. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At end of reporting year, total future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2020 $'000	2019 $'000
Not later than one year	85,865	111,326
Between 1 and 2 years	70,171	85,497
Between 2 and 3 years	49,438	64,543
Between 3 and 4 years	35,170	43,866
Between 4 and 5 years	21,479	27,766
More than five years	34,222	69,970
	296,345	402,968
Rental income for the year	78,290	155,259

The Trust has no operating lease payment commitments at end of reporting year.

The Group has commercial property leases for retail malls and spaces. The lease rental income terms are negotiated for an average term of five to ten years for anchor tenants and an average of three to five years for speciality tenants. These leases are cancellable with conditions and rentals may be subject to an escalation clause.

Upon completion of the acquisition of Palembang Icon, the Group entered into 25 years of master leases for the sports centre that were leased to the vendor lessees for guaranteed rental receivables, in accordance with the terms and conditions of the master leases. As part of the revised leasing strategy, the tenure of the existing master lease for the Sport Centre was revised to 6 years expired in December 2020.

Upon completion of the acquisition of Lippo Mall Kuta, the Group entered into 3 master leases, pursuant to which casual leasing, car park and certain specialty retail spaces were leased to the vendor lessees for guaranteed rental receivables, in accordance with the terms and conditions of the master leases. The master leases are valid for a period of 5 years from 29 December 2016 to 28 December 2021.

Upon completion of the acquisition of Lippo Plaza Kendari, the Group entered into 2 master leases, pursuant to which casual leasing and certain anchor and specialty retail spaces were leased to the vendor lessees for guaranteed rental receivables, in accordance with the terms and conditions of the master leases. The master leases are valid for a period of 5 years from 21 June 2017 to 20 June 2022.

Upon completion of the acquisition of Lippo Plaza Jogja, the Group entered into 3 master leases, pursuant to which casual leasing, car park and certain anchor and specialty retail spaces were leased to the vendor lessees for guaranteed rental receivables, in accordance with the terms and conditions of the master leases. The master leases are valid for a period of 5 years from 22 December 2017 to 21 December 2022.

33. OTHER MATTERS

Right of First Refusal ("ROFR")

On 14 August 2007, an agreement was entered into between the Trustee and the Sponsor pursuant to which the Sponsor granted the Trust, for so long as (a) LMIRT Management Ltd remains the Manager of the Trust; and (b) the Sponsor and/or any of its related corporations, alone or in aggregate, remains a controlling shareholder of the Manager; an ROFR over any retail properties located in Indonesia (each such property to be known as a "Relevant Asset"): (i) which the Sponsor or any of its subsidiaries (each a "Sponsor Entity") proposes to sell or transfer (whether such Relevant Asset is wholly-owned or partly-owned by the Sponsor Entity and excluding any sale of Relevant Asset by a Sponsor Entity to any related corporation of such Sponsor Entity pursuant to a reconstruction, amalgamation, restructuring, merger or any analogous event) to an unrelated third party; or (ii) for which a proposed offer for sale or transfer of such Relevant Asset has been made to a Sponsor Entity.

34. SUBSEQUENT EVENTS

(i) On 6 January 2021, the Group obtained term loan facilities of up to $80.0 million with BNP Paribas Singapore and CIMB Bank Singapore for the purpose of partially financing the acquisition of Lippo Mall Puri. The term loan facilities amounting up to $80.0 million comprises $60.0 million ("Facility A") and $20.0 million ("Facility B") with maturity tenure of 36 months and 60 months, respectively.

(ii) On 16 December 2020, the Group launched a rights issue of up to 4,682,872,029 new units to raise gross proceeds of approximately $281.0 million on a renounceable and non-underwritten basis to eligible Unitholders at $0.06 per rights unit with an allotment ratio of 160 rights units for every 100 existing units. The rights issue is to partially finance the acquisition of Lippo Mall Puri. On 21 January 2021, the Group issued an aggregate of 4,682,872,029 rights units, bringing the total number of issued units in the Group to 7,609,667,047 units.

(iii) On 27 January 2021, the Group completed the acquisition of Lippo Mall Puri. The purchase consideration was paid in cash, funded by the $80.0 million term loan facilities, vendor financing of $40.0 million and proceeds from the aforesaid rights issue.

(iv) On 9 February 2021, the Group issued US$200.0 million 7.50% Guaranteed Senior Notes. The notes bear fixed interest rate of 7.50% per annum payable semi-annually in arrears and was issued at an issue price of 98.980% of the principal amount of the notes. The notes will mature on 9 February 2026. The Group used part of the proceeds to repay both the $175.0 million loan facility maturing in August 2021 and $44.0 million revolving credit facilities in February 2021.

(v) On 1 March 2021, a final distribution of 0.04 cents per unit was declared totalling $3,042,000 in respect of the quarter ended 31 December 2020.

(vi) Subsequent to year-end, the Trust entered into two cross currency swap contracts to swap the partial proceeds from the US$200.0 million 7.50% Guaranteed Senior Notes issued on 9 February 2021 into Singapore dollars and the interest rate from 7.50% to 6.65% plus 6 months SOR.

35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For current reporting year, new or revised FRS 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 103	Definition of a Business – Amendments
FRS 1 and 8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements
FRS 39;107 and 109	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting
FRS 116	Covid-19 Related Rent Concessions – Amendment to (effective from 30 June 2020) (early adoption)

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

For future reporting years, certain new or revised financial reporting standards were issued 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 any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Classification of Liabilities as Current or Non-current – Amendments to	1 January 2023
FRS 103	Definition of a Business – Reference to the Conceptual Framework – Amendments to	1 January 2022
FRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 January 2022
FRS 37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to	1 January 2022
FRS 101	First-time Adoption of Financial Reporting Standards – Subsidiary as a first-time adopter (Annual Improvement Project)	1 January 2022
FRS 109	Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
FRS 110 and FRS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet
Various	Annual Improvements to FRS 2018-2020	1 January 2022

37. LISTING OF SUBSIDIARIES

All the subsidiaries are wholly-owned. The subsidiaries held by the Trust and the Group are listed below:

Name of subsidiary	Country of incorporation	Principal activities	Cost 2020 $'000	Cost 2019 $'000
Held by the Trust				
Gajah Mada Investments Pte Ltd	Singapore	Investment holding	76,173	79,560
Mal Lippo Investments Pte Ltd	Singapore	Investment holding	49,046	50,575
Cibubur Holdings Pte Ltd	Singapore	Investment holding	50,079	50,079
Tangent Investments Pte Ltd	Singapore	Investment holding	76,238	76,238
Magnus Investments Pte Ltd	Singapore	Investment holding	97,476	97,476
Elok Holdings Pte Ltd	Singapore	Investment holding	48,233	49,955
PS International Holdings Pte Ltd	Singapore	Investment holding	126,185	126,185
Great Properties Pte Ltd	Singapore	Investment holding	59,360	59,360
Grace Capital Pte Ltd	Singapore	Investment holding	34,278	34,278
Realty Overseas Pte Ltd	Singapore	Investment holding	23,726	26,500
Java Properties Pte Ltd	Singapore	Investment holding	17,402	17,758
Serpong Properties Pte Ltd	Singapore	Investment holding	13,763	14,327
Metropolis Properties Pte Ltd	Singapore	Investment holding	26,217	26,217
Matos Properties Pte Ltd	Singapore	Investment holding	19,554	19,877
Detos Properties Pte Ltd	Singapore	Investment holding	20,593	20,593
Palladium Properties Pte Ltd	Singapore	Investment holding	43,569	43,569
Madiun Properties Pte Ltd	Singapore	Investment holding	22,357	22,705
GMP International Holdings Pte Ltd	Singapore	Investment holding	765	765
MLC Holdings Pte Ltd	Singapore	Investment holding	765	765
CJ Retail Investments Pte Ltd	Singapore	Investment holding	89	89
Maxia Investments Pte Ltd	Singapore	Investment holding	535	535
Fenton Investments Pte Ltd	Singapore	Investment holding	1,256	1,256
EP International Investments Pte Ltd	Singapore	Investment holding	60	60

37. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost 2020 $'000	Cost 2019 $'000
Held by the Trust (cont'd)				
Plaza Semanggi Investments Pte Ltd	Singapore	Investment holding	161	161
PV International Holdings Pte Ltd	Singapore	Investment holding	174,006	174,006
Pluit Village Investments Pte Ltd	Singapore	Investment holding	29,189	29,189
PMF Holdings Pte Ltd	Singapore	Investment holding	33,607	33,708
Plaza Medan Investments Pte Ltd	Singapore	Investment holding	1*	1*
PSX Holdings Pte Ltd	Singapore	Investment holding	9,218	9,218
Palembang Square Holdings Pte Ltd	Singapore	Investment holding	50,187	50,187
Taminis Holdings Pte Ltd	Singapore	Investment holding	19,333	19,372
Kramati Holdings Pte Ltd	Singapore	Investment holding	34,413	35,407
Binjaimall Holdings Pte Ltd	Singapore	Investment holding	2,603	23,215
Pejaten Holdings Pte Ltd	Singapore	Investment holding	104,212	110,519
Super Binjai Investment Pte Ltd	Singapore	Investment holding	1*	1*
Pejatenmall Investment Pte Ltd	Singapore	Investment holding	2,151	2,151
Kramat Jati Investment Pte Ltd	Singapore	Investment holding	1*	1*
Tamini Square Investment Pte Ltd	Singapore	Investment holding	1*	1*
Palem Square Investment Pte Ltd	Singapore	Investment holding	1*	1*
PSEXT Investment Pte Ltd	Singapore	Investment holding	1*	1*
LMIRT Capital Pte Ltd	Singapore	Provision of treasury services	1*	1*
KMT 1 Holdings Pte Ltd	Singapore	Investment holding	297,666	307,514
KMT 2 Investment Pte Ltd	Singapore	Investment holding	16,104	16,104
Picon1 Holdings Pte Ltd	Singapore	Investment holding	75,595	78,635

* Amount less than $1,000.

37. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost 2020 $'000	Cost 2019 $'000
Held by the Trust (cont'd)				
Picon2 Investments Pte Ltd	Singapore	Investment holding	16,475	16,475
Kuta1 Holdings Pte Ltd	Singapore	Investment holding	83,116	83,807
Kuta2 Investments Pte Ltd	Singapore	Investment holding	4,320	4,320
Icon2 Investments Pte Ltd	Singapore	Investment holding	50,881	52,799
PT Graha Baru Raya	Indonesia	Owner of Gajah Mada Plaza	805	805
PT Graha Nusa Raya	Indonesia	Owner of Mal Lippo Cikarang	805	805
PT Cibubur Utama	Indonesia	Owner of Cibubur Junction	1,772	1,772
PT Megah Semesta Abadi	Indonesia	Owner of Bandung Indah Plaza	10,692	10,692
PT Suryana Istana Pasundan	Indonesia	Owner of Istana Plaza	25,112	25,112
PT Indah Pesona Bogor	Indonesia	Owner of Lippo Plaza Ekalokasari Bogor	1,208	1,208
PT Primatama Nusa Indah	Indonesia	Owner of The Plaza Semanggi	3,222	3,222
PT Manunggal Wiratama	Indonesia	Owner of Sun Plaza	10,476	10,476
PT Duta Wisata Loka	Indonesia	Owner of Pluit Village	30,031	30,031
PT Anugrah Prima	Indonesia	Owner of Plaza Medan Fair	14,630	14,630
PT Amanda Cipta Utama	Indonesia	Owner of Binjai Supermall*	6,270	6,270

* Binjai Supermall was divested on 3 August 2020.

37. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost	
			2020 $'000	2019 $'000
Held by the Trust (cont'd)				
PT Panca Permata Pejaten	Indonesia	Owner of Pejaten Village* and Kediri Town Square	24,532	24,532
PT Benteng Teguh Perkasa	Indonesia	Owner of Lippo Plaza Kramat Jati	10,263	10,263
PT Cahaya Megah Nusantara	Indonesia	Owner of Tamini Square	2,566	2,566
PT Jaya Integritas	Indonesia	Owner of Palembang Square	2,566	2,566
PT Palembang Paragon Mall	Indonesia	Owner of Palembang Square Extension	4,362	4,362
PT Cahaya Bimasakti Nusantara	Indonesia	Owner of Palembang Square Extension	2,566	2,566
PT Dinamika Serpong	Indonesia	Owner of Mall WTC Matahari Units	805	805
PT Gema Metropolis Modern	Indonesia	Owner of Metropolis Town Square Units	805	805
PT Matos Surya Perkasa	Indonesia	Owner of Malang Town Square Units	805	805
PT Megah Detos Utama	Indonesia	Owner of Depok Town Square Units	805	805
PT Palladium Megah Lestari	Indonesia	Owner of Grand Palladium Units and Lippo Plaza Batu	5,364	5,364
PT Madiun Ritelindo	Indonesia	Owner of Plaza Madiun Units	805	805

* Pejaten Village was divested on 30 July 2020.

37. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost	
			2020 $'000	2019 $'000
Held by the Trust (cont'd)				
PT Java Mega Jaya	Indonesia	Owner of Java Supermall Units	805	805
PT Kemang Mall Terpadu	Indonesia	Owner of Lippo Mall Kemang	64,417	64,417
PT Griya Inti Sejatera Insani	Indonesia	Owner of Palembang Icon	5,223	5,223
PT Rekreasi Pantai Terpadu	Indonesia	Owner of Lippo Mall Kuta	17,280	17,280
PT Mitra Anda Sukses Bersama	Indonesia	Owner of Lippo Plaza Kendari	1,115	1,115
PT Puri Bintang Terang	Indonesia	Dormant	1*	1*
Joint operations held by subsidiary, Icon2 Investments Pte Ltd				
PT Yogya Central Terpadu	Indonesia	Owner of Lippo Plaza Jogja and Siloam Hospital Yogyakarta	14,250	14,250

* Amount less than $1,000.

The subsidiaries incorporated in Indonesia are audited by RSM Amir Abadi Jusuf, Aryanto, Mawar & Rekan, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

The subsidiaries incorporated in Singapore are audited by RSM Chio Lim LLP in Singapore.

The investments include investments in redeemable preference shares that are redeemable at the option of the subsidiaries.

INTERESTED PERSON TRANSACTIONS

YEAR ENDED 31 DECEMBER 2020

The transactions entered into with interested persons during the financial year, which fall under the SGX-ST's Listing Manual and the Code on Collective Investment Schemes, are as follows:

Name of Interest Person	Aggregate value of all interested person transactions during FY 2020 under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)[1] S$'000
PT Lippo Karawaci Tbk and its subsidiaries or associates		
– Manager's management fees expense	7,548	–
– Property management fees expense	4,098	–
– Rental revenue and service charge	31,215	–
Perpetual (Asia) Limited		
- Trustee's fees	436	–

[1] LMIR Trust has not sought any general mandate from its Unitholders for interested person transactions pursuant to Rule 920 of the Listing Manual.

Saved as disclosed above, there were no additional interested person transactions (excluding transactions less than S$100,000 each) entered into during the financial year under review or any material contracts entered into by LMIR Trust that involved the interests of the Chief Executive Officer, any Director or controlling Unitholder of LMIR Trust.

Fees payable to the Manager in accordance with the terms and conditions of the Trust Deed dated 8 August 2008 are not subject to Rule 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such fees are not subject to aggregation and other requirements under Rules 905 and 906 of the SGX-ST's Listing Manual.

SUBSCRIPTIONS OF LMIR TRUST

For the financial year ended 31 December 2020, the issued and subscribed units as at 31 December 2020 is an aggregate of 2,926,795,018 units.

As approved at an extraordinary general meeting of unitholders held on 14 December 2020, an aggregate of 4,682,872,029 new units (the "**Rights Units**") were issued on 21 January 2021 pursuant to a renounceable and non-underwritten rights issue of 160 Rights Units for every 100 existing units at an issue price of S$0.06 per Rights Unit (the "**Rights Issue**").

Immediately following the issue of the Rights Units, the aggregate issued and subscribed units of LMIR Trust increased to 7,609,667,047 units.

STATISTICS OF UNITHOLDINGS

AS AT 17 MARCH 2021

DISTRIBUTION OF UNITHOLDINGS

Size Of Unitholdings	Unitholders	%	No. of Units	%
1 – 99	35	0.31	427	0.00
100 – 1,000	360	3.20	253,820	0.00
1,001 – 10,000	2,774	24.64	18,033,690	0.24
10,001 – 1,000,000	7,921	70.36	824,000,301	10.83
1,000,001 AND ABOVE	168	1.49	6,767,378,809	88.93
TOTAL	**11,258**	**100.00**	**7,609,667,047**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,237,409,082	55.68
2	CITIBANK NOMINEES SINGAPORE PTE LTD	516,841,126	6.79
3	UOB KAY HIAN PRIVATE LIMITED	363,812,957	4.78
4	DBS NOMINEES (PRIVATE) LIMITED	266,299,915	3.50
5	LMIRT MANAGEMENT LTD	229,118,809	3.01
6	RAFFLES NOMINEES (PTE.) LIMITED	142,514,476	1.87
7	OCBC SECURITIES PRIVATE LIMITED	116,899,553	1.54
8	PHILLIP SECURITIES PTE LTD	95,062,738	1.25
9	DBSN SERVICES PTE. LTD.	87,248,728	1.15
10	HSBC (SINGAPORE) NOMINEES PTE LTD	66,949,739	0.88
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	46,707,811	0.61
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	46,688,072	0.61
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	40,362,423	0.53
14	KO OON JOO	30,952,100	0.41
15	ABN AMRO CLEARING BANK N.V.	24,161,180	0.32
16	MERRILL LYNCH (SINGAPORE) PTE. LTD.	22,310,355	0.29
17	IFAST FINANCIAL PTE. LTD.	21,425,540	0.28
18	TJANDRA TJAKRAWINATA @ CHOW CHARLES	18,071,700	0.24
19	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	17,882,649	0.23
20	NG THIAN SAI	14,430,000	0.19
	TOTAL	**6,405,148,953**	**84.16**

STATISTICS OF UNITHOLDINGS

AS AT 17 MARCH 2021

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 17 March 2021)

		No. of Units Direct Interest	No. of Units Deemed Interest
1.	Bridgewater International Ltd ("BIL")[(1)]	4,210,792,262	–
2.	Mainland Real Estate Ltd. ("Mainland")[(1)]	–	4,439,911,071
3.	PT. Sentra Dwimandiri ("SD")[(1)]	–	4,439,911,071
4.	Lippo Karawaci Corporation Pte Ltd. ("LK Corp")[(1)]	–	4,439,911,071
5.	Jesselton Investment Limited ("Jesselton")[(1)]	–	4,439,911,071
6.	PT. Lippo Karawaci Tbk ("Sponsor")[(1)]	–	4,439,911,071
7.	PT Inti Anugerah Pratama ("IAP")[(2)]	–	4,439,911,071
8.	PT Triyaja Utama Mandiri ("TUM")[(3)]	–	4,439,911,071
9.	James Tjahaja Riady ("JTR")[(4)]	–	4,439,911,071
10.	Fullerton Capital Limited ("Fullerton")[(5)]	–	4,439,911,071
11.	Sinovex Limited ("Sinovex")[(6)]	–	4,439,911,071
12.	Dr Stephen Riady ("SR")[(7)]	–	4,439,911,071

Notes:

(1) BIL is directly held by SD, PT Prudential Development ("PD") and Mainland in the proportion of 47.61%, 0.01% and 52.38% respectively. SD and Mainland are therefore deemed to be interested in the units held by BIL LMIRT Management Ltd., the Manager of Lippo Malls Indonesia Retail Trust (the "Manager") is directly held by Peninsula Investment Limited ("PIL") which in turn is directly held by Mainland and Jesselton in the proportion of 51.91% and 48.09% respectively. Mainland is directly held by SD, PD, Jesselton and Lippo Karawaci Corporation Pte Ltd ("LK Corp") in the proportion of 28%, 18%, 27% and 27% respectively. PTSD and LKC are therefore deemed to interested in the units held by BIL and the Manager. The Sponsor continues to hold 100% of SD, PD, LK Corp and Jesselton.

(2) IAP holds more than 50% interest in the Sponsor and is therefore deemed to be interested in Sponsor's deemed interest in 4,439,911,071 Units comprising of 229,118,809 units held by the Manager and 4,210,792,262 units held by BIL.

(3) TUM holds 60% interest in IAP which is the intermediate holding company of the Manager. Accordingly, TUM has a deemed interest in 229,118,809 units held by the Manager. In addition, TUM is the intermediate holding company of BIL and is therefore deemed in the 4,210,792,262 units held by BIL.

(4) JTR effectively holds 100% interest in TUM and is therefore deemed to be interested in TUM's deemed interest.

(5) Fullerton holds 40% interest in IAP and is therefore deemed to be interested in IAP's deemed interest of 4,439,911,071 Units.

(6) Sinovex is the holding company of Fullerton and is therefore deemed to be interested in Fullerton's deemed interest of 4,439,911,071 Units.

(7) SR holds the entire share capital of Sinovex which is the holding company of Fullerton. Fullerton holds 40% of the shares in IAP which is the intermediate holding company of the Manager and BIL. Therefore, he is deemed to be interested in 4,439,911,071 Units comprising of 229,118,809 units held by the Manager and 4,210,792,262 units held by BIL.

MANAGER'S DIRECTORS' UNITHOLDINGS

(As recorded in the Register of Directors' Unitholdings as at 21 January 2021)

None of the Directors of the Manager has Unitholdings in LMIR Trust.

FREE FLOAT

Based on the information made available to the Manager as at 17 March 2021, approximately 41.65% of the Units in LMIR Trust are held in the hands of the public. Accordingly Rule 723 of the Listing Manual of the SGX-ST has been complied with.

TREASURY UNITS AND SUBSIDIARY HOLDINGS

As at 17 March 2021, LMIR Trust does not hold any treasury units and there is no subsidiary holdings.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS

LIPPO MALLS INDONESIA RETAIL TRUST

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("**AGM**") of the holders of units of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**", and the holders of units of LMIR Trust, "**Unitholders**") will be convened and held by way of electronic means on **Wednesday, 21 April 2021 at 10:00 a.m. (Singapore Time)** to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee issued by Perpetual (Asia) Limited, as trustee of LMIR Trust (the "**Trustee**"), the Statement by the Manager issued by LMIRT Management Ltd, as manager of LMIR Trust (the "**Manager**"), and the Audited Financial Statements of LMIR Trust for the financial year ended 31 December 2020 together with the Auditors' Report thereon.

(Ordinary Resolution 1)

2. To re-appoint RSM Chio Lim LLP as Auditors of LMIR Trust and to hold office until the conclusion of the next AGM and to authorise the Manager to fix their remuneration.

(Ordinary Resolution 2)

(B) AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following resolution as an Ordinary Resolution:

3. 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) new 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.

(Please see Explanatory Note)

(Ordinary Resolution 3)

4. 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 maximium 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.

(Ordinary Resolution 4)

5. To transact any other business as may properly be transacted at an AGM.

By Order of the Board
LMIRT Management Ltd
(Company Registration No. 200707703M)
as Manager of Lippo Malls Indonesia Retail Trust

Chester Leong
Company Secretary

Singapore
1 April 2021

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (CONT'D)

EXPLANATORY NOTE:

1. *Ordinary Resolution 3*

   The Ordinary Resolution (3) in item 3 above, if passed, will empower the Manager from the date of this AGM until (i) the date by which the next AGM of the Unitholders of LMIR Trust, or (ii) the date by which the next AGM of the Unitholders is required by law to be held, or (iii) such authority is varied or revoked by the Unitholders in a general meeting, whichever is the earliest, to issue Units, make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any), with a sub-limit of twenty per cent (20.0%) for issues other than on a *pro rata* basis to Unitholders.

   For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Ordinary Resolution is passed after adjusting for new Units arising from the conversion or exercise of any Instruments, the exercise of unit options or the vesting of unit awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

2. *Ordinary Resolution 4*

   The Ordinary Resolution 4, if passed, will empower the Manager from the date of the AGM until (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, whichever is the earliest, to exercise all powers to repurchase issued Units for and on behalf of LMIR Trust not exceeding in aggregated 10.0% of the total number of Units as at the date of the passing of Ordinary Resolution 4, whether by way of Market Repurchase(s) or Off-Market Repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Letter to Unitholders dated 1 April 2021, unless such authority is revoked or varied by the Unitholders in a general meeting.

IMPORTANT NOTICE:

1. The AGM is being convened, and will be held, by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended). Printed copy of this Notice will not be sent to Unitholders. Instead, this Notice will be sent to Unitholders by electronic means via publication on LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type= securityname.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying LMIR Trust's announcement dated 1 April 2021. This announcement may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type= securityname.

   A Unitholder who wishes to watch the "live" audio-visual webcast or "live" audio-only stream must pre-register by **10:00 a.m. (Singapore Time) on 18 April 2021**, at the URL http://www.lmir-trust.com/ir_agm2021.html to enable the Manager to verify his/her/its status as Unitholders.

Following the verification, authenticated Unitholders will receive an email containing instructions on how to access the "live" audio-visual webcast and "live" audio-only stream of the proceedings of the AGM by **10:00 a.m. (Singapore Time) on 20 April 2021** (the "Confirmation Email").

Unitholders who do not receive the Confirmation Email by **10:00 a.m. (Singapore Time) on 20 April 2021**, but who have registered by **10:00 a.m. (Singapore Time) on 18 April 2021**, should contact LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at email address lmirtagm2021@boardroomlimited.com or call our general telephone number at +65 6536 5355 from **10:00 a.m. to 4:00 p.m. (Singapore Time) on 20 April 2021**.

Unitholders may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by **10:00 a.m. (Singapore Time) on 16 April 2021**:

(a) if submitted electronically, be submitted

(i) via the pre-registration website at the URL http://www.lmir-trust.com/ir_agm2021.html; or

(ii) via email by completing the Submission of Questions Form provided by the Manager on LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname and sending the same to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at lmirtagm2021@boardroomlimited.com;

(b) in hard copy by completing the Submission of Questions Form provided by the Manager on LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname and sending the same by post to the office of LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623.

3. As the AGM will be convened and held by way of electronic means, a Unitholder will not be able to attend the AGM in person. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The instrument appointing the Chairman of the AGM as proxy ("Proxy Form") may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname.

Printed copies of the Proxy Form will **not** be sent to Unitholders.

Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. Unitholders who hold their Units through a relevant intermediary (as defined below) and, who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM, including the submission of their voting instructions by **5:00 p.m. (Singapore Time) on 9 April 2021** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by **10:00 a.m.(Singapore Time) on 18 April 2021**.

"**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

(iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. The Chairman of the AGM, as proxy, need not be a Unitholder of LMIR Trust.

5. The Proxy Form must be submitted electronically via email or in hard copy form in the following manner:

(a) if submitted electronically, be submitted via email to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at lmirtagm2021@boardroomlimited.com; or

(b) if in hard copy submitted by post, be lodged at LMIR Trust's Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623;

in either case not later than **10:00 a.m. (Singapore Time) on 18 April 2021**.

A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The Proxy Form must be signed by the appointer or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid. A corporation, being a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

The Manager shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager (a) may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager; and (b) shall be entitled and bound to accept as accurate the number of Units entered against the name of that Unitholder as shown in the Depository Register as at a time not earlier that 72 hours prior to the time of the AGM, supplied by CDP to the Trustee and to accept as the maximum number of votes which in aggregate that Unitholder and his proxy are able to cast on poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.

6. The FY 2020 Annual Report has been uploaded on the SGX website on 1 April 2021 at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname and may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by LMIR Trust (or its agents) for the purpose of the processing and administration by LMIR Trust (or its agents) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for LMIR Trust (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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PROXY FORM
ANNUAL GENERAL MEETING

LIPPO MALLS INDONESIA RETAIL TRUST

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

Note

This proxy form has been made available on SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname and may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html. A printed copy of this proxy form will NOT be despatched to members.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the AGM as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2021.

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended). Printed copies of the Notice of AGM will **not** be sent to Unitholders. Instead, the Notice of AGM will be sent to Unitholders by electronic means via publication on Lippo Malls Indonesia Retail Trust ("LMIR Trust") website at the URL http://www.lmir-trust.com/ir_agm2021.html. The Notice of AGM will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying LMIR Trust's announcement dated 1 April 2021. This announcement may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname.
3. **As the AGM will be convened and held by way of electronic means, a Unitholder will not be able to attend the AGM in person. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.**
4. Unitholders who hold their units through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF and SRS investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions by **5:00 p.m. (Singapore Time) on 9 April 2021** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by **10:00 a.m. (Singapore Time) on 18 April 2021**.
5. By submitting an instrument appointing the Chairman of the AGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2021.
6. **Please read the notes overleaf which contain instructions on,** *inter alia*, **the appointment of the Chairman of the AGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We ______________________ (Name) ______________________ (NRIC/Passport/Company Registration Number)

of ____ (Address)

being a Unitholder/Unitholders of Lippo Malls Indonesia Retail Trust ("**LMIR Trust**"), hereby appoint the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be convened and held by way of electronic means on **Wednesday, 21 April 2021 at 10:00 a.m. (Singapore Time)** and at any adjournment thereof. I/We direct the Chairman of the AGM as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	'For'*	'Against'*	Abstain*
ORDINARY BUSINESS				
1	To receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of LMIR Trust for the financial year ended 31 December 2020 and the Auditors' Report thereon (Ordinary Resolution)			
2	To re-appoint RSM Chio Lim LLP as Auditors of LMIR Trust and authorise the Manager to fix the Auditors' remuneration (Ordinary Resolution)			
SPECIAL BUSINESS				
3	To authorise the Manager to issue new Units and to make or grant convertible instruments (Ordinary Resolution)			
4	To authorise the Manager to repurchase issued Units in accordance with the trust deed constituting LMIR Trust (as amended) (Ordinary Resolution)			

* If you wish the Chairman of the AGM as your proxy to cast all your votes "for" or "against" or abstain from voting on a resolution, please indicate with an "X" in the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ______________ day of ______________ 2021

Total number of Units held

____

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

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Glue all sides firmly. Do not staple or spot seal.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to the Proxy Form:

1. **As the AGM will be convened and held by way of electronic means, a Unitholder will not be able to attend the AGM in person. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** The instrument appointing the Chairman of the AGM as proxy ("**Proxy Form**") may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2021.html, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements?value=LIPPO%20MALLS%20INDO%20RETAIL%20TRUST&type=securityname.
   In appointing the Chairman of the AGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
   Unitholders who hold their Units through a relevant intermediary (as defined below) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS Approved Banks) to submit their voting instructions by **5:00 p.m. (Singapore Time) on 9 April 2021** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by **10:00 a.m. (Singapore Time) on 18 April 2021**.
   "**relevant intermediary**" means:
   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
2. The Chairman of the AGM, as proxy, need not be a Unitholder of LMIR Trust.
3. The Proxy Form must be submitted electronically via email or in hard copy form in the following manner:
   (a) if submitted electronically, be submitted via email to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at lmirtagm2021@boardroomlimited.com; or
   (b) if in hard copy submitted by post, be lodged at LMIR Trust's Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623;
   in either case not later than **10:00 a.m. (Singapore Time) on 18 April 2021**.
   A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and Units registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units entered against his or her name in the Depository Register and registered in his or her name in the Register of Unitholders. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
6. A corporation, being a Unitholder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

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Postage will be paid by addressee. For posting in Singapore only.

Business Reply Service
Permit No. 08564

LMIRT MANAGEMENT LTD.
(The Manager of Lippo Malls Indonesia Retail Trust)
c/o Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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LMIRT MANAGEMENT LTD
6 Shenton Way
#12-08 OUE Downtown 2
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