Managing Change
Driving Recovery

ANNUAL REPORT 2021

LMIR TRUST

LIPPO MALLS INDONESIA RETAIL TRUST

Contents

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.

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

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 2021, LMIR Trust has a portfolio of 29 properties comprising 22 retail malls ("**Retail Malls**") and seven retail spaces located in other shopping malls ("**Retail Spaces**", and collectively with the "**Retail Malls**", the "**Properties**"). With a total gross floor area ("**GFA**") of 1,825,720 square metres and net lettable area ("**NLA**") of 956,632 square metres, the portfolio's asset value stood at Rp 19,039.9 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, catering mainly to the everyday needs of middle to upper-middle-income domestic consumers in Indonesia.

The Properties boast a diversified tenant base of 3,010 tenants that includes well-known retailers such as Carrefour, Hypermart, Matahari Department Store and Sogo, as well as popular consumer brands including Ace Hardware, Adidas, Fitness First, Giordano, H&M, Miniso, Starbucks, Timezone, Uniqlo, Victoria Secrets and Zara, among others.

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.

For its retail malls business, the Sponsor owns and/or manages 55 malls with total GFA of 3.5 million square metres across Indonesia.

Portfolio Valuation

Rp 19,039.9

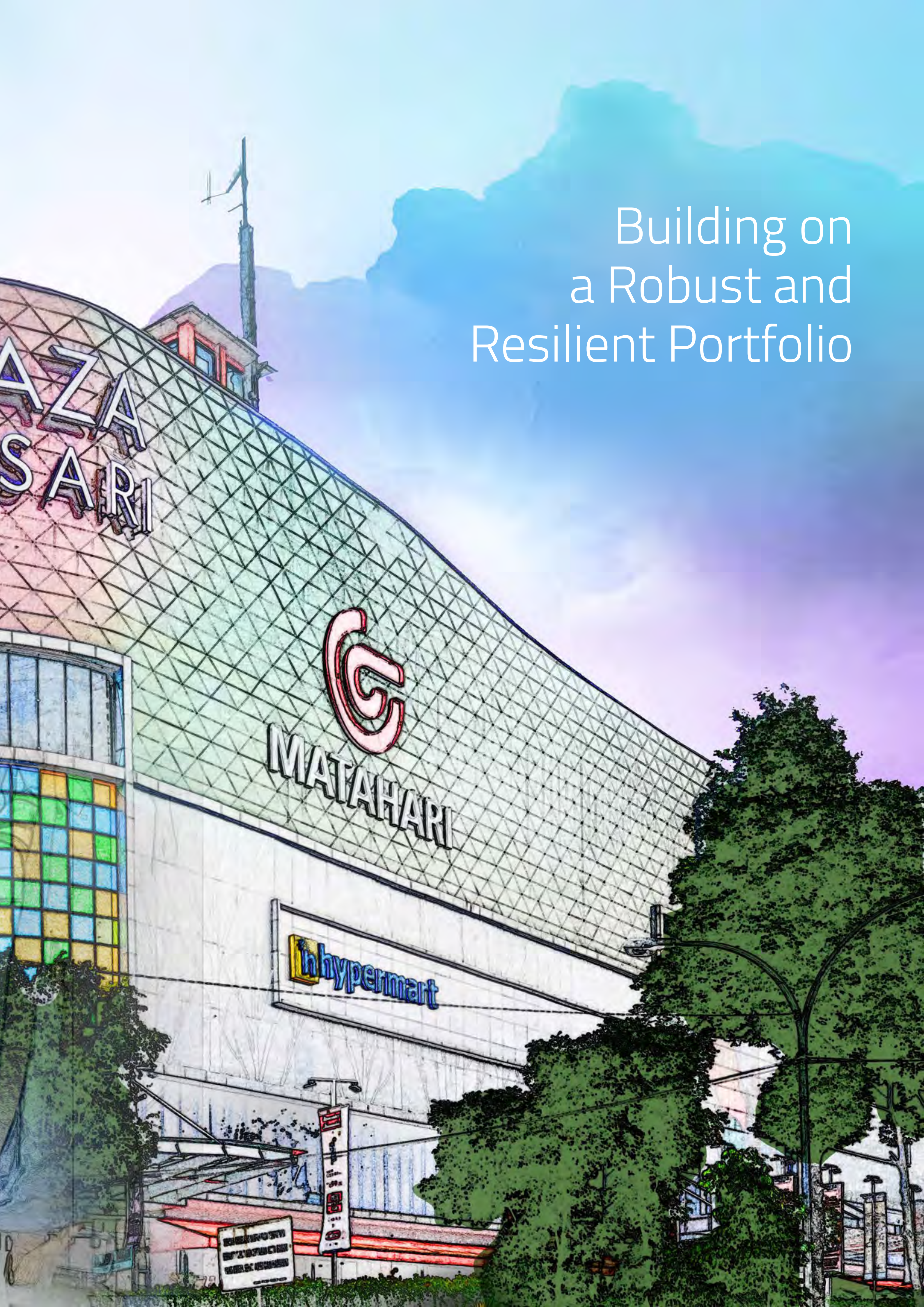
billion

Net Lettable Area

956,632

sqm

Building on a Robust and Resilient Portfolio



Strengthening Our Partnerships to Overcome Challenges

Portfolio Occupancy

80.9%

Tenants

3,010

Gross
Revenue

S$175.1

million

Net Property
Income

S$104.2

million

Enhancing Our Assets to Empower Our Recovery

Key Financial Highlights

Rental Revenue
S$101.7 m
FY 2020: S$78.3m

Gross Revenue
S$175.1 m
FY 2020: S$148.5m

Net Property Income
S$104.2 m
FY 2020: S$76.4m

Distribution to Unitholders
S$26.9 m
FY 2020: S$11.7m

Distribution Per Unit
0.35 S¢
FY 2020: 0.34 S¢

Net Assets Value Per Unit
9.49 S¢
FY 2020: 17.40 S¢

Units in Issue
7,673,336,012
FY 2020: 2,926,795,018

Properties
29
FY 2020: 28

Portfolio Valuation
Rp19,039.9 b

Portfolio Occupancy
80.9%

Net Lettable Area
956,632 sqm

Tenants
3,010

Annual Shopper Traffic
82.7 million

Gearing
42.5%

Interest Cover
1.9 times

Average Cost Of Debt
6.57%

Unit Price Performance

UNIT PRICE AND TRADING VOLUME

Closing unit price for the period
(Singapore cents)

5.4 FY 2021

FY 2020: 6.2

Daily Average Trading Volume
(million)

8.7 FY 2021

FY 2020: 8.3

Highest Closing Unit Price
(Singapore cents)

7.2 FY 2021

FY 2020: 23.5

Market Capitalisation
(S$'million)

414.4 FY 2021

FY 2020: 181.5

Lowest Closing Unit Price
(Singapore cents)

4.9 FY 2021

FY 2020: 6.1

Significant Events

JANUARY

6 Obtained term loan facilities of up to S$80.0 million from BNP Paribas and CIMB Bank Berhad, Singapore Branch

21 Completion of rights issue and raised gross proceeds of S$281.0 million

Moody's Investors Service affirmed the B1 Outlook Negative corporate family rating of LMIR Trust and the B1 rating on the backed senior unsecured bond

27 Completed the acquisition of Lippo Mall Puri and utilised approximately S$260.2 million (approximately 92.6%) of the gross proceeds from the rights issue to partially fund the acquisition

FEBRUARY

3 Raised US$200.0 million from second US Dollar bond offering

MARCH

1 4Q 2020 results announcement, declared DPU of 0.04 Singapore cents

Appointment of Mr Cheng Jih Min as Senior Asset Director of the Manager

Proceeds from the US$200.0 million Dollar bond and internal funds were used to repay the S$175.0 million term loan facility maturing in August 2021 and S$44.0 million unsecured uncommitted revolving credit facilities

9 In support of the Indonesia government's vaccination programme, LMIR Trust offered its malls across Indonesia as vaccine centres

APRIL

21 Convened 12th Annual General Meeting via electronic means

23 Obtained S$30.0 million term loan facilities from Shanghai Pudong Bank

27 1Q 2021 results announcement, declared DPU of 0.08 Singapore cents

JULY

1 Appointment of Mr Wong Yoon Thim as Chief Financial Officer of the Manager

3 Temporary closures of 16 retail malls and 6 retail spaces in Java and Bali from 3 to 20 July

12 Extension of temporary mall closures to Medan region from 12 to 20 July

14 Fitch Ratings Singapore Pte Ltd downgraded LMIR Trust's Long-Term Issuer Default Rating to 'B+' from 'BB-' with outlook negative, and senior unsecured notes downgraded to 'B+' from 'BB-' with a recovery rating of 'RR4'

21 Extension of temporary mall closures in Java, Bali and Medan to 25 July

26 2Q 2021 results announcement, declared DPU of 0.09 Singapore cents

AUGUST

18 Obtained a committed S$30.0 million revolving loan facility from Barclays Bank PLC

Reopening of 12 retail malls and 2 retail spaces

25 Reopening of 7 retail malls and 2 retail spaces

SEPTEMBER

27 Reset the distribution rate for S$140.0 million subordinated perpetual securities to 6.4751% per annum

OCTOBER

26 3Q 2021 results announcement, declared DPU of 0.09 Singapore cents

NOVEMBER

15 Sale of 268,186,070 units in LMIR Trust to Bridgewater International Limited

30 Sale of 874,912,770 units in LMIR Trust by Bridgewater International Limited to Tokyo Century Corporation for a sale consideration of S$67,368,283.

Letter to Unitholders

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

The injection of the iconic Lippo Mall Puri has been the highlight of the Trust in 2021 which has also aided in stabilising the Trust's performance amidst the ongoing pandemic.

Dear Unitholders,

MANAGING CHANGE • DRIVING RECOVERY

The year of 2021 continued the trend of the previous year of managing major change with the COVID-19 pandemic continuing to evolve globally. However, many parts of the world have learnt to adapt, manage and navigate the challenges presented by this constantly evolving epidemic, quickening the pace of adjustment to living with a new normal. This continues as a priority to monitor closely.

In Indonesia, the early implementation of the nationwide vaccination programme in 2021 and prompt social restriction measures have proven to be advantageous in controlling the spread of the virus. Based on March 2022 statistics from Indonesia's COVID-19 Task Force Committee, Indonesia is placed among the top five countries globally in relation to the highest vaccination rate. Specifically, 7% of the target population have received the third vaccination, 73% of the target population have received the second vaccination and 92% of the target population have received the first vaccination. Amid the rise in cases due to the Omicron variant, Indonesia kicked-off its COVID-19 booster programme, alongside its vaccination programme, in January 2022.

Similarly for LMIR Trust, after co-existing with and managing the impact of the pandemic on mall operations, the Trust has been able to react promptly to the volatile pandemic situation and remain flexible to changing social restriction requirements. Accordingly, the focus is moving from the constraints from the pandemic over the past two years with stringent health and safety protocols impacting mall operating hours to now focusing on maintaining operational stability and driving recovery for all stakeholders.

We continue to work alongside our mall operator and retailers to ramp up efforts in marketing and promotional activities to attract shoppers to our malls. Our concerted efforts, together with the improving pandemic situation towards the end of 2021 which led to the easing of restrictions, saw shopper traffic in the fourth quarter ("**4Q**") of 2021 recovering to 55.4% of pre-COVID levels in 4Q 2019. On a full-year basis, shopper traffic recovered to 49.1% of levels in FY 2019.

The Trust continues to actively look to optimise mall space, improve tenant mix and attract new and replacement tenants to boost portfolio occupancy which has been impacted by the pandemic. Average portfolio occupancy as at 31 December 2021 stood at 80.9%, marginally down from 84.6% as at 31 December 2020, but still at a level higher than the industry average of 76.5%[1].

With changing consumer behaviour and evolving operating conditions, the Trust has remained steadfast in upkeeping its malls to enhance shopper experience and maximising mall space to optimise its value through developments in our malls. Specifically, the Trust is undertaking additional enhancement work on Sun Plaza and the refurbishment of Gajah Madah Plaza is well underway. Following the completion of the refurbishment works for Sun Plaza in 2020, the Trust will be converting its carpark spaces into a rooftop garden, to further enhance the retail mall experience with an expected completion date in mid-2022. The Trust commenced the Gajah Mada Plaza major refurbishment in July 2021, incorporating a holistic review of the shopping experience including retail mix changes, mall face lift with a refreshed façade and rejuvenated interiors and a new swimming pool leisure experience. This is anticipated to be completed in 2023 together with the new Sawah Besar MRT Station located beneath the mall expected to be operational by 2024. These asset enhancements anticipate providing incremental asset value to the portfolio.

The injection of the iconic Lippo Mall Puri has been the strategic highlight of the Trust in 2021 which has also aided in stabilising the Trust's performance amidst the ongoing pandemic. The rental support provided as a part of the acquisition will provide the Trust with a steady stream of income until 2024. Its strategic location and strong brand value present the potential for long-term asset value growth.

RESILIENT PERFORMANCE

The financial year ended 31 December 2021 ("**FY 2021**"), due to a surge in COVID-19 cases linked to the Delta variant, resulted in the Trust temporarily closing its malls for a period between July and August, which was significantly shorter than the closure period in the previous

Gross Revenue	Net Property Income
S$175.1m	S$104.2m
FY 2020: S$148.5m	FY 2020: S$76.4m

(1) *Cushman & Wakefield – Marketbeat Retail Snapshot Q4 2021, Jakarta*

Letter to Unitholders

financial year ("**FY 2020**"). With periodic easing of restrictions on the improving COVID-19 situation in 2021 together with the Trust's ongoing recovery efforts, LMIR Trust was able to reduce its rental and service charge discounts to tenants in FY 2021 compared to the previous year. Together with the contribution from the newly-acquired Lippo Mall Puri, LMIR Trust was able to turn in a stable set of results for FY 2021.

Rental revenue for the year increased 30.0% to S$101.7 million from S$78.3 million in FY 2020, largely due to the S$26.4 million contribution from Lippo Mall Puri, partially offset by the loss of income from the divested Binjai Supermall and Pejaten Village in FY 2020, amounting to S$4.3 million. Correspondingly, gross revenue rose 17.9% to S$175.1 million compared to S$148.5 million in FY 2020, while net property income ("**NPI**") jumped 36.5% to S$104.2 million from S$76.4 million in FY 2020.

Full year distribution to Unitholders stood at S$26.9 million, up from S$11.7 million in FY 2020, with annualised distribution to Unitholders ("**DPU**") increasing 2.9% to 0.35 Singapore cents compared to 0.34 Singapore cents in FY 2020. The growth of distributable income to pre-COVID levels continues to be a prime objective as we navigate the new normal operating environment.

PRUDENT CAPITAL MANAGEMENT

The Trust has remained prudent in the management of its capital and actively explored various funding sources to ensure a sound capital structure.

In early 2021, LMIR Trust successfully completed a rights issue exercise to raise S$281.0 million and issued its second U.S. dollar bond offering of US$200.0 million 7.50% 5-year Guaranteed Senior Notes. These were used towards the acquisition of Lippo Mall Puri and the refinancing of loan facilities maturing in 2021.

During the year, the Trust also repaid its vendor financing of S$40.0 million from a drawdown of S$30.0 million term facilities, a drawdown of S$7.0 million from a S$30.0 million committed revolving loan facility secured in 2021 and S$3.0 million from working capital.

LMIR Trust closed the year with cash and cash equivalents of S$122.1 million, up from S$108.9 million a year ago. Currently outstanding in its book is a S$67.5 million syndicated loan facility due in November 2022, representing 7.8% of its total debt obligations and an average debt maturity of 2.81 years.

The Trust's gearing remained stable at 42.5% as at 31 December 2021 with total outstanding debt at approximately S$861.6 million and interest cover at 1.9 times. 100% of its portfolio is unencumbered.

LOOKING AHEAD

Indonesia's economy bounced back with 3.69% growth in 2021 from a contraction of 2.07% in 2020.

LMIR Trust closed the year with cash and cash equivalents of S$122.1 million, up from S$108.9 million a year ago. Currently outstanding in its book is a S$67.5 million syndicated loan facility due in November 2022, representing 7.8% of its total debt obligations and an average debt maturity of 2.81 years.

Its fourth quarter gross domestic product expanded 5.02% on a yearly basis, accelerating from 3.51% growth in the previous quarter, following an increase in domestic consumption on the easing of COVID-19 restrictions in the quarter and as stronger commodity prices pushed exports to record high[2].

However, the outlook for 2022 is clouded by rising cases due to the highly transmissible Omicron variant resulting in Indonesia tightening its social restrictions in Jakarta, Bali, Bandung and Yogyakarta from February 2022. Although the Omicron variant is highly transmissible, similar to other countries, the surge in cases has not resulted in a similar surge in hospitalisations and fatalities. Our malls remain operational under more restrictive conditions and shopper traffic has declined in the February to March 2022 period relative to January 2022, however, it has remained at levels comparable to the same period a year ago. We will monitor the situation closely and continue to support our retailers in their recovery plans in the context of maximising operational performance and Unitholder returns.

On the sustainability front, the Trust remains committed towards sustainable development and outlines the progress of its sustainability journey by providing a holistic overview of key economic, environmental, social, and governance ("**EESG**") topics as reported in its Sustainability Report for FY 2021. Additionally, recognising the impact of climate change on its retail assets and in support of the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), LMIR Trust has taken steps to identify its climate-related risks and opportunities, and align its disclosures with the TCFD's four pillars to assess and manage its climate-related risks.

Distribution to Unitholders

S$26.9m

FY 2020: S$11.7m

Distribution Per Unit

0.35 S¢

FY 2020: 0.34 S¢

ACKNOWLEDGEMENTS

We would like to express our deepest appreciation and thanks to our Unitholders who have continued to keep their faith in the Trust through such unprecedented times. We remain committed to actively manage our portfolio to drive business recovery in these challenging times with the intent to maximise returns to you, our Unitholders.

Due to the dedication and hard work of our management team and staff, and strong support and commitment of our Sponsor, bankers, suppliers and shoppers, we have been able to seamlessly navigate the challenges presented by the pandemic. Thank you to each and every one of you and we look forward to your continued support.

To our fellow Board members, thank you for your guidance and counsel during 2021 and for your continued support in 2022.

MR MURRAY DANGAR BELL
Chairman and Lead Independent Director

MR LIEW CHEE SENG JAMES
Executive Director and Chief Executive Officer

(2) *7 February 2022, Nikkei Asia - Indonesia's economy bounced back in 2021 with 3.69% growth*

Board of Directors

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

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

Directorships in Listed Companies only:
Nil

Principal Commitments[1]:
Nil

Past Directorships in Listed Companies only:
Nil

Mr Bell has more than 30 years of experience in commercial real estate, primarily in shopping malls 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 held senior leadership roles with leading real estate organisations and a small privately owned group, which included Al Futtaim Group Real Estate, United Arab Emirates, AMP Capital Shopping Centres, Australia, Lippo Karawaci, Indonesia, Majid Al Futtaim, United Arab Emirates, Jones Lang LaSalle, South Korea, Lend Lease Retail, Australia and Intergen Property Group.

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

Directorships in Listed Companies only:
Nil

Principal Commitments[1]:
- Executive Director and Chief Executive Officer, LMIRT Management Ltd

Past Directorships in Listed Companies only:
Nil

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.

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

Directorships in Listed Companies only:
Nil

Principal Commitments[1]:
Nil

Past Directorships in Listed Companies only:
- LMIRT Management Ltd (as Manager of LMIR Trust), Executive Director (from 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 30 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, enhancing existing assets and ensuring the delivery of development projects, which span across diverse real estate sectors 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

Directorships in Listed Companies only:
- MDR Limited, Lead Independent Director
- HS Optimus Holdings Limited (formerly known as KLW Holdings Limited), Independent Director
- Osteopore Ltd, Executive Chairman and Director
- Viking Offshore and Marine Limited, Independent Non-Executive Director

Principal Commitments[1]:
- Director, Auspac Financial Advisory Pty Ltd
- Director, Avalon Partners Pte Ltd
- Director, CytoMed Therapeutics (Malaysia) Sdn Bhd
- Director, Top Mining Ltd

Past Directorships in Listed Companies only:
- LCT Holdings Limited, Independent Director (2019 to 2021)

Mr Leong has more than 23 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, and 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

Directorships in Listed Companies only:
Nil

Principal Commitments[1]:
- Singapore Institute of Directors, Audit Committee member
- Singapore Gymnastics, Audit & Risk Sub-Committee member

Past Directorships in Listed Companies only:
Nil

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

(1) Code of Corporate Governance indicates the term "principal commitments" include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

Key Management

MR LIEW CHEE SENG JAMES
Executive Director and Chief Executive Officer

Please refer to page 18 for Mr Liew's biography.

MR WONG YOON THIM
Chief Financial Officer

Mr Wong joined the Manager in July 2021. He has more than 15 years of experience as a CFO of listed companies in Singapore and Hong Kong, with in-depth knowledge of the listing rules of both the Singapore Stock Exchange and the Hong Kong Stock Exchange, as well as corporate governance practices and guidelines. Prior to joining the Manager, Mr Wong spent eight years with an SGX Mainboard-listed company in the construction and manufacturing sector. He has a strong track record in fundraising, mergers and acquisitions and corporate and operational restructuring exercises.

Mr Wong is a Chartered Accountant and a member of the Institute of Singapore Chartered Accountants.

MR CHENG JIH MIN
Senior Asset Director

Mr Cheng joined the Manager in March 2021. He has more than 30 years of experience in property management, asset management, and development of integrated retail, commercial, mixed-use, and township projects in Singapore, Malaysia and Indonesia. Prior to joining the Manager, he spent eight years in Malaysia in senior management roles with leading property developers across residential, commercial, and retail real estate.

Mr Cheng holds a Masters of Business Administration from the University of Leicester, United Kingdom and a Bachelor of Science in Estate Management from the National University of Singapore. He is a member of the Singapore Institute of Directors, a Green Mark Accredited Professional (Facilities Management), and a certified Marshall Goldsmith Executive Coach.

MS ELLA JIA
Financial Controller

Ms Jia joined the Manager as Finance Manager in September 2013 and was appointed as Senior Manager, Treasury and Financial Accounting in July 2016. She was subsequently promoted to 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 member of the Association of Chartered Certified Accountants (FCCA).

Portfolio Overview

■ Retail Mall
■ Retail Spaces

1 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

2 PALEMBANG

- PALEMBANG ICON
  Jalan POM IX, Palembang
- PALEMBANG SQUARE
  Jalan Angkatan 45/POM IX, Palembang
- PALEMBANG SQUARE EXTENSION
  Jalan Angkatan 45/POM IX, Palembang

3 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

4 BANDUNG

- ISTANA PLAZA
  Jalan Pasir Kaliki, Bandung
- BANDUNG INDAH PLAZA
  Jalan Merdeka, Bandung

5 SEMARANG

- JAVA SUPERMALL UNITS
  Jalan MT Haryono, Semarang

6 YOGYAKARTA

- LIPPO PLAZA JOGJA
  Jalan Laksda Adisucipto

7 MADIUN

- PLAZA MADIUN UNITS
  Jalan Pahlawan, Madiun

8 KEDIRI

- KEDIRI TOWN SQUARE
  Jalan Hasanudin, Balowerti Subdistrict

9 MALANG

- LIPPO PLAZA BATU
  Jalan Diponegoro No. 1 RT 07RW05, Batu City
- MALANG TOWN SQUARE UNITS
  Jalan Veteran, Malang

10 BALI

- LIPPO MALL KUTA
  Lingkungan Segara, Kuta

11 SULAWESI

- LIPPO PLAZA KENDARI
  Jalan MT Haryono

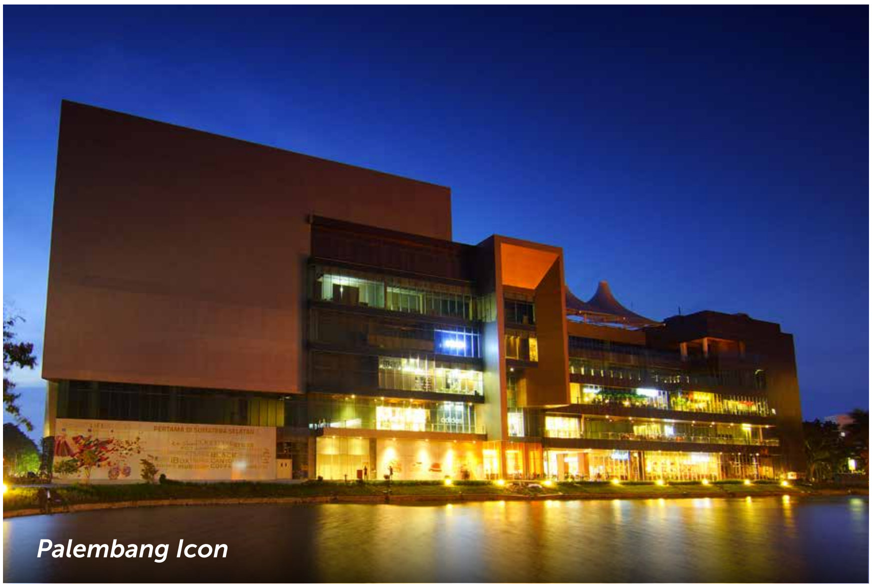
Portfolio Summary

No.	Property	Acquisition Date	Purchase Price (Rp'billion)	Valuation (Rp'billion)	Valuation (S$'million)
1	Bandung Indah Plaza	19 November 2007	611.6	578.0	54.9
2	Cibubur Junction	19 November 2007	464.2	163.4	15.5
3	Lippo Plaza Ekalokasari Bogor	19 November 2007	333.0	318.0	30.2
4	Gajah Mada Plaza	19 November 2007	483.3	773.0	73.4
5	Istana Plaza	19 November 2007	585.3	492.0	46.7
6	Mal Lippo Cikarang	19 November 2007	367.2	700.7	66.5
7	The Plaza Semanggi	19 November 2007	1,013.8	801.0	76.0
8	Sun Plaza	31 March 2008	967.2	2,128.0	202.0
9	Plaza Medan Fair	6 December 2011	1,042.1	788.0	74.8
10	Pluit Village	6 December 2011	1,593.6	612.5	58.1
11	Lippo Plaza Kramat Jati	15 October 2012	539.6	573.6	54.5
12	Palembang Square Extension	15 October 2012	221.5	275.0	26.1
13	Tamini Square	14 November 2012	180.0	238.5	22.6
14	Palembang Square	14 November 2012	467.0	744.0	70.6
15	Lippo Mall Kemang	17 December 2014	3,540.4	2,182.7	207.2
16	Lippo Plaza Batu	7 July 2015	265.0	228.3	21.7
17	Palembang Icon	10 July 2015	790.0	818.0	77.6
18	Lippo Mall Kuta	29 December 2016	800.0	537.8	51.0
19	Lippo Plaza Kendari(1)	21 June 2017	310.0	345.0	32.8
20	Lippo Plaza Jogja(1)	22 December 2017	570.0	501.0	47.5
21	Kediri Town Square	22 December 2017	345.0	382.4	36.3
22	Lippo Mall Puri(1)	27 January 2021	3,500.0	3,914.1	371.6
	RETAIL MALLS		18,989.8	18,095.0	1,717.6
23	Depok Town Square Units	19 November 2007	131.5	146.6	13.9
24	Grand Palladium Units(2)	19 November 2007	134.0	74.4	7.1
25	Java Supermall Units	19 November 2007	133.1	124.0	11.8
26	Malang Town Square Units	19 November 2007	130.8	161.8	15.4
27	Mall WTC Matahari Units	19 November 2007	128.9	104.9	10.0
28	Metropolis Town Square Units	19 November 2007	171.8	119.9	11.4
29	Plaza Madiun Units	19 November 2007	171.2	213.3	20.3
	RETAIL SPACES		1,001.3	944.9	89.9
			19,991.1	19,039.9	1,807.5

All information as at 31 December 2021
(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.

Gross Floor Area (sqm)	Net Lettable Area (sqm)	Occupancy (%)	Land Title	Land Lease Expiry	No. of Tenants
75,868	30,288	76.8%	BOT	31 December 2030	148
66,935	34,022	90.8%	BOT	28 July 2025	146
58,859	28,639	80.4%	BOT	27 June 2032	59
79,830	36,535	50.2%	Strata	24 January 2040	93
47,533	27,471	60.5%	BOT	17 January 2034	56
39,293	29,241	93.9%	HGB	5 May 2023	139
155,122	57,917	60.4%	BOT	31 March 2054	294
167,649	68,993	93.0%	HGB	24 November 2032	349
141,866	68,512	96.7%	BOT	23 July 2027	396
150,905	86,577	78.1%	BOT	9 June 2027	186
65,446	32,951	91.4%	HGB	24 October 2024	80
23,825	17,827	88.2%	BOT	25 January 2041	20
18,963	17,475	97.3%	Strata	26 September 2035	12
49,511	30,462	92.8%	Strata	1 September 2039	114
150,932	57,474	79.9%	Strata	28 June 2035	189
34,340	17,667	77.6%	HGB	8 June 2031	47
50,889	28,538	96.4%	BOT	30 April 2040	162
48,467	20,631	52.7%	HGB	22 March 2037	42
34,784	20,204	99.3%	BOT	7 July 2041	44
65,524	24,414	83.8%	HGB	27 December 2043	23
28,688	16,647	89.7%	HGB	12 August 2024	55
175,146	120,105	85.5%	Strata	15 January 2040	330
1,730,375	872,590	82.5%			2,984
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	3
11,184	10,753	38.5%	Strata	8 April 2038	2
15,248	14,861	35.2%	Strata	27 December 2029	2
19,991	11,152	91.5%	Strata	9 February 2032	13
95,345	84,042	64.4%			26
1,825,720	956,632	80.9%			3,010

Operations Review


Palembang Icon

VALUATION

LMIR Trust's total portfolio value stood at Rp19,039.9 billion as at 31 December 2021, compared to Rp15,569.0 billion as at 31 December 2020. The year-on-year ("**YoY**") increase was largely due to the injection of the newly acquired Lippo Mall Puri in 2021. Including Lippo Mall Puri to FY 2020 valuation, at its acquisition price of Rp3,500.0 billion, total FY 2020 portfolio valuation would have been Rp19,069.0 billion. On a like-for-like comparison, total portfolio value saw a marginal YoY dip of 0.2% in FY 2021.

The valuation of properties located within the Greater Jakarta increased 1.5%, mainly due to the 11.8% rise in Lippo Mall Puri's valuation of Rp3,914.1 billion over the purchase price of Rp3,500.0 billion, as well as the 10.2% YoY increase in the valuation for Gajah Mada Plaza, taking into account the ongoing asset enhancement works at the mall which is expected to improve the mall's passing rents.

Properties outside of Greater Jakarta area registered a 1.7% YoY dip in valuation largely due to a 24.1% decline in the valuation for Lippo Mall Kuta as a result of the expiry of its master lease in December 2021 as well as the continued impact of COVID-19 on Bali's tourism in the short run. If Lippo Mall Kuta is excluded, the valuation of the malls outside Greater Jakarta would have increased by 0.5% YoY.

In Singapore dollar terms, the portfolio value increased by a marginal 0.9% to S$1,807.5 million from S$1,791.5 million as at 31 December 2020, inclusive of Lippo Mall Puri.

MASTER LEASES AND INCOME/NPI SUPPORT

As part of its acquisition strategy, LMIR Trust may enter into master leases with the vendors of the properties. These master leases, with tenors 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, two of the Trust's properties have master leases with the vendors. These include, Lippo Plaza Kendari and Lippo Plaza Jogja, expiring in 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 Mall Puri at the point of acquisition, whereby the vendor provides a guarantee that the asset will generate a certain level of NPI by topping-up the difference between the NPI guarantee and the actual 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

As at 31 December 2021, LMIR Trust's weighted average lease expiry ("**WALE**") by NLA stood at 3.2 years with WALE by rental income at 2.6 years. Lease expiry profile by rental income remained well spread with 28.9% and 18.1% of the leases due for renewal in 2022 and 2023 respectively. A total of 37,521 square metres of new leases were secured in 2021 at a WALE of 3.5 years, contributing to 3.5% of LMIR Trust portfolio's rental income for the month of December 2021.

Year	No. of unit lots expiring	% of Gross Income[1]
2022	1105	28.9%
2023	520	18.1%
2024	895	20.6%
2025	223	14.3%
>2026	497	18.1%
	3,240	**100.0%**

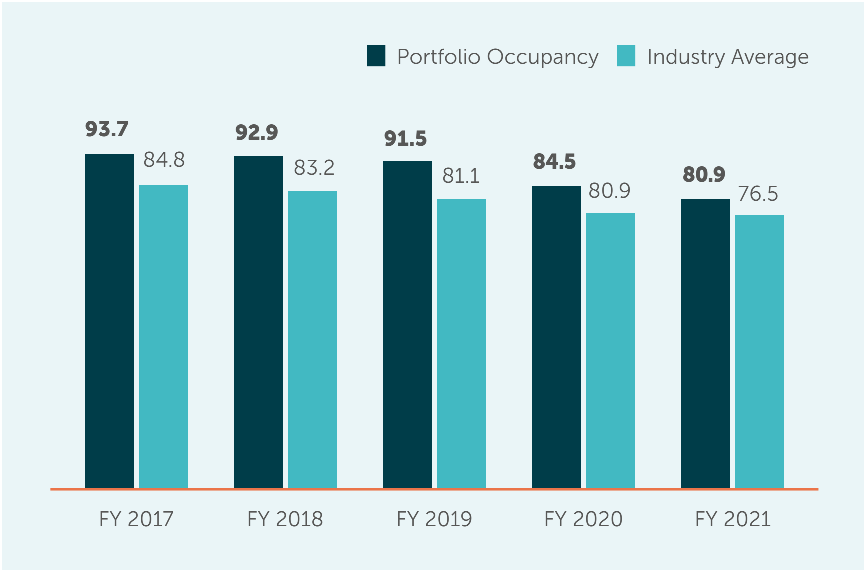
(1) Excludes gross turnover rent

Operations Review

OCCUPANCY

With active asset management and strategic leasing efforts during this COVID-19 pandemic, LMIR Trust has been able to maintain a steady average occupancy rate, consistently above industry average. As at 31 December 2021, the portfolio's average occupancy stood at 80.9% compared to the industry average of 76.5% as reported by Cushman & Wakefield's Marketbeat Retail Snapshot Q4 2021, Jakarta.

Portfolio Occupancy
(%)



Gajah Mada Plaza

ASSET ENHANCEMENT INITIATIVES ("AEI")

As of 31 December 2021, majority of the refurbishment works for Sun Plaza in Medan were completed. To further enhance shoppers' experience and to add new retail spaces, the Trust will be converting its carpark spaces into a rooftop garden. With this new AEI developments, the expected completion for all refurbishment works at Sun Plaza is now mid-2022.

LMIR Trust has also commenced major refurbishment works at Gajah Mada Plaza in July 2021, its first since its acquisition in 2007. The AEI works will rejuvenate the mall and give it a new face lift with a refreshed façade and interiors, while maximising the mall's iconic features as well as adding a swimming pool and dedicated zones for pet shops and jewellery stores. The AEI is expected to be completed in 2023 and together with the upcoming Sawah Besar MRT Station beneath the mall, that is expected to be completed in 2024, LMIR Trust will be able to capitalise on these new developments to maximise the value of Gajah Mada Plaza.

SHOPPER TRAFFIC

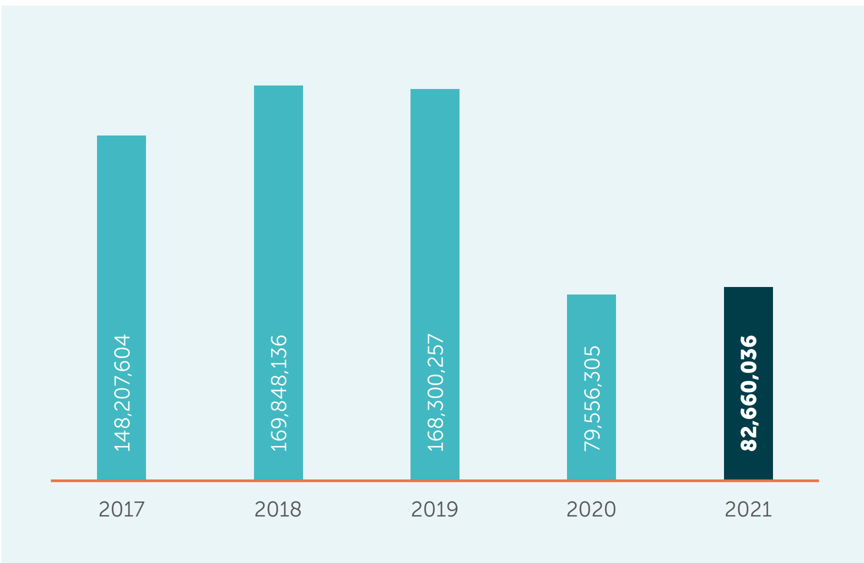
Despite another challenging year amidst the ongoing COVID-19 pandemic, FY 2021 shopper traffic increased 3.9% YoY from FY 2020, recovering to 49.1% of pre-COVID FY 2019 shopper traffic. The steady recovery in footfall can be attributed to the successful roll out of the national vaccination programme since January 2021, with 73% of the target population in Indonesia having received the second vaccination as of March 2022[1], leading to easing of certain restrictions, as well as additional shopper count from Lippo Mall Puri.

Sun Plaza

Shopper traffic was improving steadily from January and peaked in May due to the Lebaran holidays. However, the surge in cases due to the Delta variant in June, promptly led officials to impose emergency restrictions resulting in the temporary closure of LMIR Trust's malls and retail spaces in Java, Bali and Medan in July and August. During the temporary closure period, shopper traffic declined by 57.2% but bounced back quickly when our malls and retail spaces gradually resumed operations from 18 August, bounded by precautionary measures in the respective regions. Shopper traffic peaked again in December, due to the festive holidays, to 62.8% of pre-COVID shopper traffic. As of 31 December 2021, our malls and retail spaces were operating till 9.00 pm or 10.00 pm and at 50% or 75% operational capacity restriction based on the regulations of their regions.

To better position our malls as we battle against the pandemic, our malls have been vigilant in adhering to the health and safety protocols and aided in the fight against COVID-19 by offering retail spaces as vaccination centres, starting with Lippo Mall Puri and Lippo Mall Kemang. The nation's vaccination drive has alleviated the pandemic situation in Indonesia and increased confidence of shoppers, tenants, and staff in our malls. In 2021, our F&B tenants were also better equipped to cope with changing dining-in restrictions to retain their customers and remain operational. Our malls continue to engage shoppers through online communications, marketing and promotional efforts, in cooperation with our tenants. Some of these initiatives include shopper incentive programmes, tenants' promotions, shopping bazaars, exhibitions as well as festive season sales and children's programmes.

Shopper Traffic



(1) *Based on Indonesia COVID-19 Task Force Committee Publication*

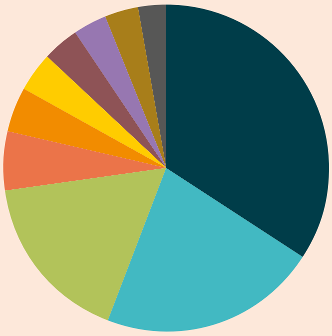
Operations Review

ACQUISITION

The acquisition of Lippo Mall Puri at Rp3,500.0 billion was completed on 27 January 2021. The mall continues to be resilient in this COVID-19 pandemic with valuation as at 31 December 2021 increasing 11.8% to Rp3,914.1 billion over its purchase price.

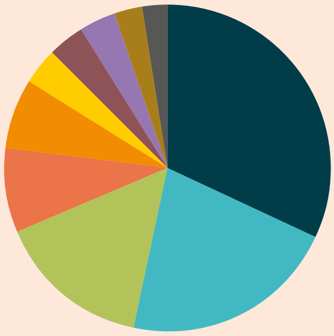
The Trust owns all retail units in Gajah Mada Plaza (a strata-titled mall) except for three units, totalling 156.4 square metres, which are owned by third parties. As part of our AEI at Gajah Mada Plaza, the Manager proposed to acquire all these three remaining strata units. As at 31 December 2021, we have acquired two of these units on separate occasions at a total purchase consideration of Rp9,978.0 million. Both units were acquired at a discount of 17.6% and 21.7% to their valuations conducted by Rengganis KJPP (In association with CBRE).

Top 10 Tenants by % of Gross Rental Income



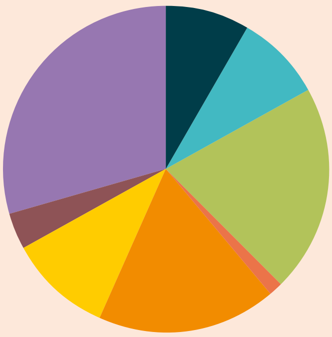
Matahari Department Store	6.3%	Miniso	0.7%
Carrefour	4.0%	Solaria	0.7%
Hypermart	3.1%	Guardian	0.6%
Uniqlo	1.1%	Sport Station	0.6%
Ace Hardware	0.8%	Watsons	0.5%

Top 10 Tenants by % of NLA



Matahari Department Store	13.1%	Ace Hardware	1.5%
Hypermart	8.8%	Cinema 21	1.5%
Carrefour	6.3%	Timezone	1.5%
Cinepolis	3.4%	MR D.I.Y.	1.1%
SOGO	2.8%	Uniqlo	1.0%

Trade Sector Breakdown by Gross Revenue



Supermarket / Hypermarket	8.6%	Fashion	17.8%
Department Store	8.4%	Casual Leasing	10.4%
F&B / Food Court	20.6%	Parking	3.6%
Leisure & Entertainment	1.4%	All Other Sectors	29.2%

Trade Sector Breakdown by NLA

Supermarket / Hypermarket	22.4%	Leisure & Entertainment	12.0%
Department Store	21.2%	Fashion	11.8%
F&B / Food Court	10.8%	All Other Sectors	21.8%


SUN
PLAZA

Financial Review

LMIR Trust's gross rental for FY 2021 amounted to S$175.1 million, a 17.9% or S$26.5 million increase from the previous year. This was mainly due to the contribution of S$38.2 million from Lippo Mall Puri, which was acquired on 27 January 2021, partially offset by the absence of gross rental amounting to S$8.2 million from Pejaten Village and Binjai Supermall, which were divested on 30 July 2020 and 3 August 2020 respectively, as well as a slight decrease in gross rental of S$3.3 million contributed by the portfolio excluding Lippo Mall Puri, Pejaten Village and Binjai Supermall.

During the year, LMIR Trust's retail malls and retail spaces (collectively the "**Malls**") continued to be impacted by the prolonged COVID-19 pandemic in Indonesia. Varying degrees of restrictions on the Malls' daily operating hours and maximum number of visitors per day were imposed by the relevant authorities in Indonesia to curb the spread of the virus. Due to a spike in cases, the Malls had to close for a temporary period from early July 2021 to end August 2021 ("**Mall Closure Period**"), and for the remaining periods in FY 2021 with restrictions of 50% to 75% of mall capacity and daily operating hours had to be shortened by two to three hours.

During the Mall Closure Period and the remaining periods of FY 2021, tenants' businesses were inevitably and similarly affected. Tenants in essential services such as supermarkets, pharmacies and clinics remained open with shorter operating hours, food and beverage outlets were only allowed to operate within certain capacity limits with dining-in restrictions, fitness centres and entertainment centres (including cinema and kid entertainment) had to adhere to more stringent restriction measures.

During the Mall Closure Period, no rental was collected from the tenants except for those who remained operational, and for the remaining periods of FY 2021, 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.

Property operating expenses declined S$1.4 million for the year due to the savings from stringent cost management as well as the lower consumption of utilities arising from the shorter operating hours.

Finance cost was S$12.4 million higher than FY 2020 mainly due to (i) all-in cost of S$11.8 million from the US$200.0 million bond issued in February 2021, which was used to refinance the S$175.0 million term loan and S$44.0 million revolving credit facilities; and (ii) S$5.2 million from the additional S$120.0 million term loan the Trust drawdown to partially fund the acquisition of Lippo Mall Puri. The effect was partially offset by (i) the savings of S$1.6 million of interest expenses relating to the S$75.0 million EMTN which was repaid in June 2020; (ii) the savings on issuance and commitment fees of S$1.3 million paid in FY 2020 on an undrawn committed term loan facility; and (iii) the savings of interest rate on existing borrowings of S$1.6 million.

The higher other expenses in FY 2021 was due to rating expenses for the issuance of the US$200.0 million bond as well as the higher professional fees and unclaimable GST written off during the year.

Fair value of investment properties decreased by S$31.4 million mainly due to the decline in fair value of certain investment properties under BOT scheme as remaining BOT period is shorter and the impact of lower occupancy in these BOT assets.

The Trust recorded lower realised foreign exchange loss of S$0.6 million compared to S$11.0 million a year ago due to lower 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.

Amortisation of intangible assets increased by S$5.4 million in FY 2021. It was mainly due to the intangible assets recognised upon the acquisition of Lippo Mall Puri, in relation to the NPI guarantee up to December 2024.

The Trust has declared a distribution of S$26.9 million for FY 2021 as return of capital.

Financial Highlights	FY 2021 S$'000	FY 2020 S$'000
Gross revenue	175,067	148,535
Net property income	104,239	76,357
Distributions	26,857	11,740
Distribution per unit (cents)	0.35	0.34
Net fair value of financial derivatives at end of the year(1)	(12,971)	(19,587)
Proportion of financial derivatives to net assets attributable to Unitholders (%)	(1.78)	(3.85)
Total operating expenses(2)	109,745	104,574
Total operating expenses as a percentage of net assets attributable to Unitholders (%)	15.07	20.53
Taxation(3)	24,905	21,920

(1) Financial derivatives include cross currency swap, forward contracts, currency option 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.

Balance Sheet*	FY 2021 S$'000	FY 2020 S$'000
Non-current assets	1,814,346	1,470,323
Current assets	214,491	166,275
Total assets	2,028,837	1,636,598
Current liabilities	158,004	302,514
Non-current liabilities	883,362	561,137
Net assets	987,471	772,947
Net assets attributable to Unitholders	728,018	509,329
Net assets attributable to Unitholders per unit (cents)	9.49	17.40

* *The exchange rates of FY 2021 and FY 2020 were Rp/S$ 10,533.77 and 10,644.09 respectively.*

Financial Review

Property	Gross revenue (S$' million)		Net Property Income (S$' million)	
	FY 2021	FY 2020	FY 2021	FY 2020
Bandung Indah Plaza	7.2	7.6	4.2	3.9
Cibubur Junction	6.0	6.6	3.3	3.4
Lippo Plaza Ekalokasari Bogor	2.9	3.2	0.8	0.9
Gajah Mada Plaza	3.5	4.7	1.2	2.0
Istana Plaza	2.6	4.3	1.0	2.1
Mal Lippo Cikarang	7.0	6.2	4.4	3.0
The Plaza Semanggi	5.2	7.0	1.0	1.0
Sun Plaza	19.3	17.0	13.8	10.9
Plaza Medan Fair	16.5	15.7	9.6	9.2
Pluit Village	8.7	11.6	1.8	4.7
Lippo Plaza Kramat Jati	4.4	4.1	1.7	1.4
Palembang Square Extension	2.8	2.6	1.4	1.1
Tamini Square	1.6	1.0	0.3	0.8
Palembang Square	4.0	3.9	3.2	2.9
Pejaten Village(1)	-	6.1	0.3	3.3
Binjai Supermall(1)	-	2.1	0.2	0.8
Lippo Mall Kemang	13.4	12.6	6.7	7.2
Lippo Plaza Batu	1.4	1.4	0.4	0.5
Palembang Icon	9.0	8.1	5.5	4.4
Lippo Mall Kuta	4.6	5.6	3.2	3.4
Lippo Plaza Kendari	4.1	4.1	0.3	1.2
Lippo Plaza Jogja	5.6	6.6	5.2	4.7
Kediri Town Square	2.9	2.8	1.7	1.7
Lippo Mall Puri(2)	38.2	–	30.4	–
RETAIL MALLS	**170.90**	**144.9**	**101.6**	**74.5**
Depok Town Square Units	0.6	0.4	0.4	0.2
Grand Palladium Units	–	–	-	-
Java Supermall Units	0.6	0.5	0.5	0.3
Malang Town Square Units	0.6	0.5	0.5	0.4
Mall WTC Matahari Units	0.2	0.3	-	0.1
Metropolis Town Square Units	0.2	0.3	-	-
Plaza Madiun Units	2.0	1.6	1.2	0.9
RETAIL SPACES	**4.2**	**3.6**	**2.6**	**1.9**
TOTAL	**175.1**	**148.5**	**104.2**	**76.4**

+ FY 2020 exchange rate (Rp/S$): 10,631.98
+ FY 2021 exchange rate (Rp/S$): 10,506.48

(1) Pejaten Village and Binjai Supermall were divested on 30 July 2020 and 3 August 2020 respectively
(2) Acquired on 27 January 2021

Property	2021 Valuation		2020 Valuation	
	Rp'billion	S$'million	Rp'billion	S$'million
Bandung Indah Plaza	578.0	54.9	590.4	55.5
Cibubur Junction	163.4	15.5	242.0	22.7
Lippo Plaza Ekalokasari Bogor	318.0	30.2	327.0	30.7
Gajah Mada Plaza	773.0	73.4	701.5	65.9
Istana Plaza	492.0	46.7	528.9	49.7
Mal Lippo Cikarang	700.7	66.5	708.6	66.6
The Plaza Semanggi	801.0	76.0	886.0	83.2
Sun Plaza	2,128.0	202.0	2,043.0	192.0
Plaza Medan Fair	788.0	74.8	920.0	86.4
Pluit Village	612.5	58.1	671.6	63.1
Lippo Plaza Kramat Jati	573.6	54.5	562.4	52.8
Palembang Square Extension	275.0	26.1	273.0	25.7
Tamini Square	238.5	22.6	261.4	24.6
Palembang Square	744.0	70.6	689.0	64.7
Lippo Mall Kemang	2,182.7	207.2	2,261.0	212.4
Lippo Plaza Batu	228.3	21.7	232.8	21.9
Palembang Icon	818.0	77.6	712.0	66.9
Lippo Mall Kuta	537.8	51.0	708.9	66.6
Lippo Plaza Kendari[(1)]	345.0	32.8	344.9	32.4
Lippo Plaza Jogja[(1)]	501.0	47.5	535.5	50.3
Kediri Town Square	382.4	36.3	374.4	35.2
Lippo Mall Puri[(1),(2)]	3,914.1	371.6	-	-
RETAIL MALLS	**18,095.0**	**1,717.6**	**14,574.3**	**1,369.3**
Depok Town Square Units	146.6	13.9	147.2	13.8
Grand Palladium Units[(3)]	74.4	7.1	83.8	7.9
Java Supermall Units	124.0	11.8	130.6	12.3
Malang Town Square Units	161.8	15.4	171.7	16.1
Mall WTC Matahari Units	104.9	10.0	106.6	10.0
Metropolis Town Square Units	119.9	11.4	135.5	12.7
Plaza Madiun Units	213.3	20.3	219.3	20.6
RETAIL SPACES	**944.9**	**89.9**	**994.7**	**93.4**
TOTAL	**19,039.9**	**1,807.5**	**15,569.0**	**1,462.7**

+ FY 2020 exchange rate (Rp/S$): 10,644.09
+ FY 2021 exchange rate (Rp/S$): 10,533.77

(1) Includes intangible assets
(2) Acquired on 27 January 2021
(3) The Business Association of the malls is in the midst of consolidating all the strata title holders to refurbish the mall.

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 cash and cash equivalent of S$108.9 million.

In January 2021, LMIR Trust completed its rights issue to raise S$281.0 million proceeds. Together with the debt facility 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 guaranteed NPI 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 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.

In May 2021, LMIR Trust drawdown S$30.0 million term loan, guaranteed by the Trustee, and used it to partially repay the vendor financing. In August 2021, LMIR Trust secured a S$30.0 million committed revolving loan facility and drawdown S$7.0 million from this facility, together with S$3.0 million from its working capital, to fully settle the remaining balance of the vendor financing.

LMIR Trust closed the year with cash and cash equivalents of S$122.1 million, up from S$108.9 million a year ago. Currently outstanding in its book is a S$67.5 million syndicated loan facility due in November 2022, representing 7.8% of its total debt obligations and an average debt maturity of 2.81 years.

The Trust's gearing remained stable at 42.5% as at 31 December 2021 with total outstanding debt at approximately S$861.6 million and interest cover at 1.9 times. 100% of its portfolio is 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 2021, LMIR Trust's fixed rate debt ratio stood at 52.3%. The weighted average interest rate was 6.6% per annum, with interest service coverage ratio at 1.9 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

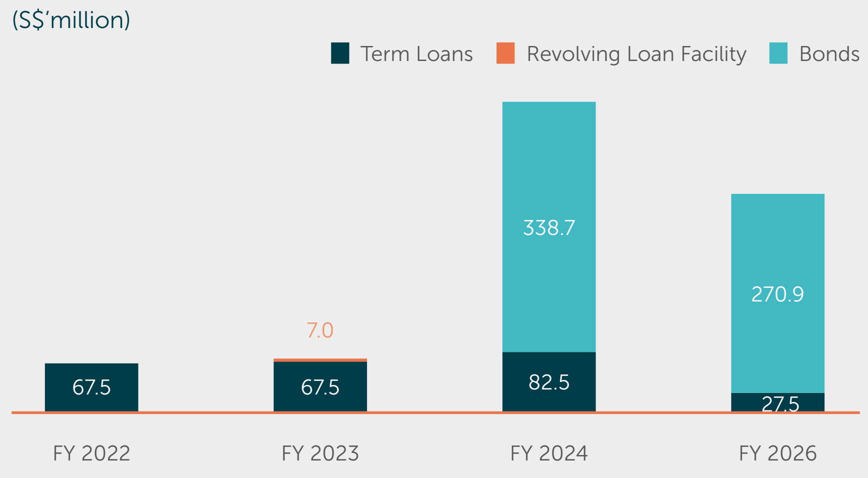
LMIR Trust is exposed to foreign exchange risk arising from its investments in Indonesia. The income generated from these investments and the value of its investments are all denominated in IDR.

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

LMIR Trust also has USD foreign exchange risk arising from (i) US$250.0 million 5-year Guaranteed Senior Notes and (ii) US$200.0 million 5-year Guaranteed Senior Notes, issued by LMIRT Capital. To manage these USD exposures, LMIR Trust entered into cross currency swap contracts to swap proceeds from these Notes and the corresponding interest coupon payment into SGD obligations. These cross currency swap contracts mature on the same dates that the Notes are due for repayment.

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
As at 31 December 2021



Notes:

1 *S$67.5 million 3.05% + SOR term loan due on 9 November 2022*
2 *S$7.0 million 2.10% + SORA committed revolving loan facility due on 17 August 2023*
3 *S$67.5 million 3.25% + SOR term loan due on 9 November 2023*
4 *S$82.5 million 3.15% + SOR term loan due on 6 January 2024*
5 *US$250.0 million 7.25% bond due on 19 June 2024*
6 *S$27.5 million 3.57%+ SOR term loan due on 6 January 2026*
7 *US$200.0 million 7.50% bond due on 9 February 2026*

Gearing ratio
42.5%

Unencumbered assets ratio
100.0%

Interest cover
1.9x

Fixed/hedged debt ratio
52.3%

Weighted average interest rate per anum
6.6%

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 to 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, operations and business updates, 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 dedicated IR emails ir@lmir-trust.com and tim.wong@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 IR 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 since 2020, all our meetings with investors were conducted via online platforms.

In 2021, 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 2022.

Investor Activities in FY 2021	
March	4Q 2020 Results Briefing
April	12th Annual General Meeting (Virtual) 1Q 2021 Results Briefing
July	2Q 2021 Results Briefing
October	3Q 2021 Results Briefing Nomura Asian High Yield Corporate Day 2021 JP Morgan Asia Credit Conference 2021

Financial Calendar for FY 2022*	
April 2022	1Q 2022 Results Announcement
May 2022	1Q 2022 Distribution to Unitholders
July 2022	2Q 2022 Results Announcement
August 2022	2Q 2022 Distribution to Unitholders
October 2022	3Q 2022 Results Announcement
November 2022	3Q 2022 Distribution to Unitholders
February 2023	4Q 2022 Results Announcement
March 2023	4Q 2022 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
1 Harbourfront Avenue
Keppel Bay Tower
#14-07
Singapore 098632

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

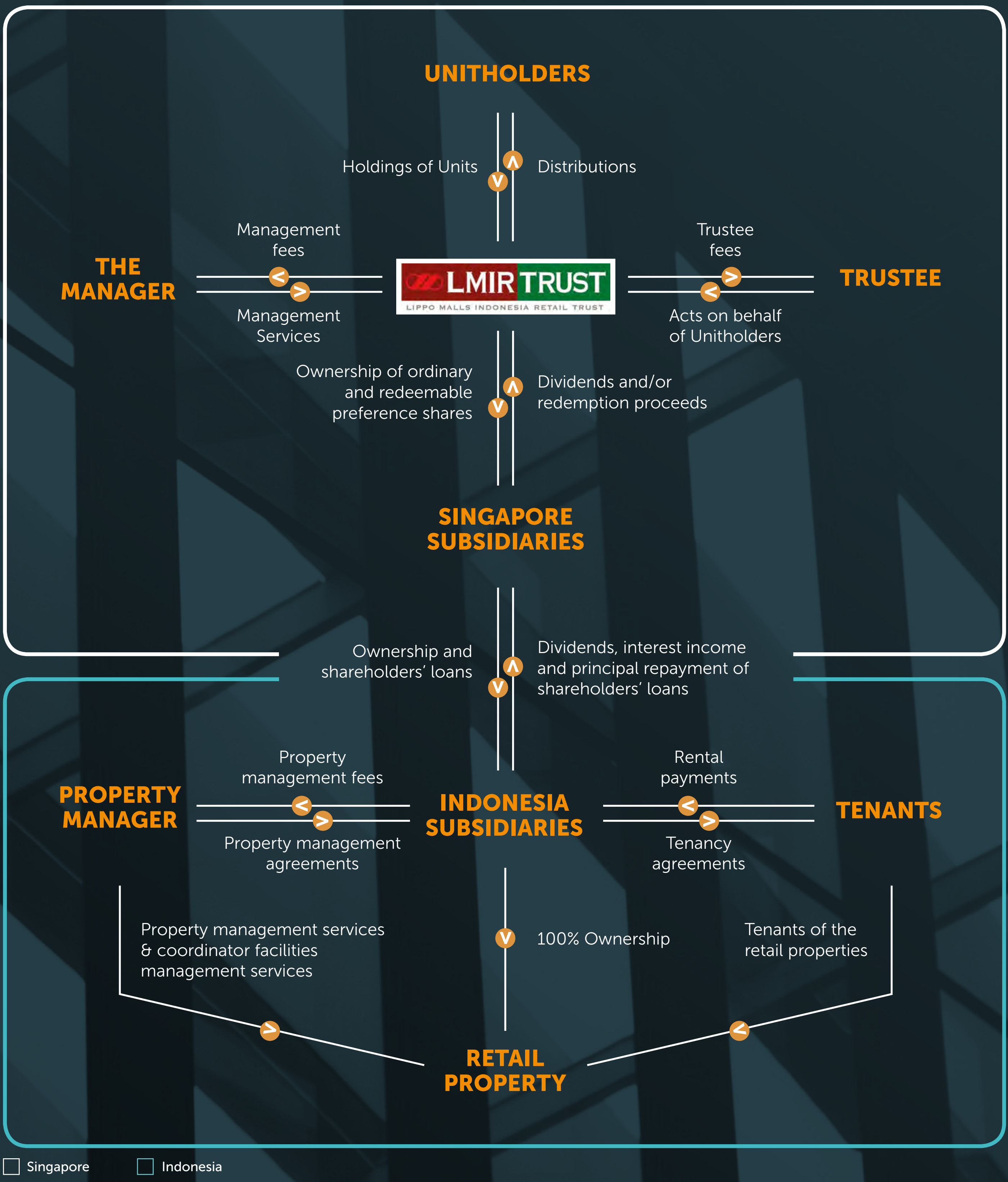
INVESTOR RELATIONS

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

WEBSITE & EMAIL ADDRESS

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

Trust Structure



Sustainability Report

LMIR Trust's FY 2021 sustainability report underpins its commitment towards sustainable development and outlines the progress of its sustainability journey by providing a holistic overview of key economic, environmental, social, and governance ("**EESG**") topics most impactful to its business and most important to its stakeholders. The report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards 2016: Core Option and complies with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B) on a "comply or explain" basis. As part of its commitment to sustainability, LMIR Trust supports the global agenda to tackle the most pressing sustainable development challenges by 2030 by aligning its material EESG topics with 11 United Nations' Sustainable Development Goals ("**UN SDGs**") where it can create the most impact.

An important milestone in LMIR Trust's sustainability journey is the development of its sustainability framework. The sustainability framework, which is built upon its sustainability vision, will serve as the foundation for driving LMIR Trust's sustainability efforts to create sustained positive social and environmental impact. The framework also demonstrates LMIR Trust's commitment to placing sustainability at the core of its business strategy and further communicates how sustainability is embedded throughout its business operations.

Throughout the year, LMIR Trust engaged with its key stakeholders via various platforms to understand and address not only their concerns but also their commitment towards sustainability. In FY 2021, a materiality re-assessment was performed to ensure the relevancy of the Trust's material topics, incorporating considerations of the current sustainability landscape and stakeholders' interests. As a result, three new topics – energy and greenhouse gas emissions, health and safety, and employment were identified as material to LMIR Trust.

With growing consensus on the urgent need for governments and businesses to deliver more ambitious climate action and reduce their environmental footprint, LMIR Trust worked with an external consultant to develop its Scope 1 and Scope 2 carbon inventory in FY 2021. Based on the carbon inventory established, it recognised that electricity consumption represents around 97.0% of our total greenhouse gas emissions ("**GHG**"). This year, LMIR Trust consumed a total of 139,116.7 MWh of electricity, which was a 21.2% increase from FY 2020 due to the acquisition of Lippo Mall Puri and the re-opening of retail assets across Indonesia with the relaxation of COVID-19 restrictions. As a result, this also directly contributed to an increase in total GHG emissions by 20.1% in FY 2021 as compared to FY 2020. Moving forward, the established carbon inventory which allows LMIR Trust to identify key emission 'hot-spots', will enable LMIR Trust to focus its efforts on operational areas for implementing emission reduction initiatives and better manage its carbon footprint.

Being in the business of managing retail malls and retail spaces, water is also essential in ensuring its retail properties are kept clean and temperatures within the properties are regulated. In FY 2021, LMIR Trust consumed a total of 1,246,178.7 m^3 of water, of which 315,000.9 m^3 was obtained from recycled water generated at its on-site wastewater treatment plants and the remaining comprising of usable water from municipal sources. Although the consumption of usable water from municipal sources increased by 5.6% as compared to FY 2020, LMIR Trust's water intensity from municipal usable water declined from 1.10 m^3/m^2 to 1.07 m^3/m^2 in FY 2021, which reflects its commitment towards responsible water management practices.

LMIR Trust recognises the impact climate change may pose to its retail assets and has taken steps to identify its climate-related risks and opportunities. LMIR Trust supports the Task Force on Climate-Related Financial Disclosures ("**TCFD**") and has aligned its climate risk disclosures with the TCFD's four pillars to assess and manage its climate-related risks.

On the social front, LMIR Trust places a high emphasis on creating a conducive workplace by providing equal opportunities to all employees and focusing on the safety and professional development of its staff. To that end, LMIR Trust is pleased to report zero cases of employee work-related fatalities and injuries at the Manager Level in FY 2021, and the average number of training hours per employee have increased by 21.2 hours.

LMIR Trust continues to create value and form trust among its stakeholders by upholding the highest standards of ethics and compliance. This includes complying with all applicable laws and regulations and conducting its business responsibly.

Sustainability is a journey and LMIR Trust remains committed to managing its resources responsibly and leaving a positive impact on communities. At the same time, LMIR Trust strives to create lasting shared value for its stakeholders and to collaborate with them to build a sustainable future.

The detailed sustainability report will be issued separately and will also be available exclusively on LMIR Trust's website.


Lippo Mall Kemang

CORPORATE GOVERNANCE REPORT

LMIRT Management Ltd (the "**Manager**" or "**LMIRT Management**") is appointed as the manager of 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 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 2001 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 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 2021, 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 ("**Sustainability Report**") for the financial year ended 31 December 2021 ("**FY 2021**"). The detailed sustainability report will be issued separately on 7 April 2022 and also available exclusively on LMIR Trust's website.

A summary of the sustainability issues are set out on Page 42 of the Annual Report.

CORPORATE GOVERNANCE REPORT (cont'd)

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.

The Manager has adopted 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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. Meetings of the Board and Committees are held regularly, with the Board meeting no less than four times a year. A total of six Board meetings were held in FY 2021. Additional board meetings on top of the quarterly meetings were held during the financial year under review to discuss LMIR Trust's strategic initiatives, budget, operations of the Trust's portfolio in light of COVID-19 pandemic, as well as acquisitions and fund raising.

The attendance record of the Directors at meetings of the Board and Board Committee meetings in FY 2021 is set out below:

Name of Directors	Board Meeting Attendance / No. of meetings 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	6/6	4/4	1/1	1/1
Ms Gouw Vi Ven	6/6	4/4[1]	1/1	1/1
Mr Liew Chee Seng James	6/6	4/4[1]	1/1[1]	1/1
Mr Mark Leong Kei Wei	6/6	4/4	1/1[1]	1/1
Mr Sandip Talukdar	6/6	4/4	1/1	1/1

Note:
(1) Attendance by invitation

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 Trust and Manager business and strategies. This includes meetings 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. Given the ongoing travel restrictions under the COVID-19 pandemic, the Manager had not been able to conduct site visits to the retail malls for the Directors that were appointed in FY 2020. However, the Board received quarterly updates from PT LMI on the operations of the malls as well as the operating environment and sentiments in Indonesia. The representatives from PT LMI are invited to Board meetings where Board members can raise questions and there is sharing of views, advice and experience.

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. Mr Sandip Talukdar was appointed as Director in FY 2020 had completed his mandated training by SID in March 2021.

CORPORATE GOVERNANCE REPORT (cont'd)

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 2018 CG 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 2021, the Directors attended several seminars and conferences such as the Creating Value at Board Level-Market vs Stock Value, Managing Corporate Investigation while Securing Stakeholder Trust, Leveraging Integrity to Strengthen your Business, Look Beyond the Pandemic-Important Role of AC, Insider Guide to Crytocurrency and Blockchain, Board Dynamic, SID Director Conference 2021, ESG (Sustainability Framework and Roadmap). Members of the ARC were also provided with regular briefings from the Company's external auditors on applicable Accounting Standards and Tax Updates during the year.

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 is in attendance at such meetings whilst the Company's auditors and professional advisers who can provide additional insight into the matters for discussion are invited from time to time to attend the relevant meetings. 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.

Draft agendas for Board and Committee meetings are circulated in advance to the Board Chairman and the Committee Chairman respectively, for them to review and suggest items for the agenda. The Board and the Committees are also furnished routine reports, where applicable, from the Management.

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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 Board Chairman) are Independent Directors. In relation to gender diversity, one out of the five Directors is a female. The Directors ages range from 40 to 70 years old and they have served on the Board for different tenures. 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 December2019; 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 18 and 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.

CORPORATE GOVERNANCE REPORT (cont'd)

Based on a review of the relationships between the Directors, the Manager and LMIR Trust in accordance with the requirements of the 2018 CG 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, through the NRC, also took into account Independent Directors' annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/ indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company. The independent directors are able to act in the best interests of all the unitholders 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 NRC noted the recommendation of the Council for Board Diversity ("**CBD**") for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030. In this regard, the NRC aims to ensure that:

(a) LMIRT Board to be composed of a minimum 20% female representation with a target 30% representation by 2030;

(b) If an existing female Board member resigns or retires, the replacement Board member must also be female unless the female representation ratio exceeds the thresholds set in (a) above;

(c) Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include female candidates;

(d) When seeking to identify a new Director for appointment to the Board, the NRC will request female candidates to be fielded for consideration;

(e) Female representation on the Board be continually increased over time in line with CBD's recommendation; and

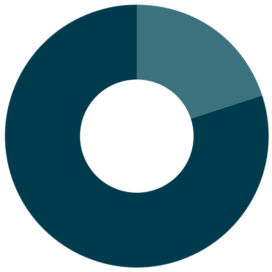
(f) At least one female Director continues to be appointed to the NRC.

All director appointments will ultimately be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity and needs on the Board.

CORPORATE GOVERNANCE REPORT (cont'd)

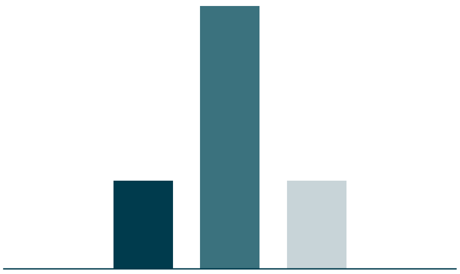
Independence

Independent Directors	60%
Non-Independent Directors	40%



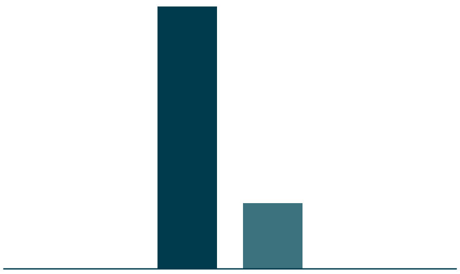
Gender Diversity

Male board members	80%
Female board members	20%



Directors' Age Group (As at 28 March 2022)

40S	1
50S	3
60S	1



Tenure Mix (As at 28 March 2022)

0 to < 3 years	4
> 3 to 7 years	1

The current Board comprises of members with the following core competencies:

- accounting and finance;
- business and management;
- industry-specific knowledge;
- strategic planning;
- customer-based and marketing;
- human resource management; and
- banking.

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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 also met regularly without the presence of Management or Executive Directors at the conclusion of each Board meeting. The Chairman of the Board, who is also Non-Executive Director, would collate the feedbacks from such session and communicates to the CEO on any concerns or feedbacks raised by Non-Executive Directors as appropriate.

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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 1 meeting.

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

The Board composition has been renewed in FY 2019 and FY 2020 respectively. 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 and other factors including age and gender as may be determined by the NRC to be relevant and would contribute to the Board's collective skills;

(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;

(c) The prescribed factors under the Board Diversity Policy; and

(d) The candidate independence, in the case of the appointment of an Independent Director.

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. Further information on the review of independence can be found under the "Independence" section of this Corporate Governance Report.

Directors' Time Commitment

The Board does not impose a hard limit on the listed company board representations as the NRC had considered that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors should be best assessed through qualitative factors such as their attendance and time commitment to the affairs of the Trust. The NRC would continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Trust and are able to discharge their duties adequately.

In respect of the financial year under review, the NRC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his or her duties as Director effectively. The NRC noted that based on the attendance of Board and Board committee meetings during the financial year under review, all the Directors were able to participate in such meetings to carry out their duties. The NRC is satisfied that all the Directors have been able to and had adequately carried out their duties notwithstanding their other principal commitments and multiple directorships, where applicable.

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 18 to 19 of this Annual Report.

CORPORATE GOVERNANCE REPORT (cont'd)

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 2021, 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 evaluation criteria include the Director's abilities and competencies, level of participation at Board/Committee meetings and related activities and contribution to Board processes, governance and business strategies and performance of the Trust. 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

CORPORATE GOVERNANCE REPORT (cont'd)

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 2021.

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 2021:

Name of Non-Executive Director	Total Remuneration (1) (S$)
Mr Murray Dangar Bell (2)	153,205
Ms Gouw Vi Ven (2)	85,898
Mr Mark Leong Kei Wei	89,000
Mr Sandip Talukdar	79,500
Total	407,603

Note:
(1) Fee paid is inclusive of additional meeting fee.
(2) Fees paid is inclusive of withholding tax

The NRC had recommended to the Board a total amount of S$462,372 as Directors' fees for the financial year ending 31 December 2022, 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 dependents by the Manager. The Executive Director does not receive any director's fees.

CORPORATE GOVERNANCE REPORT (cont'd)

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 57 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: SFA04-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:

CORPORATE GOVERNANCE REPORT (cont'd)

(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 102 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 2021	**Salary & AWS**	**Bonus**	**Allowance and Benefits [1]**	**Total**
Between S$250,000 to S$500,000				
Mr Liew Chee Seng James	74%	21%	5%	100%

Key Management Personnel (excluding Executive Director/CEO) for FY 2021	**Salary & AWS**	**Bonus**	**Allowance and Benefits [1]**	**Total**
Mr Wong Yoon Thim* Ms Ella Jia Mr Cheng Jih Min** Mr Cesar Agor*** Ms Jessie Setiono****	81%	11%	8%	100%
Aggregate Remuneration (including Executive Director & CEO)				$1,312,584

Note:
* Appointed on 1 July 2021
** Appointed on 1 March 2021
*** Resigned on 8 December 2021
**** Appointed on 9 December 2021

[1] The amount disclosed includes allowance, employer CPF, 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 2021. 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,

(iv) and whose remuneration exceeded S$100,000 in FY 2021.

(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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 CFO that, as at 31 December 2021, 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 2021 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 2021 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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.

CORPORATE GOVERNANCE REPORT (cont'd)

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 2021, 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 2021, 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 2021 was S$682,606, of which audit fees amounted to S$661,177 and non-audit fees amounting to S$21,429 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 reviewing the nomination of RSM for re-appointment for the financial year ending 31 December 2022, the ARC had considered the adequacy of the resources and experience of RSM including the audit engagement partner assigned to the audit and the number and experience of the supervisory and professional staff assigned to the Trust's audit. The ARC reviewed the Audit Quality Indicators presented by RSM.

On the basis above, the ARC, with the concurrence of the Board, has 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 29 April 2022.

In the review of the financial statements for FY 2021, the ARC has discussed with both Management and the external auditors on the impact of the COVID-19 pandemic and its effects on the mall operations and the operating environment, the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements as well as the following key audit matters, which is included in the Independent Auditor's Report.

CORPORATE GOVERNANCE REPORT (cont'd)

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 2021. 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 has come to the attention of the ARC 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 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 ENGAGEMENT

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.

CORPORATE GOVERNANCE REPORT (cont'd)

The Managers notifies its investors in advance of the date of release of its financial results via SGXNET. 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 2021 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 / tim.wong@lmir-trust.com to address all Unitholders' queries. The Manager also has an Investors Relations Policy to actively engage and promote regular, effective and fair communication with Unitholders and other stakeholders. 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.

CORPORATE GOVERNANCE REPORT (cont'd)

In view of the COVID-19 situation, the 2021 AGM was convened and held by electronic means on 21 April 2021 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 (the "**Order**"). 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 Meeting in advance of the 2021 AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for the 2021 AGM.

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) of this Annual Report as well as on page 42 of the summary sustainability 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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.

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 2021, the breakdown of the management fees and frequency of payment is as follows:

	Group		LMIR Trust	
	2021 S$'000	**2020 S$'000**	**2021 S$'000**	**2020 S$'000**
Base fee	5,061	3,795	4,990	3,725
Performance fee	4,170	3,054	4,170	3,054
Authorised Investment fee	65	159	65	159
Acquisition fee	1,653	–	1,653	–
Divestment fee	–	540	–	540
Total	10,949	7,548	10,878	7,478

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 2021, LMIR Trust existing portfolio comprises 22 retail malls and 7 retail spaces spread over Indonesia with a combined gross floor area of 1,825,720 square metres and valuation of S$1,807.5 million.

CORPORATE GOVERNANCE REPORT (cont'd)

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. The Manager receives the authorised investment management fees at 0.5% of the authorised investment.

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 2021 was S$1,508,000 compared to S$2,374,000 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. In January 2021, the Trust acquired Lippo Mall Puri and the Manager has voluntarily waived 50.0% of its acquisition fee entitlement to demonstrate its support for the acquisition and received 0.5% on the Purchase Consideration for the acquisition.

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.

CORPORATE GOVERNANCE REPORT (cont'd)

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. The identity of the whistle-blower will be treated with the strictest confidentiality unless there are exceptional circumstances. 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.

CORPORATE GOVERNANCE REPORT (cont'd)

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.

CONTENTS

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 2001 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, third supplemental deed dated 19 April 2018, fourth supplemental deed dated 14 April 2020 and fifth supplemental deed dated 16 June 2020 (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 76 to 143 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

28 March 2022

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 76 to 143, 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 consolidated 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 2021, and the total return, distribution 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 Investment Funds* 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

....
Liew Chee Seng James
Director

Singapore

28 March 2022

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 2021, 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 statements of financial position, statements of total return, statements of distribution and statements 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 2021 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 Investment Funds* ("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.

<u>Valuation of investment properties</u>

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.

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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

Key audit matters (cont'd)

Valuation of investment properties (cont'd)

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.

Lastly, 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 auditor's report thereon.

We have obtained all other information prior to the date of the auditor's 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 the 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

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.

- 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

28 March 2022

Engagement partner – Appointed since financial year ended 31 December 2020

STATEMENTS OF TOTAL RETURN

YEAR ENDED 31 DECEMBER 2021

		Group		Trust	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross revenue	4	175,067	148,535	40,525	68,114
Property operating expenses	5	(70,828)	(72,178)	–	–
Net property income		104,239	76,357	40,525	68,114
Interest income		1,508	2,374	57	924
Other losses	6	(13)	(3,467)	(2)	(45)
Manager's management fees	7	(9,296)	(7,548)	(9,225)	(7,478)
Trustee's fees		(466)	(436)	(466)	(436)
Finance costs	8	(60,307)	(47,954)	(62,302)	(49,653)
Other expenses	9	(4,250)	(2,492)	(3,019)	(2,095)
Net income/(loss)		31,415	16,834	(34,432)	9,331
Decrease in fair value of investment properties	14A	(31,382)	(193,597)	–	–
Decrease in fair value of investment properties held for divestment	14B	–	(18,508)	–	–
Impairment loss on investments in subsidiaries	16	–	–	(53,842)	(170,365)
Realised gains on derivative financial instruments		843	495	843	495
Increase/(decrease) in fair value of derivative financial instruments	28	8,486	(5,916)	8,486	(5,916)
Realised foreign exchange losses		(626)	(11,024)	(370)	(10,951)
Unrealised foreign exchange (losses)/gains		(8,774)	5,628	(9,830)	2,279
Amortisation of intangible assets	15	(7,570)	(2,197)	–	–
Total loss before tax		(7,608)	(208,285)	(89,145)	(175,127)
Income tax expense	10	(24,905)	(21,920)	–	(140)
Total loss for the year		(32,513)	(230,205)	(89,145)	(175,267)
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations, net of tax		11,042	(42,251)	–	–
Total comprehensive loss		(21,471)	(272,456)	(89,145)	(175,267)
Total loss attributable to:					
Unitholders of the Trust		(50,039)	(247,974)	(106,671)	(193,036)
Perpetual securities holders		17,526	17,769	17,526	17,769
		(32,513)	(230,205)	(89,145)	(175,267)
Total comprehensive loss attributable to:					
Unitholders of the Trust		(38,997)	(290,225)	(106,671)	(193,036)
Perpetual securities holders		17,526	17,769	17,526	17,769
		(21,471)	(272,456)	(89,145)	(175,267)
		Cents	Cents		
Earnings per unit					
Basic and diluted	11	(0.68)	(8.49)		

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

STATEMENTS OF DISTRIBUTION

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Total loss for the year	(32,513)	(230,205)	(89,145)	(175,267)
Add: Net adjustments (note A below)	37,583	233,454	94,215	178,516
Income available for distribution to Unitholders	5,070	3,249	5,070	3,249
Distributions to Unitholders:				
Interim distributions paid during the year (note 12A)	19,951	8,698	19,951	8,698
Distribution to Unitholders for the quarter ended 31 December paid after end of year (note 12A)	6,906	3,042	6,906	3,042
	26,857	11,740	26,857	11,740
Unitholders' distribution:				
– As distribution from operations	–	–	–	–
– As distribution of Unitholders' capital contribution	26,857	11,740	26,857	11,740
	26,857	11,740	26,857	11,740
Note A – Net adjustments				
Decrease in fair value of investment properties, net of deferred tax	31,720	194,101	–	–
Decrease in fair value of investment properties held for divestment, net of deferred tax	–	17,093	–	–
Manager's management fees payable in units	1,272	2,629	1,272	2,629
Depreciation of plant and equipment	2,750	3,233	–	–
(Increase)/decrease in fair value of derivative financial instruments	(8,486)	5,916	(8,486)	5,916
Unrealised foreign exchange losses/(gains)	8,774	(5,628)	9,830	(2,279)
Amortisation of intangible assets	7,570	2,197	–	–
Amount reserved for distribution to perpetual securities holders	(17,526)	(17,769)	(17,526)	(17,769)
Capital repayment from subsidiaries	–	–	26,857	11,740
Exchange differences arising from recognising dividend income	–	–	(90)	(154)
Impairment loss on investments in subsidiaries	–	–	53,842	170,365
Allocation of realised exchange differences to capital repayment of shareholders' loans	–	–	88	10,222
Net overseas income not distributed to the Trust	–	–	16,838	2,502
Other adjustments	11,509 *	31,682 *	11,590	(4,656)
	37,583	233,454	94,215	178,516

* Other adjustments represent a non-accounting adjustment of $11.5 million (2020: $31.7 million) to arrive at nil income available for the relevant quarters that distributable income were negative.

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Non-current assets					
Plant and equipment	13	6,836	7,637	–	–
Investment properties	14	1,788,915	1,459,360	–	–
Intangible assets	15	18,595	3,326	–	–
Investments in subsidiaries	16	–	–	1,534,790	1,238,919
Total non-current assets		1,814,346	1,470,323	1,534,790	1,238,919
Current assets					
Trade and other receivables	18	49,023	43,863	208,484	177,070
Other non-financial assets	19	43,364	13,047	64	1,379
Cash and cash equivalents	20	122,104	108,923	31,275	30,711
Derivative financial instruments	28	–	442	–	442
Total current assets		214,491	166,275	239,823	209,602
Total assets		2,028,837	1,636,598	1,774,613	1,448,521
Non-current liabilities					
Deferred tax liabilities	10	8,199	7,861	–	–
Other payables	26	–	–	704,407	323,983
Other financial liabilities	24	778,510	458,208	73,533	133,559
Other non-financial liabilities	25	84,025	79,550	–	–
Derivative financial instruments	28	12,628	15,518	12,628	15,518
Total non-current liabilities		883,362	561,137	790,568	473,060
Current liabilities					
Income tax payable		3,114	3,749	32	208
Trade and other payables	26	38,722	33,729	93,910	76,436
Other financial liabilities	24	67,646	219,042	67,194	218,590
Other non-financial liabilities	27	48,179	41,483	–	–
Derivative financial instruments	28	343	4,511	343	4,511
Total current liabilities		158,004	302,514	161,479	299,745
Total liabilities		1,041,366	863,651	952,047	772,805
Net assets		987,471	772,947	822,566	675,716
Represented by:					
Unitholders' funds	21	728,018	509,329	563,113	412,098
Perpetual securities	23	259,453	263,618	259,453	263,618
Net assets		987,471	772,947	822,566	675,716
Net asset value per unit attributable to Unitholders (in cents)	21	9.49	17.40	7.34	14.08

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

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Unitholders' funds				
At beginning of year	509,329	816,298	412,098	621,878
Operations				
Total loss for the year	(32,513)	(230,205)	(89,145)	(175,267)
Less: Amount reserved for distribution to perpetual securities holders	(17,526)	(17,769)	(17,526)	(17,769)
Net decrease in net assets resulting from operations attributed to Unitholders	(50,039)	(247,974)	(106,671)	(193,036)
Unitholders' contribution				
Issuance of rights units	276,397	–	276,397	–
Manager's management fees settled in units	2,629	7,048	2,629	7,048
Manager's acquisition fees settled in units	1,653	–	1,653	–
Change in net assets resulting from creation of units	280,679	7,048	280,679	7,048
Distributions paid (note 12)	(22,993)	(23,792)	(22,993)	(23,792)
Total net assets before movements in foreign currency translation reserve and perpetual securities	716,976	551,580	563,113	412,098
Foreign currency translation reserve*				
Net movement in other comprehensive return/(loss)	11,042	(42,251)	–	–
At end of year	728,018	509,329	563,113	412,098
Perpetual securities				
At beginning of year	263,618	259,647	263,618	259,647
Amount reserved for distribution to perpetual securities holders	17,526	17,769	17,526	17,769
Distributions to perpetual securities holders	(21,691)	(13,798)	(21,691)	(13,798)
At end of year	259,453	263,618	259,453	263,618
Net assets	987,471	772,947	822,566	675,716

* The foreign currency translation reserve comprises foreign exchange differences arising from translation of 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 2021

	Group	
	2021 $'000	2020 $'000
Cash flows from operating activities		
Total loss before tax	(7,608)	(208,285)
Adjustments for:		
Interest income	(1,508)	(2,374)
Interest expense and other related costs	54,837	44,601
Amortisation of borrowing costs	5,470	3,353
Depreciation of plant and equipment	2,750	3,233
Amortisation of intangible assets	7,570	2,197
Decrease in fair value of investment properties held for divestment	–	18,508
Decrease in fair value of investment properties	31,382	193,597
Fair value (gain)/loss on derivative financial instruments	(8,486)	5,916
Unrealised foreign exchange loss/(gain)	8,774	(5,628)
Loss on disposal of plant and equipment	–	148
Manager's management fees payable in units	1,272	2,629
Operating cash flows before changes in working capital	94,453	57,895
Trade and other receivables	(5,699)	5,245
Other non-financial assets	(30,765)	2,617
Trade and other payables	1,114	2,021
Other non-financial liabilities, current	6,197	(4,923)
Net cash flows from operations before tax	65,300	62,855
Income tax paid	(25,202)	(23,913)
Net cash flows from operating activities	40,098	38,942
Cash flows from investing activities		
Acquisition of investment and intangible assets	(349,112)	–
Divestment of investment properties held for divestment	–	108,152
Capital expenditure on investment properties	(15,930)	(7,546)
Capital expenditure on investment properties held for divestment	–	(2,951)
Purchase of plant and equipment	(1,871)	(1,897)
Interest received	1,508	2,374
Net cash flows (used in)/from investing activities	(365,405)	98,132
Cash flows from financing activities		
Proceeds from bank borrowings	117,000	44,000
Proceeds from vendor financing	40,000	–
Repayment of notes issued under EMTN	–	(75,000)
Repayment of bank borrowings	(219,000)	–
Repayment of vendor financing	(40,000)	–
Proceeds from issuance of bonds	263,207	–
Transaction costs on issuance of bonds	(4,078)	–
Other financial liabilities, current	(96)	(81)
Other non-financial liabilities, non-current	3,642	(21,867)
Interest paid	(54,837)	(44,601)
Proceeds from rights issue	280,972	–
Issue expenses paid in relation to rights issue	(4,575)	–
Distribution to unitholders	(22,993)	(23,792)
Distribution to perpetual securities holders	(21,691)	(13,798)
Cash restricted in use for bank facilities	557	1,181
Net cash flows from/(used in) financing activities	338,108	(133,958)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

YEAR ENDED 31 DECEMBER 2021

	Group	
	2021	**2020**
	$'000	**$'000**
Net increase in cash and cash equivalents	12,801	3,116
Cash and cash equivalents at beginning of year	106,143	105,765
Effect of exchange rate fluctuations on cash held	937	(2,738)
Cash and cash equivalents at end of year	119,881	106,143
Cash and cash equivalents per consolidated statement of cash flows	119,881	106,143
Add: Cash restricted in use for bank facilities	2,223	2,780
Cash and cash equivalents per statements of financial position (note 20)	122,104	108,923

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2021

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	39,293
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
8. Sun Plaza	Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia	31 March 2008	167,649
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

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

STATEMENT OF PORTFOLIO (cont'd)

AS AT 31 DECEMBER 2021

Tenure of land	Last valuation date	Carrying value at 31 December 2021 $'000	Percentage of net assets at 31 December 2021 %	Carrying value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %
Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040	31 December 2021	73,383	7.4	65,902	8.5
Build, Operate and Transfer ("BOT") scheme, expires on 28 July 2025	31 December 2021	15,509	1.6	22,736	2.9
BOT scheme, expires on 31 March 2054	31 December 2021	76,041	7.7	83,239	10.8
HGB title, expires on 5 May 2023	31 December 2021	66,520	6.7	66,572	8.6
BOT scheme, expires on 27 June 2032	31 December 2021	30,189	3.1	30,725	4.0
BOT scheme, expires on 31 December 2030	31 December 2021	54,871	5.6	55,466	7.2
BOT scheme, expires on 17 January 2034	31 December 2021	46,707	4.7	49,688	6.4
HGB title, expires on 24 November 2032	31 December 2021	202,017	20.4	191,937	24.8
BOT scheme, expires on 9 June 2027	31 December 2021	58,143	5.9	63,101	8.2
BOT scheme, expires on 23 July 2027	31 December 2021	74,807	7.6	86,433	11.2
BOT scheme, expires on 25 January 2041	31 December 2021	26,107	2.6	25,648	3.3

STATEMENT OF PORTFOLIO (cont'd)

AS AT 31 DECEMBER 2021

INDONESIA RETAIL MALLS (CONT'D)

Group

Description of property	Location	Acquisition date	Gross floor area in sqm
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	49,511
15. Lippo Mall Kemang	Jalan Kemang VI, Bangka Sub District, Mampang Prapatan District, South Jakarta, DKI Jakarta Province, Indonesia	17 December 2014	150,932
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	65,524
21. Kediri Town Square	Jalan Hasanudin No. 2, RT/22 RW/06, Balowerti Subdistrict, Kediri, East Java, Indonesia	22 December 2017	28,688
22. Lippo Mall Puri	Jalan Puri Indah Raya Blok U1, RT.3/RW.2, Kembangan Sel,. Kembangan, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11610, Indonesia	27 January 2021	175,146

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

STATEMENT OF PORTFOLIO (cont'd)

AS AT 31 DECEMBER 2021

Tenure of land	Last valuation date	Carrying value at 31 December 2021 $'000	Percentage of net assets at 31 December 2021 %	Carrying value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %
HGB title, expires on 24 October 2024	31 December 2021	54,459	5.5	52,837	6.8
Strata title constructed on HGB title common land, expires on 26 September 2035	31 December 2021	22,649	2.3	24,558	3.2
Strata title constructed on HGB title common land, expires on 1 September 2039	31 December 2021	70,630	7.1	64,731	8.4
Strata title constructed on HGB title common land, expires on 28 June 2035	31 December 2021	207,214	21.0	212,419	27.5
HGB title, expires on 8 June 2031	31 December 2021	21,674	2.2	21,870	2.8
HGB title, BOT scheme, expires on 30 April 2040	31 December 2021	77,655	7.9	66,892	8.7
HGB title, expires on 22 March 2037	31 December 2021	51,050	5.2	65,666	8.5
BOT scheme, expires on 7 July 2041	31 December 2021	32,622	3.3	32,015	4.1
HGB title, expires on 27 December 2043	31 December 2021	46,546	4.7	48,304	6.2
HGB title, expires on 12 August 2024	31 December 2021	36,299	3.7	35,175	4.6
HGB title, expires on 15 January 2040	31 December 2021	354,127	35.8	–	–

STATEMENT OF PORTFOLIO (cont'd)

AS AT 31 DECEMBER 2021

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
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	19,991
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

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

STATEMENT OF PORTFOLIO (cont'd)

AS AT 31 DECEMBER 2021

Tenure of land	Last valuation date	Carrying value at 31 December 2021 $'000	Percentage of net assets at 31 December 2021 %	Carrying value at 31 December 2020 $'000	Percentage of net assets at 31 December 2020 %
Strata title constructed on HGB title common land, expires on 8 April 2038	31 December 2021	9,957	1.0	10,016	1.3
Strata title constructed on HGB title common land, expires on 27 December 2029	31 December 2021	11,384	1.2	12,728	1.6
Strata title constructed on HGB title common land, expires on 27 February 2035	31 December 2021	13,917	1.4	13,832	1.8
Strata title constructed on HGB title common land, expires on 24 September 2037	31 December 2021	11,767	1.2	12,270	1.6
Strata title constructed on HGB title common land, expires on 21 April 2033	31 December 2021	15,357	1.6	16,132	2.1
Strata title constructed on HGB title common land, expires on 9 February 2032	31 December 2021	20,250	2.0	20,599	2.7
Strata title constructed on HGB title common land, expires on 9 November 2028	31 December 2021	7,064	0.7	7,869	1.0
		1,788,915	181.1	1,459,360	188.8
		(801,444)	(81.1)	(686,413)	(88.8)
		987,471	100.0	772,947	100.0

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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 28 March 2022.

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 $32,513,000 for the reporting year ended 31 December 2021. 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. The management is considering when and to the extent the prevailing restrictions will be lifted and to mitigate the financial impact, it is carefully managing its operations by adopting an operating cost reduction strategy and measures to conserve liquidity by working with major suppliers and lenders to align repayment obligations with receivable collections.

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 Investment Funds* ("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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

1. GENERAL (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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:

Rental revenue from operating leases

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.

Revenue from rendering of services

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

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Intangible assets

Intangible assets relating to guaranteed rental payments from certain master lease agreements and net property income ("NPI") guarantee arrangement 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 5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

Carrying amounts 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.

<u>Classification and measurement of financial assets</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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 (cont'd)

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

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

2A. Significant accounting policies (cont'd)

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 (i.e. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

2B. Other explanatory information (cont'd)

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.

Valuation of investment properties

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

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

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 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 end of reporting year. The carrying amount is disclosed in note 18.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

3A. Related party transactions (cont'd)

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.

(A) Manager's fees

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

(i) A base fee of 0.25% (2020: 0.25%) per annum of the value of the Deposited Property as defined in the Trust Deed (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% (2020: 4.0%) per annum of the Group's 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% (2020: 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% (2020: 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% (2020: 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% (2020: 2.0%) per annum of the gross revenue for the relevant retail mall and retail space;

(ii) 2.0% (2020: 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% (2020: 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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 ("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 Property Companies.

(C) Trustee's fees

The Trustee's fees shall not exceed 0.03% (2020: 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Manager				
Manager's management fees expense (note 7)	9,296	7,008	9,225	6,938
Manager's acquisition fees [(1)]	1,653	–	1,653	–
Manager's divestment fees (note 7)	–	540	–	540
Trustee				
Trustee's fees expense	466	436	466	436
Property Manager				
Property Manager fees expense (note 5)	5,868	4,098	–	–
Affiliates of Sponsor [(2)]				
Rental revenue and service charge [(3)(4)(5)]	49,465	31,215	–	–
Acquisition of Lippo Mall Puri (note 14)	330,647	–	–	–

(1) In January 2021, the Trust acquired Lippo Mall Puri and the Manager has voluntarily waived 50% of its acquisition fee entitlement to demonstrate its support for the acquisition and received 0.5% on the purchase consideration for the acquisition.

(2) The affiliates of the Sponsor are 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.

(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.

(5) The amount also includes top-up revenue from Lippo Mall Puri under the NPI guarantee agreement with PT Mandiri Cipta Gemilang.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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

	2021		2020	
	Number of units held	% interest held	Number of units held	% interest held
Manager	24,601,704	0.32	88,122,619	3.01

During the year, the Trust has issued a total of 4,682,872,029 new units at an issue price of $0.06 per unit pursuant to a renounceable rights issue to partially fund the acquisition of Lippo Mall Puri. 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.

A total of 63,668,965 units were issued to the Manager for payment of performance fee in relation to FY 2020 and the acquisition fee for the acquisition of Lippo Mall Puri.

In November 2021, the Manager sold 268,186,070 units in the Trust to Bridgewater International Limited, a subsidiary of the Sponsor, at the market price of $0.054 per unit.

4. GROSS REVENUE

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Rental revenue	101,740	78,290	–	–
Car park revenue	4,848	5,020	–	–
Dividend income from subsidiaries	–	–	40,525	68,114
Service charge and utilities recovery	64,681	63,192	–	–
Other rental income	3,798	2,033	–	–
	175,067	148,535	40,525	68,114

Rental revenue and other rental income also include top-up from the vendor of Lippo Mall Puri under the NPI guarantee arrangement.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

5. PROPERTY OPERATING EXPENSES

	Group	
	2021 $'000	2020 $'000
Land rental expense	1,442	1,496
Property management fees (note 3)	5,868	4,098
Legal and professional fees	1,579	1,799
Depreciation of plant and equipment (note 13)	2,750	3,233
Allowance for impairment of trade receivables (note 18)	7,570	5,016
Reversal of allowance for impairment of trade receivables (note 18)	(3,892)	(640)
Property operating and maintenance expenses	55,259	56,738
Others	252	438
	70,828	72,178

6. OTHER LOSSES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Allowance for impairment of other receivables (note 18)	–	1,516	–	–
Loss on disposal of plant and equipment	–	148	–	–
Others	13	1,803	2	45
	13	3,467	2	45

7. MANAGER'S MANAGEMENT FEES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Base fee	5,061	3,795	4,990	3,725
Performance fee	4,170	3,054	4,170	3,054
Authorised investment fee	65	159	65	159
Divestment fee	–	540	–	540
	9,296	7,548	9,225	7,478

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

8. FINANCE COSTS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Interest expense	54,542	42,900	56,774	44,808
Amortisation of borrowing costs	5,470	3,353	5,233	3,144
Issuance and commitment fees	295	1,701	295	1,701
	60,307	47,954	62,302	49,653

9. OTHER EXPENSES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Bank charges	50	96	5	3
Professional fees	1,042	750	1,024	730
Investor relation expenses	79	79	79	79
Listing expenses	95	35	95	35
Security agent fees	60	60	30	60
Valuation expenses	280	596	280	596
Unclaimable input tax	911	62	911	62
Other expenses	1,733	814	595	530
	4,250	2,492	3,019	2,095

	Group	
	2021 $'000	2020 $'000
Audit fees to independent auditors of the Trust	397	397
Audit fees to other independent auditors	264	259
Non-audit fees to independent auditors of the Trust	19	15
Non-audit fees to other independent auditors	2	119

Total fees to independent auditors are included in property operating expenses (note 5) and other expenses (note 9).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

10. INCOME TAX

10A. Components of tax expense recognised in statements of total return

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current tax				
Singapore income tax	–	58	–	58
Foreign income tax	19,045	15,540	–	–
Withholding tax	5,522	7,233	–	82
	24,567	22,831	–	140
Deferred tax				
Deferred tax expense/(credit)	338	(911)	–	–
	24,905	21,920	–	140

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% (2020: 17%) to total loss before tax as a result of the following differences:

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Total loss before tax	(7,608)	(208,285)	(89,145)	(175,127)
Income tax at statutory rate	(1,293)	(35,408)	(15,155)	(29,772)
Non-deductible expenses	26,106	23,499	15,155	29,830
Withholding tax	5,522	7,233	–	82
Effect of tax rates in different jurisdictions	(12,232)	(10,456)	–	–
Recognised deferred tax assets written down	–	25,900	–	–
Deferred tax assets not recognised	7,685	11,612	–	–
Others	(883)	(460)	–	–
	24,905	21,920	–	140

The amount of current income taxes outstanding for the Group at end of reporting year was $3,114,000 (2020: $3,749,000). 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.

10B. Deferred tax recognised in statements of total return

	Group	
	2021	2020
	$'000	$'000
Deferred tax (expense)/credit relating to the changes in fair value of investment properties	(338)	911

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

10. INCOME TAX (CONT'D)

10C. Deferred tax in statements of financial position

	Group	
	2021	**2020**
	$'000	**$'000**
Deferred tax liabilities relating to changes in fair value of investment properties	8,199	7,861

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 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.

Dividends from subsidiaries in Indonesia

Dividends received by the Singapore subsidiaries of the Trust from their respective Indonesian subsidiaries are exempt from Singapore income tax under section 13(8) of the Income Tax Act 1947 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 subsidiaries in Singapore

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

10. INCOME TAX (CONT'D)

10D. Tax matters (cont'd)

Interest income from subsidiaries in Indonesia

Interest received by the Singapore subsidiaries of the Trust on loans made to the Indonesian subsidiaries are exempt from Singapore income tax under section 13(12) of the Income Tax Act 1947 on the condition that the full amount of remitted interest, less attributable expenses, are 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 Indonesian 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 Indonesian subsidiaries are capital receipts and hence not subject to Singapore income tax.

11. EARNINGS PER UNIT

The following table illustrates the numerators and denominators used to calculate earnings per unit of no par value:

	Group 2021 $'000	Group 2020 $'000
Numerator		
Total loss after tax	(32,513)	(230,205)
Less: Amount reserved for distribution to perpetual securities holders	(17,526)	(17,769)
Total loss attributable to Unitholders	(50,039)	(247,974)

	Group 2021	Group 2020
Denominator		
Weighted average number of units	7,401,389,958	2,919,998,278

	Group 2021 Cents	Group 2020 Cents
Earnings per unit	(0.68)	(8.49)
Adjusted earnings per unit #	(0.25)	(1.26)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

12. DISTRIBUTIONS TO UNITHOLDERS

Total distributions paid during the year are as follows:

	Group and Trust	
	2021 $'000	2020 $'000
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
Distribution of 0.04 cents per unit for the period from 1 October 2020 to 31 December 2020	3,042	–
Distribution of 0.08 cents per unit for the period from 1 January 2021 to 31 March 2021	6,139	–
Distribution of 0.09 cents per unit for the period from 1 April 2021 to 30 June 2021	6,906	–
Distribution of 0.09 cents per unit for the period from 1 July 2021 to 30 September 2021	6,906	–
	22,993	23,792

12A. Distributions per unit

Name of distribution	Distribution during the year (interim distributions)
Distribution type	Capital

	Group and Trust			
	2021 Cents per unit	2020 Cents per unit	2021 $'000	2020 $'000
Tax-exempt income [(1)]	–	–	–	–
Capital [(2)]	0.26	0.30	19,951	8,698
	0.26	0.30	19,951	8,698

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

12. DISTRIBUTIONS TO UNITHOLDERS (CONT'D)

12A. Distributions per unit (cont'd)

Name of distribution — Distribution declared subsequent to year end (final distribution)
Distribution type — Capital

	Group and Trust			
	2021 Cents per unit	2020 Cents per unit	2021 $'000	2020 $'000
Tax-exempt income [1]	–	–	–	–
Capital [2]	0.09	0.04	6,906	3,042
	0.09	0.04	6,906	3,042
Total distributions	0.35 [3][4]	0.34 [3][4]	26,857	11,740

[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] There were right issues (note 22). 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.

(ii) 7,609,667,047 units used for the period from 1 October 2020 to 31 December 2020.

(iii) 7,673,336,012 units used for the year.

12B. Distribution policy

The Trust's current distribution policy is to distribute at least 90% (2020: 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

13. PLANT AND EQUIPMENT

	Group	
	2021 $'000	2020 $'000
Cost		
At beginning of year	22,581	23,476
Additions	1,871	1,897
Disposals	(13)	(590)
Reclassification to investment properties held for divestment	–	(1,490)
Foreign exchange adjustments	231	(712)
At end of year	24,670	22,581
Accumulated depreciation		
At beginning of year	14,944	13,221
Depreciation for the year	2,750	3,233
Disposals	(13)	(442)
Reclassification to investment properties held for divestment	–	(665)
Foreign exchange adjustments	153	(403)
At end of year	17,834	14,944
Net book value		
At beginning of year	7,637	10,255
At end of year	6,836	7,637

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	
	2021 $'000	2020 $'000
At beginning of year	1,459,360	1,696,813
Acquisition of investment property #	328,092	–
Enhancement expenditure capitalised	15,930	7,546
	1,803,382	1,704,359
Changes in fair value included in profit or loss	(31,382)	(193,597)
Foreign exchange adjustments	16,915	(51,402)
At end of year	1,788,915	1,459,360
Gross revenue from investment properties	175,067	148,535
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental revenue during the year	(70,828)	(72,178)

The acquisition in 2021 relates to the acquisition of Lippo Mall Puri. This amount also included an acquisition fee of $1,653,000 and other acquisition related expenses of $1,923,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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	2021	2020
Cushman & Wakefield VHS Pte. Ltd.	• The Plaza Semanggi • Palembang Square • Palembang Square Extension • Palembang Icon • Plaza Medan Fair • Sun Plaza	• Lippo Plaza Kramat Jati • Tamini Square • Cibubur Junction • Pluit Village • Lippo Mall Kemang
KJPP Wilson & Rekan (in association with Knight Frank)	• Lippo Mall Kuta • Mal Lippo Cikarang • Tamini Square • Cibubur Junction • 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 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)	• Lippo Plaza Batu • Lippo Plaza Jogja • Kediri Town Square • Lippo Plaza Kramat Jati • Lippo Mall Kemang • Lippo Mall Puri	• 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	• Pluit Village • Lippo Plaza Kendari • Gajah Mada Plaza • Lippo Plaza Ekalokasari Bogor • Bandung Indah Plaza • Istana Plaza	• The Plaza Semanggi • Palembang Square • Palembang Square Extension • Palembang Icon • 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.

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 year end. Values may change subsequently as the impact of COVID-19 is fluid and continues to evolve.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

The information about the significant unobservable inputs used in the fair value measurements are as follows:

		2021	2020
1.	Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the properties	10.7% to 12.5%	12.2% to 12.7%
2.	Growth rates	0.0% to 6.1%	0.0% to 6.0%
3.	Terminal discount rates	7.5% to 9.3%	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

Sensitivity analysis

1. Discount rates

   A hypothetical 10% (2020: 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 $128,140,000; higher by $148,404,000 (2020: lower by $83,290,000; higher by $88,915,000).

2. Growth rates

   A hypothetical 10% (2020: 10%) increase or decrease in rental revenue would have an effect on return before tax of: higher by $92,958,000; lower by $91,971,000 (2020: higher by $53,456,000; lower by $52,053,000).

3. Terminal discount rates

   A hypothetical 10% (2020: 10%) increase or decrease in terminal discount rate would have an effect on return before tax of: lower by $54,029,000; higher by $66,173,000 (2020: lower by $40,737,000; higher by $48,149,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14A. Investment properties (cont'd)

Sensitivity analysis (cont'd)

By relying on the valuation reports, management is satisfied the external 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.

(b) BOT schemes

This title gives the Indonesian 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR DIVESTMENT (CONT'D)

14B. Investment properties held for divestment

	Group 2020 $'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)
At end of year	–

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 2019. 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 2021 $'000	Group 2020 $'000
Cost		
At beginning of year	44,407	44,791
Additions	22,673	–
Foreign exchange adjustments	239	(384)
At end of year	67,319	44,407
Accumulated amortisation		
At beginning of year	41,081	39,097
Amortisation for the year	7,570	2,197
Foreign exchange adjustments	73	(213)
At end of year	48,724	41,081
Net book value		
At beginning of year	3,326	5,694
At end of year	18,595	3,326

Intangible assets represent unamortised aggregate rental guarantee amounts receivable by the Group from master leases upon the acquisitions of Lippo Mall Kuta in 2016, Lippo Plaza Kendari in 2017, Lippo Plaza Jogja in 2017, respectively, and NPI guarantee amount receivable by the Group upon the acquisition of Lippo Mall Puri in 2021. The master leases range from 3 to 5 years and the NPI guarantee covers the period from the date of acquisition to 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS (CONT'D)

The rental and NPI guarantee agreements signed with the respective parties that are effective during the year are as follows:

Property	From	To	Guaranteed amount per annum IDR (in millions)	Guaranteed amount per annum SGD (in thousands)
Lippo Mall Kuta	29 December 2016	28 December 2021	43,281	4,119
Lippo Plaza Kendari	21 June 2017	20 June 2022	15,100	1,437
Lippo Plaza Jogja	22 December 2017	21 December 2022	42,636	4,058
Lippo Mall Puri	27 January 2021	31 December 2024	340,000	32,361
			441,017	41,975

The rental and NPI guarantee as percentage of gross revenue of the respective malls are as follows:

	2021			2020		
	Guarantee's amount $'000	Gross revenue of mall $'000	Guaranteed amount as % of gross revenue %	Guarantee's amount $'000	Gross revenue of mall $'000	Guaranteed amount as % of gross revenue %
Lippo Mall Kuta	4,109	4,638	88.6	4,066	5,631	72.2
Lippo Plaza Kendari	1,433	4,134	34.7	1,419	4,094	34.7
Lippo Plaza Jogja	4,048	5,619	72.0	4,006	6,545	61.2
	9,590	14,391		9,491	16,270	

The NPI guarantee for Lippo Mall Puri from 27 January 2021 to 31 December 2021 is $30,056,000 and the actual NPI of the mall is $10,927,000. The difference between the guaranteed amount and actual NPI is invoiced and recognised as rental revenue and other revenue in the statements of total return.

16. INVESTMENTS IN SUBSIDIARIES

	Trust 2021 $'000	Trust 2020 $'000
Unquoted equity shares, at cost	988,759	984,733
Redeemable preference shares, at cost	1,094,949	749,262
Quasi-equity loans #	19,565	19,565
Less: Allowance for impairment	(568,483)	(514,641)
	1,534,790	1,238,919

Analysis by amounts denominated in non-functional currencies:

	2021	2020
USD	205	205
IDR	983,390	687,464

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Movements in allowance for impairment are as follows:

	Trust	
	2021 $'000	2020 $'000
At beginning of year	(514,641)	(344,276)
Impairment loss charged to profit or loss	(53,842)	(170,365)
At end of year	(568,483)	(514,641)

The list of subsidiaries is set out in note 38.

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 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 of $53,842,000 (2020: $170,365,000) 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 2021 %	2020 %
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 $47,560,000.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

18. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables				
Outside parties	39,412	21,754	47	367
Related parties (note 3)	11,444	13,799	–	–
Less: Allowance for impairment	(12,052)	(8,293)	–	–
	38,804	27,260	47	367
Other receivables				
Subsidiaries (note 3)	–	–	208,437	176,703
Related parties (note 3)	977	4,653	–	–
Other receivables	10,758	13,466	–	–
Less: Allowance for impairment	(1,516)	(1,516)	–	–
	10,219	16,603	208,437	176,703
	49,023	43,863	208,484	177,070

Movements in allowance for impairment for trade receivables are as follows:

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At beginning of year	(8,293)	(4,088)	–	–
Reversal of allowance no longer required (note 5)	3,892	640	–	–
Allowance utilised	–	29	–	–
Charge to profit or loss (note 5)	(7,570)	(5,016)	–	–
Foreign exchanges adjustments	(81)	142	–	–
At end of year	(12,052)	(8,293)	–	–

Movements in allowance for impairment for other receivables are as follows:

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At beginning of year	(1,516)	–	–	–
Charge to profit or loss (note 6)	–	(1,516)	–	–
At end of year	(1,516)	(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

18. TRADE AND OTHER RECEIVABLES (CONT'D)

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 ECL. 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current	24,261	10,353	135	36
1 to 30 days past due	2,966	2,842	80	59
31 to 60 days past due	717	901	28	188
Over 61 days past due	22,912	21,457	11,809	8,010
	50,856	35,553	12,052	8,293

19. OTHER NON-FINANCIAL ASSETS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Prepayments	2,819	5,036	64	1,379
Prepaid tax	40,545	8,011	–	–
	43,364	13,047	64	1,379

Prepaid tax includes prepaid VAT ("value-added tax") amounting to $33,700,000 relating to Lippo Mall Puri acquisition that is recoverable from the relevant tax authority in Indonesia.

20. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Not restricted in use	119,881	106,143	30,054	27,931
Cash pledged for bank facilities	2,223	2,780	1,221	2,780
	122,104	108,923	31,275	30,711
Interest earning balances	99,450	81,675	9,648	4,004

The rate of interest for the cash on interest earning accounts is between 0.1% and 4.5% (2020: 0.1% and 5.8%) per annum.

The cash pledged for bank facilities is to cover interest payments for bank loans.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

20. CASH AND CASH EQUIVALENTS (CONT'D)

For purpose of presenting the statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group 2021 $'000	Group 2020 $'000
Amount as shown above	122,104	108,923
Less: Cash pledged for bank facilities	(2,223)	(2,780)
	119,881	106,143

20A. Non-cash transactions

During the year, units amounting to $2,629,000 (2020: $7,048,000) were issued as settlement of the Manager's management fees and units amounting to $1,653,000 (2020: Nil) were issued as settlement of the Manager's acquisition fees.

20B. Reconciliation of liabilities arising from financing activities

	2020 $'000	Cash flows $'000	Non-cash changes# $'000	Reclassification* $'000	2021 $'000
Non-current borrowings	457,542	376,129	11,463	(67,194)	777,940
Current borrowings	218,590	(218,590)	–	67,194	67,194
Finance lease liabilities	1,118	(96)	–	–	1,022
Cash pledged for bank facilities	2,780	(557)	–	–	2,223
Total liabilities from financing activities	680,030	156,886	11,463	–	848,379

	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

Mainly relates to foreign exchange adjustments on the USD Guaranteed Senior Notes.
* Reclassification between long-term and short-term borrowings due to change in maturity of the borrowings.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Numerator				
Net assets attributable to Unitholders at end of year	728,018	509,329	563,113	412,098

	Group		Trust	
	2021	**2020**	**2021**	**2020**
Denominator				
Units in issue (note 22)	7,673,336,012	2,926,795,018	7,673,336,012	2,926,795,018

	Group		Trust	
	2021	**2020**	**2021**	**2020**
	Cents	**Cents**	**Cents**	**Cents**
Net asset value per unit attributable to Unitholders	9.49	17.40	7.34	14.08

The issue price for determining the number of units issued and issuable as the 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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 Property Funds Appendix issued by the Monetary Authority of Singapore, prior to 1 January 2022, the total borrowings and deferred payments of the Group should not exceed 50% (2020: 50%) of the Group's deposited property. Subsequent to 1 January 2022, it should not exceed 45% of the Group's deposited property and may exceed 45% only if the Group has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

The Group has computed its aggregate leverage ratio as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Total gross borrowings and deferred payments	861,569	685,287
Total deposited property	2,028,837	1,636,598
Aggregated leverage ratio (%)	42.5%	41.9%

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

22. UNITS IN ISSUE

	Group and Trust 2021	Group and Trust 2020
At beginning of year	2,926,795,018	2,894,902,627
Manager's management fees settled in units	39,067,261	31,892,391
Issuance of rights units	4,682,872,029	–
Issuance of new units for acquisition fee	24,601,704	–
At end of year	7,673,336,012	2,926,795,018

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.

23. PERPETUAL SECURITIES

	Group and Trust 2021 $'000	Group and Trust 2020 $'000
At beginning of year	263,618	259,647
Amount reserved for distribution to perpetual securities holders	17,526	17,769
Distribution to perpetual securities holders	(21,691)	(13,798)
At end of year	259,453	263,618

The perpetual securities are classified as equity instruments and recorded in equity in the statements 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") 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 distribution on perpetual securities of $140.0 million are payable on 27 March and 27 September each year and the distribution on perpetual securities of $120.0 million are payable on 19 June and 19 December each year.

On 27 September 2021, the distribution rate applicable to $140.0 million perpetual securities has been reset. The distribution rate applicable to the perpetual securities in respect of the period from the First Reset Date (being 27 September 2021) to the immediately following reset date (being 27 September 2026) shall be 6.4751%.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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 indebtedness under the US$250.0 million 7.25% Guaranteed 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Non-current				
Financial instruments with floating interest rates				
Bank loans (unsecured) (note 24A)	184,500	135,000	74,500	135,000
Less: Unamortised transaction costs	(4,159)	(1,441)	(967)	(1,441)
	180,341	133,559	73,533	133,559
Financial instruments with fixed interest rates				
Senior notes (unsecured) (note 24A)	609,569	331,287	–	–
Less: Unamortised transaction costs	(11,970)	(7,304)	–	–
	597,599	323,983	–	–
Finance leases (note 24B)	570	666	–	–
	778,510	458,208	73,533	133,559
Current				
Financial instruments with floating interest rates				
Bank loans (unsecured) (note 24A)	67,500	219,000	67,500	219,000
Less: Unamortised transaction costs	(306)	(410)	(306)	(410)
	67,194	218,590	67,194	218,590
Finance leases (note 24B)	452	452	–	–
	67,646	219,042	67,194	218,590
	846,156	677,250	140,727	352,149

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

24. OTHER FINANCIAL LIABILITIES (CONT'D)

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Due within 2 to 5 years	778,476	458,174	73,533	133,559
Due after 5 years	34	34	–	–
	778,510	458,208	73,533	133,559

At end of reporting year, the range of floating interest rates paid per annum was as follows:

	Group and Trust	
	2021	2020
Bank loans (unsecured)	2.26% to 4.03%	3.17% to 3.37%
Senior notes (unsecured)	6.91%	–

At end of reporting year, the range of fixed interest rates paid per annum was as follows:

	Group	
	2021	2020
Senior notes (unsecured)	6.71% to 7.50%	6.71%
Finance leases	14.00%	14.00%

The weighted effective interest rates including borrowing cost per annum were as follows:

	Group		Trust	
	2021	2020	2021	2020
Bank loans (unsecured)	4.52%	3.70%	4.52%	3.70%
Senior notes (unsecured)	7.42%	7.35%	–	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

24. OTHER FINANCIAL LIABILITIES (CONT'D)

24A. Borrowings and debt securities (excluding unamortised borrowing cost and finance lease)

	Notes	Maturity	Interest rate	31 December 2021 $'000	31 December 2020 $'000
Current borrowings					
$350.0 million term loan (Facility B)	1	August 2021	3.15% + SOR *	–	175,000
Uncommitted revolving credit facility	2	January 2021	3.75% + SOR *	–	4,000
Uncommitted revolving credit facility	2	January 2021	3.75% + SOR *	–	40,000
$40.0 million vendor financing	3	April 2022	3.65%	–	–
$67.5 million term loan (Facility A)	4	November 2022	3.05% + SOR *	67,500	–
Non-current borrowings					
$67.5 million term loan (Facility A)	4	November 2022	3.05% + SOR *	–	67,500
$67.5 million term loan (Facility B)	4	November 2023	3.25% + SOR *	67,500	67,500
$60.0 million term loan (Facility A1)	5	January 2024	3.15% + SOR *	60,000	–
$20.0 million term loan (Facility A2)	5	January 2026	3.57% + SOR *	20,000	–
$30.0 million term loan (Facility B1)	5	January 2024	3.15% + SOR *	22,500	–
$10.0 million term loan (Facility B2)	5	January 2026	3.57% + SOR *	7,500	–
US$250.0 million Guaranteed Senior Notes	6	September 2024	7.25%	338,649	331,287
US$200.0 million Guaranteed Senior Notes	7	February 2026	7.50%	270,920	–
Committed revolving loan facility	8	August 2023	2.10% + SORA #	7,000	–
				861,569	685,287

* SOR refers to SGD Swap Offer Rate
\# SORA refers to Singapore Overnight Rate Average

1. 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 repaid before maturity and tranche B of $175.0 million was fully repaid in February 2021.

2. In 2020, 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.

3. The Trust drew down $40.0 million vendor financing in January 2021, which is due in April 2022 and extendable by one year upon mutual consent. The effective interest rate is 4.06% per annum after taking into consideration the applicable withholding tax. $30.0 million was repaid in May 2021 and $10.0 million was repaid in August 2021.

4. 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 2021, the outstanding loan amounted to $135.0 million (2020: $135.0 million).

5. On 6 January 2021, the Trust obtained a term loan facility of up to $120.0 million and drew down $110.0 million. The term loan facility comprises of $60.0 million (Facility A1), $20.0 million (Facility A2), $22.5 million (Facility B1) and $7.5 million (Facility B2), with maturity tenure of 36 months for Facility A1 and Facility B1 and 60 months for Facility A2 and Facility B2, respectively.

   Facility A1 and Facility A2 were drawn down in January 2021; and Facility B1 and Facility B2 were drawn down in April 2021. The proceeds from Facility B1 and Facility B2 were used to repay the vendor financing.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

24. OTHER FINANCIAL LIABILITIES (CONT'D)

24A. Borrowings and debt securities (excluding unamortised borrowing cost and finance lease) (cont'd)

6. On 19 June 2019, the Trust, through LMIRT Capital, issued US$250.0 million Guaranteed Senior Notes due in 2024. These Guaranteed Senior Notes bear fixed interest rate of 7.25% per annum, are payable semi-annually in arrears and were issued at an issue price of 98.973% of the principal of the senior notes.

   The proceeds from the Guaranteed 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 balance of the proceeds was used for working capital purposes.

   At end of reporting year, a total of $338.6 million (2020: $331.3 million) notes are outstanding.

   The fair value of the US$250.0 million 7.25% Guaranteed Senior Notes (Level 1) is $348.3 million (2020: $334.1 million).

7. On 9 February 2021, the Trust, through LMIRT Capital, issued US$200.0 million Guaranteed Senior Notes due in 2026. These Guaranteed Senior Notes bear fixed interest rate of 7.50% per annum, are payable semi-annually in arrears and were issued at an issue price of 98.980% of the principal of the senior notes.

   Proceeds of the Notes, along with the existing cash balance were used to refinance the tranche B of $175.0 million term loan facility maturing in August 2021 and $44.0 million unsecured uncommitted revolving credit facilities, with the balance of the proceeds for general working capital purposes.

   At end of reporting year, a total of $271.0 million (2020: Nil) notes are outstanding.

   The fair value of the US$200.0 million 7.50% Guaranteed Senior Notes (Level 1) is $280.2 million (2020: Nil).

   The Trust entered into several cross currency swap contracts to substantially swap the USD proceeds of the senior notes. Please refer to note 28C for more information.

   On 21 January 2021, Moody's has affirmed the B1 outlook negative corporate family rating and B1 rating on the backed senior unsecured bond.

   On 14 July 2021, Fitch has downgraded Long-Term Issue Default Rating of the US$250.0 million senior notes due 2024 and US$200.0 million senior notes due 2026 from BB- to B+, with Recovery Rating of RR4.

   The senior notes are listed on the SGX-ST.

8. On 18 August 2021, the Trust obtained a committed $30.0 million revolving loan facility for a period of 2 years till August 2023. The Trust drew down $7.0 million in August 2021 and, together with internal funds of $3.0 million, the Trust repaid the balance of $10.0 million vendor financing on 25 August 2021.

24B. Finance leases

Finance lease is for the BOT fees payable.

The fixed rate of interest for finance leases is 14.00% (2020: 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

25. OTHER NON-FINANCIAL LIABILITIES, NON-CURRENT

	Group	
	2021 $'000	2020 $'000
Advance payments by tenants	84,025	79,550

This relates to rental received in advance from certain tenants.

26. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Other payables, non-current				
Loans payable to LMIRT Capital	–	–	704,407	323,983
Trade payables, current				
Outside parties and accrued liabilities	29,164	22,835	5,383	6,430
Related parties (note 3)	708	1,036	–	–
	29,872	23,871	5,383	6,430
Other payables, current				
Loan payable to subsidiaries #	–	–	38,694	34,905
Subsidiaries (note 3)	–	–	49,833	35,101
Other payables	8,850	9,858	–	–
	8,850	9,858	88,527	70,006
	38,722	33,729	93,910	76,436
	38,722	33,729	798,317	400,419

LMIRT Capital, being the treasury entity of the Group, raises funds and on lend the proceeds to LMIR Trust for its acquisition or refinancing purpose.

The interest rate and repayment terms of the loan from LMIRT Capital are dependent on and linked to the terms of the financial instruments it entered into.

The loans are unsecured and bears a fixed rates ranging from 3.61% to 7.50% (2020: 7.25%) per annum. The carrying amount is a reasonable approximation of fair value (Level 2).

The loans are unsecured, bear fixed interest rates of 5.00% (2020: 5.00%) 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	
	2021 $'000	2020 $'000
Security deposits from tenants	48,179	41,483

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

28. DERIVATIVE FINANCIAL INSTRUMENTS

The table below summarises the fair value of derivatives engaged into at end of year. All derivatives are not designated as hedging instruments.

	Group and Trust	
	2021	2020
	$'000	$'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)	(343)	(6,409)
Forward contracts (note 28B)	–	(8)
Cross currency swap contracts (note 28C)	(12,628)	(13,612)
	(12,971)	(20,029)
	(12,971)	(19,587)

Movements during the year are as follows:

	Group and Trust	
	2021	2020
	$'000	$'000
At beginning of year	(19,587)	(13,671)
Fair value changes recognised in profit or loss	8,486	(5,916)
Reset amount payable	(1,870)	–
At end of year	(12,971)	(19,587)

Presented in statements of financial position as:

	Group and Trust	
	2021	2020
	$'000	$'000
Current assets	–	442
Non-current liabilities	(12,628)	(15,518)
Current liabilities	(343)	(4,511)
	(12,971)	(20,029)

28A. Interest rate swaps

The notional amount of interest rate swaps as at 31 December 2021 is $85.0 million (2020: $320.0 million). They are designed to convert floating rate borrowings to fixed rate exposure. The Group pays the fixed interest rates, ranging from 1.99% and 2.05% (2020: 1.99% to 2.10%) per annum, and receives a variable rate equal to the Singapore swap offer rate ("SOR") on the notional contract amount (Level 2). The interest rate swaps will expire between February 2022 to March 2022.

Information on the maturities of the borrowings is provided in note 24A.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28B. Currency option contracts and forward contracts

	Notional amounts 2021 $'000	Notional amounts 2020 $'000	Reference currency	Maturity 2021	Maturity 2020	Fair value 2021 $'000	Fair value 2020 $'000
Currency option contracts	–	25,367	IDR	–	February 2021	–	179
Forward contracts	–	250,000	SGD	–	January 2021	–	255

The Trust 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 entered into forward contracts to mitigate foreign exchange fluctuation between SGD and IDR for the 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

The Trust entered into cross currency swap contracts to swap proceeds from the senior notes (note 24A) and the corresponding interest coupon payments into SGD obligations.

	Notional amounts 2021 $'000	Notional amounts 2020 $'000	Interest rate hedged 2021	Interest rate hedged 2020	Fair value 2021 $'000	Fair value 2020 $'000
US$250.0 million 7.25% notes due in 2024	341,683	341,683	6.71%	6.71%	(4,796)	(13,612)
US$180.0 million 7.50% [1] notes due in 2026	238,904	–	6.65% + 6m SOR	–	(7,832)	–

[1] US$180.0 million out of the total of US$200.0 million were swapped.

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 contractual interest rate and market rate at end of 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28D. Fair value of derivative financial instruments (cont'd)

The valuation techniques applied on 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	
	2021	2020	2021	2020
Expenses to average net assets ratio – excluding performance related fee (1)	1.12%	0.80%	0.80%	0.89%
Expenses to average net assets ratio – including performance related fee (1)	1.59%	1.13%	1.13%	1.29%
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 at the Group and Trust levels excluding any property related expenses, borrowing costs, foreign exchange losses/(gains), tax deducted at source and costs associated with the purchase of investments.

(2) Turnover ratio means the number of times per year that a dollar of assets 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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets at FVTPL	–	442	–	442
Financial assets at amortised cost	171,727	152,786	239,759	207,781
	171,727	153,228	239,759	208,223
Financial liabilities				
Financial liabilities at FVTPL	12,971	20,029	12,971	20,029
Financial liabilities at amortised cost	884,878	710,979	939,044	752,568
	897,849	731,008	952,015	772,597

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

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 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 Chief Financial Officer of the Manager who monitors the procedures reports to management of the Manager.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

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 statements 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, and trade and other receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the 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 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk

The following table analyses non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

2021	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Over 5 years $'000	Total $'000
Group					
Gross borrowings commitments	121,149	579,775	322,064	–	1,022,988
Gross finance lease obligations	457	260	313	5	1,035
Trade and other payables	38,722	–	–	–	38,722
	160,328	580,035	322,377	5	1,062,745
Trust					
Gross borrowings commitments	72,190	76,740	–	–	148,930
Trade and other payables	93,910	704,407	–	–	798,317
	166,100	781,147	–	–	947,247

2020	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Over 5 years $'000	Total $'000
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	76,436	323,983	–	–	400,419
	300,938	465,030	–	–	765,968

The following table analyses the derivative financial instruments by remaining contractual maturity:

2021	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Total $'000
Group and Trust				
Net settled				
Interest rate swaps	–	(4,796)	(7,832)	(12,628)
Cross currency swap contracts	(343)	–	–	(343)
	(343)	(4,796)	(7,832)	(12,971)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30E. Liquidity risk (cont'd)

The following table analyses the derivative financial instruments by remaining contractual maturity: (cont'd)

2020	Less than 1 year $'000	1 to 3 years $'000	3 to 5 years $'000	Total $'000
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)

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 statements 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 liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 30 days (2020: 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.

	Group and Trust	
	2021 $'000	2020 $'000
Undrawn bank facilities	23,000	99,386

The Trust has undrawn bank facilities amounting to $23.0 million from committed revolving loan facility. The details of the facilities are disclosed in note 24A.

In 2020, the Trust had an undrawn bank facility amounting to US$75.0 million available to be used for the partial repayment of $175.0 million facility matured 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 million 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial liabilities with interest				
Fixed rates	445,713	645,101	–	–
Floating rates	400,443	32,149	55,727	32,149
	846,156	677,250	55,727	32,149

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 and floating Singapore dollar interest, as described in notes 24A 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.

Sensitivity analysis

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
A hypothetical variation in interest rates by 10 (2020: 10) basis points with all other variables held constant, would have an increase/decrease in total return before tax for the year by:	411	34	56	34

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).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30G. Foreign currency risk

Analysis of amounts denominated in non-functional currencies:

2021	SGD $'000	USD $'000	Total $'000
Group			
Financial assets			
Cash and cash equivalents	554	20,831	21,385
Trade and other receivables	35,505	–	35,505
	36,059	20,831	56,890
Financial liabilities			
Loans and borrowings	–	609,569	609,569
	–	609,569	609,569
Net total	36,059	(588,738)	(552,679)

2020	SGD $'000	USD $'000	Total $'000
Group			
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
Net total	36,060	(330,707)	(294,647)

2021	USD $'000	IDR $'000	Total $'000
Trust			
Financial assets			
Other receivables from subsidiaries	–	172,306	172,306
	–	172,306	172,306
Financial liabilities			
Other payables to subsidiaries	–	4,934	4,934
Loans payables to subsidiary	609,569	–	609,569
	609,569	4,934	614,503
Net total	(609,569)	167,372	(442,197)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

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):

2020	USD $'000	IDR $'000	Total $'000
Trust			
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 subsidiary	331,287	–	331,287
	331,287	1,953	333,240
Net total	(331,287)	148,023	(183,264)

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 and US$200.0 million Guaranteed Senior Notes whose functional currency is in SGD, have been substantially 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.

	Group	
	2021 $'000	2020 $'000
A hypothetical 10% (2020: 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)	(3,606)
A hypothetical 10% (2020: 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:	58,874	33,071

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

30. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

30G. Foreign currency risk (cont'd)

	Trust	
	2021 **$'000**	**2020** **$'000**
A hypothetical 10% (2020: 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:	(16,737)	(14,802)
A hypothetical 10% (2020: 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:	60,957	33,129

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 end of reporting year, the Group is committed to the purchase of plant and equipment and assets enhancements in retail malls and retail spaces estimated to amount to $4,913,000 (2020: $7,051,000).

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	
	2021 **$'000**	**2020** **$'000**
Not later than one year	93,225	85,865
Between 1 and 2 years	65,123	70,171
Between 2 and 3 years	45,537	49,438
Between 3 and 4 years	27,394	35,170
Between 4 and 5 years	16,373	21,479
More than five years	22,568	34,222
	270,220	296,345
Rental income for the year	101,740	78,290

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

32. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR (CONT'D)

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 specialty tenants. These leases are cancellable with conditions and rentals may be subject to an escalation clause.

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.

Upon completion of the acquisition of Lippo Mall Puri, the Group entered into NPI guarantee agreement. The NPI guaranteed is provided from the date of acquisition to 31 December 2024.

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; a 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. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications were made to the statements of financial position as at 31 December 2020 to enhance comparability with the current year's presentation.

	Before $'000	Reclassification $'000	After $'000
<u>Trust</u>			
Current liabilities			
Trade and other payables	400,419	(323,983)	76,436
Non-current liabilities			
Other payables	–	323,983	323,983

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

35. SUBSEQUENT EVENT

On 22 February 2022, a final distribution of 0.09 cents per unit was declared totalling $6,906,000 in respect of the quarter ended 31 December 2021.

Subsequent to year end, the Trust entered into two foreign currency option contracts to take into consideration of the anticipated revenues in Indonesian Rupiah over operating expenses. The total notional amount of contracts amounted to $81,168,000 and would expire in November 2022.

36. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For current reporting year, new or revised 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 significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 103	Definition of a Business – Amendments to
FRS 1 and 8	Definition of Material – Amendments to
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements
FRS 39; 107 and 109	Interest Rate Benchmark Reform – Amendments to
FRS 116	COVID-19 Related Rent Concessions – Amendment to (effective from 30 June 2020)

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

For future reporting years, certain new or revised FRS 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	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	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 de-recognition 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 to 2020	1 January 2022

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

38. 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 2021 $'000	Cost 2020 $'000
Held by the Trust				
Gajah Mada Investments Pte Ltd	Singapore	Investment holding	76,173	76,173
Mal Lippo Investments Pte Ltd	Singapore	Investment holding	48,847	49,046
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	48,233
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	23,726
Java Properties Pte Ltd	Singapore	Investment holding	17,402	17,402
Serpong Properties Pte Ltd	Singapore	Investment holding	13,763	13,763
Metropolis Properties Pte Ltd	Singapore	Investment holding	26,217	26,217
Matos Properties Pte Ltd	Singapore	Investment holding	19,554	19,554
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	22,357
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

38. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost 2021 $'000	Cost 2020 $'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	33,607
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	19,333
Kramati Holdings Pte Ltd	Singapore	Investment holding	34,413	34,413
Binjaimall Holdings Pte Ltd	Singapore	Investment holding	329,533	2,603
Pejaten Holdings Pte Ltd	Singapore	Investment holding	108,251	104,212
Super Binjai Investment Pte Ltd	Singapore	Investment holding	19,012	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	297,666
KMT 2 Investment Pte Ltd	Singapore	Investment holding	16,104	16,104
Picon1 Holdings Pte Ltd	Singapore	Investment holding	75,527	75,595
Picon2 Investments Pte Ltd	Singapore	Investment holding	16,475	16,475
Kuta1 Holdings Pte Ltd	Singapore	Investment holding	83,116	83,116

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

38. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost 2021 $'000	Cost 2020 $'000
Held by the Trust (cont'd)				
Kuta2 Investments Pte Ltd	Singapore	Investment holding	4,320	4,320
Icon2 Investments Pte Ltd	Singapore	Investment holding	50,881	50,881
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
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

38. LISTING OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Cost 2021 $'000	Cost 2020 $'000
Held by the Trust (cont'd)				
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
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	Owner of Lippo Mall Puri	76,049	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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

YEAR ENDED 31 DECEMBER 2021

38. LISTING OF SUBSIDIARIES (CONT'D)

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 2021

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 2021 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	9,296	–
– Manager's acquisition fees	1,653	–
– Acquisition of Lippo Mall Puri	330,647	–
– Property management fees expense	5,868	–
– Rental revenue and service charge	12,784	–
– Services	5,936	–
Perpetual (Asia) Limited		
– Trustee's fees	466	–

(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 2021, the issued and subscribed units as at 31 December 2021 is an aggregate of 7,673,336,012 units.

STATISTICS OF UNITHOLDINGS

AS AT 10 MARCH 2022

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	37	0.34	462	0.00
100 – 1,000	356	3.28	247,300	0.00
1,001 – 10,000	2,613	24.11	16,963,606	0.22
10,001 – 1,000,000	7,648	70.55	823,847,062	10.74
1,000,001 AND ABOVE	186	1.72	6,832,277,582	89.04
TOTAL	10,840	100.00	7,673,336,012	100.00

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,627,095,382	47.27
2	CITIBANK NOMINEES SINGAPORE PTE LTD	1,369,875,473	17.85
3	DB NOMINEES (SINGAPORE) PTE LTD	306,660,600	4.00
4	DBS NOMINEES (PRIVATE) LIMITED	252,014,870	3.28
5	RAFFLES NOMINEES (PTE.) LIMITED	162,448,974	2.12
6	OCBC SECURITIES PRIVATE LIMITED	125,396,853	1.63
7	PHILLIP SECURITIES PTE LTD	106,289,089	1.39
8	DBSN SERVICES PTE. LTD.	86,774,800	1.13
9	MAYBANK SECURITIES PTE. LTD.	48,246,246	0.63
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	48,034,811	0.63
11	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	44,926,023	0.59
12	HSBC (SINGAPORE) NOMINEES PTE LTD	42,121,720	0.55
13	IFAST FINANCIAL PTE. LTD.	34,797,540	0.45
14	KO OON JOO	30,452,100	0.40
15	UOB KAY HIAN PRIVATE LIMITED	25,626,757	0.33
16	LMIRT MANAGEMENT LTD	24,601,704	0.32
17	TJANDRA TJAKRAWINATA @ CHOW CHARLES	19,229,600	0.25
18	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	17,427,700	0.23
19	SNG KAY BOON TERENCE	15,415,200	0.20
20	ABN AMRO CLEARING BANK N.V.	14,190,980	0.18
	TOTAL	**6,401,626,422**	**83.43**

STATISTICS OF UNITHOLDINGS

AS AT 10 MARCH 2022

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 10 March 2022)

		No. of Units Direct Interest	No. of Units Deemed Interest
1.	Bridgewater International Ltd("BIL") [1]	3,604,065,562	–
2.	PT. Sentra Dwimandiri ("SD") [1]	–	3,604,065,562
3.	PT. Lippo Karawaci Tbk ("Sponsor") [1]	–	3,628,667,266
4.	PT Inti Anugerah Pratama ("IAP") [2]	–	3,628,667,266
5.	PT Triyaja Utama Mandiri ("TUM") [3]	–	3,628,667,266
6.	James Tjahaja Riady ("JTR") [4]	–	3,628,667,266
7.	Fullerton Capital Limited ("Fullerton") [5]	–	3,628,667,266
8.	Sinovex Limited ("Sinovex") [6]	–	3,628,667,266
9.	Dr Stephen Riady ("SR") [7]	–	3,628,667,266
10.	Tokyo Century Corporation ("TCC") [8]	874,912,770	–
11.	ITOCHU Corporation [8]	–	874,912,770

Notes:

(1) BIL is directly held by SD and PT Prudential Development ("PD") in the proportion of 99.99% and 0.01% respectively. SD is 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 Jesselton Investment Limited ("Jesselton"). The Sponsor continues to hold 100% of SD, PD, Lippo Karawaci Corporation Pte Ltd and Jesselton. The Sponsor is therefore deemed to be interested in the units held by BIL and the Manager.

(2) IAP holds more than 50% interest in the Sponsor and is therefore deemed to be interested in Sponsor's deemed interest in 3,628,667,266 Units comprising of 24,601,704 units held by the Manager and 3,604,065,562 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 24,601,704 units held by the Manager. In addition, TUM is the intermediate holding company of BIL and is therefore deemed to be interested in the 3,604,065,562 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 3,628,667,266 Units.

(6) Sinovex is the holding company of Fullerton and is therefore deemed to be interested in Fullerton's deemed interest of 3,628,667,266 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 3,628,667,266 Units comprising of 24,601,704 units held by the Manager and 3,604,065,562 units held by BIL.

(8) ITOCHU Corporation has a shareholding ratio of approximately 30.07% in TCC and is therefore deemed to be interested in the 874,912,770 units held by TCC.

MANAGER'S DIRECTORS' UNITHOLDINGS

(As recorded in the Register of Directors' Unitholdings as at 21 January 2022)

		No. of Units Direct Interest	No. of Units Deemed Interest
1.	Mark Leong Kei Wei	150,000	150,000 [1]

Notes:

(1) Mr Mark Leong Kei Wei is deemed to be interested in 150,000 Units held by his spouse.

FREE FLOAT

Based on the information made available to the Manager as at 10 March 2022, approximately 41.30% 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 10 March 2022, 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
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 8 August 2007 (as amended))

NOTICE IS HEREBY GIVEN that the Thirteenth 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 **Friday, 29 April 2022 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 2021 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);

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

(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 1) **(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 through one or more duly licensed stockbrokers appointed by the Manager for the purpose; 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**").

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

(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 the 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 (5) 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 (5) 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[1];

"**Maximum Price**" means 105.0% of the Average Closing Price of the Units for both a Market Repurchase in accordance with Rule 884 of the Listing Manual and an Off-Market Repurchase, excluding any brokerage, stamp duty, commission, applicable goods and services tax and other related expenses.

(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.

(Please see Explanatory Note 2) (**Ordinary Resolution 4**)

[1] Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, LMIR Trust does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of LMIR Trust hold any Units. There is also only one class of units in LMIR Trust.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

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
7 April 2022

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 in item 4 above, 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 7 April 2022, unless such authority is revoked or varied by the Unitholders in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

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 copies 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_agm2022.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 LMIR Trust's accompanying announcement dated 7 April 2022. This announcement may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2022.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.

   Unitholders who wish to watch the "live" audio-visual webcast or "live" audio-only stream must pre-register by **10:00 a.m. (Singapore Time) on 26 April 2022**, at the URL http://www.lmir-trust.com/ir_agm2022.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 28 April 2022** (the "**Confirmation Email**").

   Unitholders who do not receive the Confirmation Email by **10:00 a.m. (Singapore Time) on 28 April 2022**, but who have registered by **10:00 a.m. (Singapore Time) on 26 April 2022**, should contact LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at the email address lmirtagm2022@boardroomlimited.com or call the Unit Registrar's general telephone number at +65 6536 5355 from **10:00 a.m. to 4:00 p.m. (Singapore Time) on 28 April 2022**.

   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 18 April 2022** in the following manner:

   (a) if submitted electronically, be submitted

      (i) via the pre-registration website at the URL http://www.lmir-trust.com/ir_agm2022.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_agm2022.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 lmirtagm2022@boardroomlimited.com; or

   (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_agm2022.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., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

The Manager will endeavour to publish the responses to all substantial and relevant questions (which are relevant to the resolutions to be tabled for approval at the AGM) received from Unitholders by **10:00 a.m. (Singapore Time) on 18 April 2022** on LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2022.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 by **10:00 a.m. (Singapore Time) on 22 April 2022**, being at least 72 hours before the deadline for Unitholders to deposit their proxy forms to vote at the AGM. The Manager will also address any substantial and relevant questions which have not already been addressed prior to the AGM during the AGM through the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings. Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.

The Manager will publish the minutes of the AGM which will include the responses to the substantial and relevant questions which are addressed during the AGM on LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2022.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, Unitholders 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_agm2022.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 19 April 2022** 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 26 April 2022**.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970 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 2001 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 1953 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.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

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 lmirtagm2022@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., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632;

   in either case not later than **10:00 a.m. (Singapore Time) on 26 April 2022**.

   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 2021 Annual Report and the Letter to Unitholders dated 7 April 2022 have been uploaded on the SGX website on 7 April 2022 at the URL as 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 www.lmir-trust.com/ir_agm2022.html.

7. Due to the constantly evolving COVID-19 situation, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2022.html for the latest updates on the status of the AGM.

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS (cont'd)

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) submitting the pre-registration for the AGM in accordance with the Notice of AGM; and/or (c) submitting any question to the Chairman of the Meeting in advance of the AGM in accordance with the Notice of AGM, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager (or its agents or service providers) for the following purposes (collectively, "**Purposes**"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) to the Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Manager (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes; and (iii) agrees to provide the Manager with written evidence of such prior consent upon reasonable request:

(1) the processing, administration and analysis by the Manager (or its agents or service providers) of instruments appointing a proxy(ies) for the AGM (including any adjournment thereof);

(2) the processing of the pre-registration for purposes of verifying the status of Unitholders, granting access to Unitholders (or their appointed proxy(ies)) to the AGM and providing them with any technical assistance where necessary;

(3) the addressing of relevant and substantial questions received from Unitholders in advance of the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

(4) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

in order for the Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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_agm2022.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, Unitholders accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2022.

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_agm2022.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 7 April 2022. This announcement may be accessed at LMIR Trust's website at the URL http://www.lmir-trust.com/ir_agm2022.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 1967 (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 19 April 2022** 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 26 April 2022**.
5. **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 **Friday, 29 April 2022 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:	No. of votes 'For'*	No. of votes '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 2021 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 ______________ 2022

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, Unitholders 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_agm2022.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, Unitholders 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 19 April 2022** 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 26 April 2022.**

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970 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 2001 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 1953 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 lmirtagm2022@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., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632;

   in either case not later than **10:00 a.m. (Singapore Time) on 26 April 2022.**

   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. Unitholders 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 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 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; 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.
8. Any reference to a time is made by reference to Singapore time.

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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.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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

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

www.lmir-trust.com