

Nurturing Greater Resilience



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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

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.



About LMIR Trust

Lippo Malls Indonesia Retail Trust (“**LMIR Trust**” or the “**Trust**”), the only Indonesia-exposed retail real estate investment trust listed on SGX Securities, offers investors a unique opportunity to participate in the bustling retail property sector in Southeast Asia’s largest economy.

With presence in key cities in Indonesia, LMIR Trust is able to leverage Indonesia’s rising middle class with purchasing power to boost recovery following the pandemic.

As the Manager, LMIR 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 2023, 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**”) including carpark, of 1,840,490 square metres and net lettable area (“**NLA**”) of 952,113 square metres, the portfolio’s asset value stood at Rp17,998.6 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 3,129 tenants including well-known retailers such as Hypermart and Matahari Department Store, as well as popular consumer brands including Zara, Uniqlo, H&M, Adidas, JD Sports, Love Bonito, Starbucks, Fitness First, Timezone, Amazone, Miniso and Ace Hardware, 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**”), if opportunities arise.

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 59 malls with total GFA, including carpark of more than 3.6 million square metres across Indonesia.



Avenue of the Stars / Lippo Mall, Kemang

Portfolio Occupancy

79.0%

Shopper Traffic

119.6

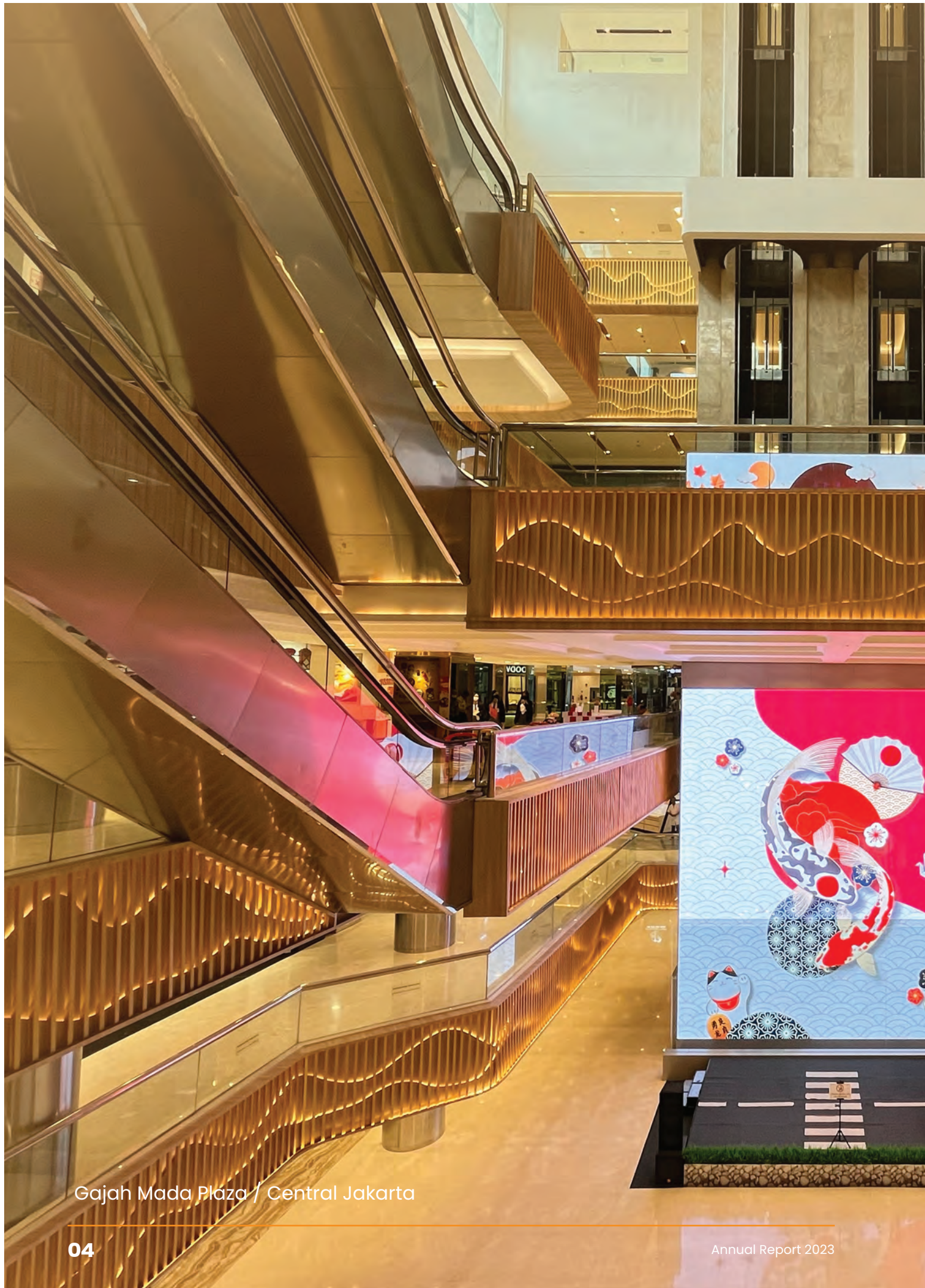
million

Tenants

3,129



Strengthening Our Appeal



Gajah Mada Plaza / Central Jakarta

Portfolio Valuation
Rp 17,998.6
billion

Net Lettable Area
952,113
sqm

Properties
29



Optimising Our Portfolio



Jember Fashion Carnival / Lippo Mall, Kuta

Rental Revenue

S\$ **110.6**
million

Gross Revenue

S\$ **197.3**
million

Net Property Income

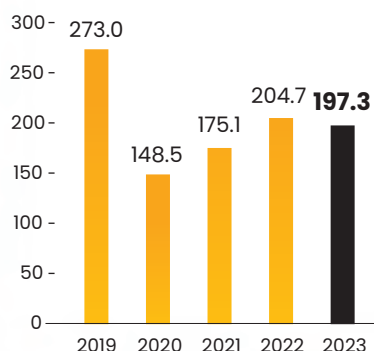
S\$ **122.4**
million



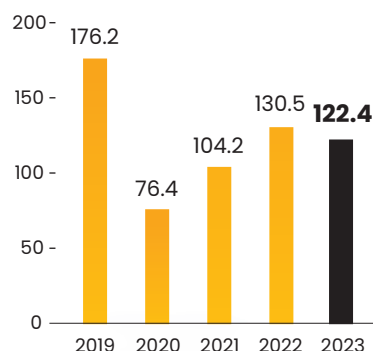
Supporting Our Communities

Key Financial Highlights

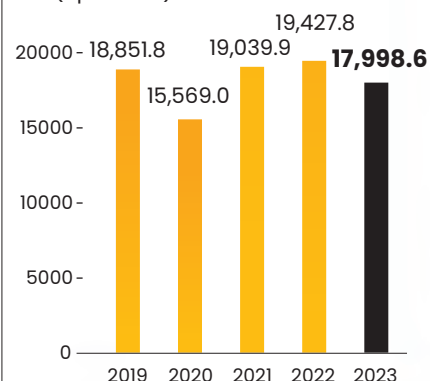
Gross Revenue (S\$ million)



Net Property Income (S\$ million)



Portfolio Valuation (Rp' billion)



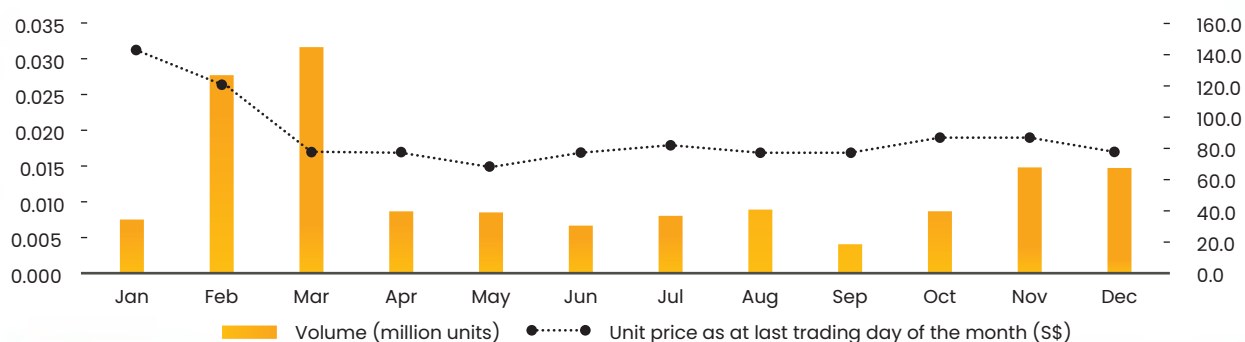
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| Selected Statement of Total Return and Distribution Data (S\$ million) | | | | | |
| Rental Revenue | 155.3 | 78.3 | 101.7 | 119.2 | 110.6 |
| Gross Revenue | 273.0 | 148.5 | 175.1 | 204.7 | 197.3 |
| Net Property Income | 176.2 | 76.4 | 104.2 | 130.5 | 122.4 |
| Income available for distribution to Unitholders | 68.3 | 3.2 | - | - | - |
| Distribution to Unitholders | 64.9 | 11.7 | 26.9 | 23.9 | - |
| Earnings Per Unit (cents) | (0.15) | (8.49) | (0.68) | (0.17) | (1.64) |
| Selected Statement of Financial Position Data (S\$ million) | | | | | |
| Total Assets | 2,013.0 | 1,636.6 | 2,028.8 | 1,835.7 | 1,723.3 |
| Total Gross Borrowings | 721.7 | 685.3 | 861.6 | 819.4 | 813.6 |
| Net Assets Value Per Unit (cents) | 28.20 | 17.40 | 9.49 | 6.85 | 5.63 |
| Units in Issue | 2,894,902,627 | 2,926,795,018 | 7,673,336,012 | 7,696,809,979 | 7,696,809,979 |
| Unitholders' Funds | 816.3 | 509.3 | 728.0 | 527.0 | 433.5 |
| Investment Properties | 1,696.8 | 1,459.4 | 1,788.9 | 1,655.8 | 1,531.6 |
| Operational Data | | | | | |
| Properties | 30 | 28 | 29 | 29 | 29 |
| Portfolio Valuation (Rp' billion) | 18,851.8 | 15,569.0 | 19,039.9 | 19,427.8 | 17,998.6 |
| Portfolio Occupancy (%) | 91.5 | 84.5 | 80.9 | 80.2 | 79.0 |
| Net Lettable Area (sqm) | 913,958 | 839,825 | 956,632 | 951,471 | 952,113 |
| Tenants | 3,767 | 2,927 | 3,010 | 3,055 | 3,129 |
| Annual Shopper Traffic (million) | 173.6 | 83.5 | 83.3 | 109.5 | 119.6 |

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|-------|
| Key Financial Indicators | | | | | |
| Distribution Per Unit (cents) | 2.23 | 0.34 | 0.35 | 0.31 | - |
| % of Total Properties that are Unencumbered (%) | 100 | 100 | 100 | 100 | 50* |
| Aggregate leverage (%) | 35.9 | 41.9 | 42.5 | 44.6 | 44.3* |
| Interest Coverage (times) – Consolidated NPI over consolidated interest expenses in accordance with the financial covenants of loan facilities | 4.1 | 1.8 | 1.9 | 2.3 | 1.9 |
| Interest Coverage (times) – Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with MAS Guidelines | 3.9 | 1.4 | 1.6 | 2.1 | 1.8 |
| Adjusted Interest Coverage (times) – Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with MAS Guidelines includes distribution to perpetual securities holders | 2.7 | 1.0 | 1.2 | 1.7 | 1.8 |
| Average Cost of Debt (%) | 6.1 | 5.8 | 6.6 | 7.3 | 8.6 |

* excluding S\$90.4 million of funds set aside with sole purpose for the 2024 Tender Offer announced on 16 January 2024 and completion on 29 January 2024, in the computation.

| Unit Price and Trading Volume | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------|-------|-------|-------|-------|
| Closing Unit Price For The Period (cents) | 22.5 | 6.2 | 5.4 | 3.0 | 1.7 |
| Highest Closing Unit Price (cents) | 25.5 | 23.5 | 7.2 | 6.0 | 3.7 |
| Lowest Closing Unit Price (cents) | 18.3 | 6.1 | 4.9 | 2.9 | 1.5 |
| Daily Average Trading Volume (million) | 2.6 | 8.3 | 8.7 | 3.7 | 2.8 |
| Market Capitalisation (S\$ million) | 651.4 | 181.5 | 414.4 | 230.9 | 130.8 |

Trading Performance in 2023



Significant Events

In FY 2023

February

- 13** Moody's downgraded the corporate family rating of LMIR Trust and the senior unsecured bond issued by LMIRT Capital Pte. Ltd., to Caal from B3
- 15** LMIR Trust awarded EDGE green building certification for Lippo Mall Puri and Sun Plaza
- 20** Fitch downgraded LMIR Trust's Long Term Issuer Default Ratings (IDR) and senior unsecured notes to 'CCC+' from 'B-'
- 24** 4Q 2022 results announcement, declared DPU of 0.04 Singapore cents

March

- 6** Appointed Stirling Coleman as financial advisor in relation to the Trust's capital management initiatives
- 8** Repurchase and cancellation of US\$6.0 million of the US\$250.0 million 7.25% Guaranteed Senior Notes issued on 19 June 2019 and due 2024



March (cont'd)

9 Fitch downgraded LMIR Trust's Long Term IDR and senior unsecured notes to 'CCC' from 'CCC+'

17 Resignation of Mr Sandip Talukdar as Independent Director and member of the Audit and Risk Committee (ARC) and Nominating and Remuneration Committee (NRC) of the Manager

Re-designation of Ms Gouw Vi Ven from Non-Executive Non-Independent Director to Independent Director

Appointment of Ms Gouw Vi Ven as a member of the ARC

Appointment of Mr Mark Leong Kei Wei as a member of the NRC

20 Elected not to pay distribution to the holders of the S\$140.0 million Perpetual Securities issued on 27 September 2016, originally scheduled to be paid on 27 March

April

6 Fitch downgraded LMIR Trust's Long Term IDR and senior unsecured notes to 'CCC-' from 'CCC'

25 Convened 14th Annual General Meeting via electronic means

27 1Q 2023 results announcement

May

31 Elected not to pay distribution to the holders of the S\$120.0 million Perpetual Securities issued on 19 June 2017, originally scheduled to be paid on 19 June

August

8 2Q 2023 results announcement

September

18 Elected not to pay distribution to the holders of the S\$140.0 million Perpetual Securities issued on 27 September 2016, originally scheduled to be paid on 27 September

October

16 Entered into an Amendment and Restated the Term Loan Facilities of up to S\$135.0 million, the Loan Facilities of up to S\$67.5 million and the Term Loan Facility Agreement of up to S\$120.0 million which extended the facilities with a final maturity in November 2026, with certain properties provided as a collateral to the Lenders.

November

9 3Q 2023 results announcement

10 Entered into Master Property Management Agreement with PT Lippo Malls Indonesia for a term of 22 months

December

11 Elected not to pay distribution to the holders of the S\$120.0 million Perpetual Securities issued on 19 June 2017, originally scheduled to be paid on 19 December

Obtained a secured amortising term loan facility of up to IDR2.5 trillion with an average life of approximately six years

Commenced tender offers in connection with the US\$250.0 million 7.25% Guaranteed Senior Notes due 2024 ("2024 Notes") and US\$200.0 million 7.50% Guaranteed Senior Notes due 2026 ("2026 Notes")

27 A total of US\$43,510,000 (approximately 18.77%) in principal amount of the 2024 Notes and a total of US\$38,545,000 (approximately 21.21%) in principal amount of the 2026 Notes had been validly tendered and not withdrawn

Letter to Unitholders

Dear Unitholders,

Amidst the ongoing macro-economic challenges stemming from a subdued global economy and volatile inflation, interest, and foreign exchange rates, we have implemented strategic and prudent measures to manage our financing requirements effectively during the year.

In addition to prioritising financial stability, we have maintained a steadfast approach to overseeing the operational performance of our robust portfolio comprising 22 retail malls and seven retail spaces strategically situated

across Indonesia. Our proactive asset management approach involves implementing initiatives for asset enhancement, managing tenant mix, and overseeing lease renewals. These efforts are aimed at ensuring sustained and optimal performance of our assets. We are also constantly looking to reinforce our commitment to sustainability towards the efficient use of resources and upholding the highest standard of safety across all our operations in Indonesia.

While operational performance has been on a gradual recovery path from the pandemic's impact, inflation, evolving lifestyle trends, and heightened competition from newer malls persist and continue to impede the performance of some of our malls and tenants in specific trade sectors.

Consequently, LMIR Trust concluded its financial year ended 31 December 2023 ("**FY 2023**") with a 7.2% decline in rental revenue to S\$110.6 million and a 3.6% dip in gross revenue to S\$197.3 million, compared to S\$119.2 million and S\$204.7 million, respectively, in the previous financial year ("**FY 2022**"). Net property income ("**NPI**") for the year slipped 6.2% to S\$122.4 million from S\$130.5 million in FY 2022.

In addition to the 5.1% year-on-year ("**YoY**") depreciation of the Indonesian Rupiah (IDR) against the Singapore Dollar (SGD)⁽¹⁾, the topline decline was also attributable to several factors. These include the expiration of master leases at Lippo Plaza Jogja in December 2022, resulting in a S\$2.8 million decrease in revenue



From Left:

**Mr Liew
Chee Seng James**

Executive Director and
Chief Executive Officer

**Mr Murray
Dangar Bell**

Chairman and
Lead Independent Director

(1) Average exchange rate of Singapore Dollar (SGD) 1.00 to Indonesia Rupiah (IDR) 11,335.7 for FY 2023 vs. SGD1.00 to IDR10,762.5 for FY 2022

contribution, the downsizing or early termination of leases for specific tenants, particularly in the hypermarket sector, and changes in the structure of some lease agreements to a revenue-sharing basis.

In IDR terms, rental revenue for the year slipped 2.3% to Rp1,253.4 billion from Rp1,283.0 billion in FY 2022. However, gross revenue registered a slight increase of 1.5% to Rp2,236.2 billion, largely attributed to higher service charge and utilities recovery arising from increased utilities usage in a more relaxed operating environment. NPI edged down 1.2% to Rp1,387.1 billion in FY 2023 compared to Rp1,404.3 billion in FY 2022.

Prudent Capital Management

As we navigate the tough economic conditions, the Trust has exercised caution and took strategic actions to manage its capital structure effectively, ensuring sustainability and compliance with financial covenants.

During the year, we took necessary steps to temporarily halt distributions to perpetual securities holders and unitholders to conserve cash and ensure financial flexibility. We also successfully extended our maturing loan facilities of approximately S\$198.0 million with a final maturity in November 2026 through amendment and restatement agreements.

In December 2023, we obtained a Rp2.5 trillion secured amortising term loan facility ("**IDR Facility**"), which was mainly utilised to repurchase the outstanding US\$250.0 million Guaranteed Senior Notes ("**2024 Notes**") and

US\$200.0 million Guaranteed Senior Notes ("**2026 Notes**"). To this end, we commenced our tender offers for our outstanding notes in December 2023 and January 2024, resulting in a significant reduction in the outstanding notes. The 2024 Notes declined from US\$231.8 million to US\$188.3 million as at 31 December 2023 and further to US\$138.4 million as at the date of this report. Similarly, the 2026 Notes reduced from US\$181.7 million to US\$143.2 million as at 31 December 2023 and to US\$114.7 million as at the date of this report.

These strategic initiatives have enabled us to keep our leverage ratio below the regulatory credit limit, standing at 44.3% as at 31 December 2023. At the same time, we extended our weighted average debt maturity to 2.75 years.

Despite challenges such as tightening monetary policy and credit rating downgrades affecting our access to the capital market, we have received continuous support from existing and new lenders. We will continue to actively engage them as well as explore available options to address our maturing debt obligations and maintain a sustainable capital.

Optimising Operational Performance

Operationally, our malls are gradually recovering from the pandemic's impact, despite changing lifestyle trends, heightened inflation and increased competition from newer malls.

Capitalising on the exit or downsizing of anchor leases in select malls, we have intensified

Net Property
Income

S\$122.4m

FY 2022: S\$130.5m

Gross
Revenue

S\$197.3m

FY 2022: S\$204.7m

our asset enhancement initiatives ("**AEIs**"). These efforts aim to ensure sustainable operational performance by optimising space utilisation, increasing mall value, and revitalising certain areas to enhance the overall shopping experience for our shoppers.

In the coming two years, we intend to refurbish a combined net lettable area ("**NLA**") of 163,550 square metres across nine properties, allocating a budget of approximately Rp584.2 billion for these AEIs. This strategic investment is crucial to enhancing our operational performance and ensuring sustained growth.

For 2024, we plan to complete minor AEI works to prepare for new tenants as well as refresh our malls to improve shopping experience. These include reconfiguring and extending spaces to increase NLA, including conducting minor refurbishments in mall atriums and drop-off areas. The malls undergoing these enhancements

Letter to Unitholders



include Istana Plaza, Mal Lippo Cikarang, Lippo Plaza Kramat Jati, Sun Plaza, and Lippo Plaza Ekalokasari Bogor.

More extensive refurbishment works are planned for Palembang Square, The Plaza Semanggi, Cibubur Junction and Gajah Mada Plaza (largely completed, with works to connect basement to an annexed MRT station expected in 2026) with scheduled completion between 2025 and 2026.

Alongside these strategic AEI activities, we are also actively working with our mall operator to renew existing leases, attract new and replacement tenants to improve our tenant mix. The malls, together with the tenants are also working closely to organise a variety of promotional and

marketing activities to drive foot traffic and elevate the shopping experience.

The Trust wrapped up the year with average portfolio occupancy standing at 79.0% and as we complete this transitional period with AEIs and new replacement tenants, we anticipate an improvement in portfolio occupancy over the next few years. Through our active lease management, we also secured a total of 78,685 square metres of new leases and renewed 74.9% of expired leases for the year. Overall, shopper traffic in 2023 has rebounded to approximately 68.9% of pre-Covid levels from 2019 and marking a 9.2% improvement over 2022. Premium malls like Lippo Mall Puri, Sun Plaza, and Palembang Icon have recorded

traffic levels that have either surpassed or matched pre-Covid levels.

On 31 January 2024, the Trust was successfully granted the right to continue to operate Cibubur Junction from 28 July 2025 to 29 July 2045.

Sustainability Initiatives

In addition to our focus on enhancing operational performance, our Sustainability Committee has also been working tirelessly and made significant strides towards our environmental, social and governance (“**ESG**”) ambitions and support for Indonesia’s commitment to achieve net-zero emissions by 2060.

In 2023, Lippo Mall Puri and Sun Plaza were awarded the green building certification from EDGE. The assessment by EDGE indicates that the savings from energy, water and embodied energy that both properties achieved, translate to an estimated annual utility cost savings of Rp9,087.5 million for Lippo Mall Puri and Rp8,495.4 million for Sun Plaza.

To offer our shoppers the convenience of recharging their electric vehicle (“EV”) while shopping, we installed nine EV charging stations across our malls in Jakarta, Bandung, Cikarang, and East Java. This initiative, in collaboration with Hyundai Motors Indonesia, supports the Indonesian government’s strategy to promote EV adoption, sustainability, and environmental improvement.

Marking another significant progress in our sustainability efforts, we partnered with an Indonesian renewable energy specialist to install an On-Grid Photovoltaic Solar Power Plant with a capacity of 765.6 kilowatt peak (“kWp”) at Mal Lippo Cikarang. The plant is expected to generate 23,651 megawatt hours (“MWh”) of energy over 25 years, reducing carbon emissions by 18,900 tonnes. This is a 21% reduction in Mal Lippo Cikarang’s Scope 2 emissions, equivalent to planting and maintaining 3,110 raintrees over 25 years. This is our first solar project, and we will continue to review the possibility of extending the installation to our other properties.

Market Outlook

Indonesia’s economic outlook for 2024 appears to be more

optimistic compared to 2023. In 2023, the country experienced a slowdown in gross domestic product (“GDP”) growth to 5.05% compared to 5.31% in 2022. However, projections suggest a moderate recovery, with GDP growth expected to be around 5.2% in 2024 and domestic inflation is expected to be relatively stable due to the 2024 general elections’ impact on public and government spending.²

The shopping mall sector in Indonesia remains dynamic and multifaceted, with modern malls evolving into vibrant hubs for social gatherings and entertainment, beyond their traditional retail functions. As the effects of the pandemic recede, there is a noticeable resurgence in foot traffic as shoppers rediscover the appeal of physical shopping experiences. To attract the return of shoppers, we are committed to ongoing innovation and the expansion of our offerings, ensuring that our malls remain relevant and appealing to a diverse range of consumer preferences.

Acknowledgements

We wish to express our sincere appreciation for the guidance of our Board members and dedication of our management and staff to ensure the stability of the Trust. We are also grateful for the support from our Sponsor, bankers, business partners and shoppers.

Lastly, we are deeply appreciative of the faith and unwavering patience of our valued Unitholders.

(2) 7 February 2024, Antara - Indonesia projects 5.2 percent economic growth in 2024

New Leases Secured
In FY 2023:

78,685sqm

Renewal Of
Expired Leases:

74.9%

Despite the challenges posed by the current macroeconomic climate, we remain steadfast to navigating these complexities, ensuring stability and improving our performance. Your continued support is instrumental as we strive to achieve our goals and deliver value to all stakeholders.

Mr Murray Dangar Bell

Chairman and
Lead Independent Director

Mr Liew Chee Seng James

Executive Director and
Chief Executive Officer

Board of Directors



**Mr Murray
Dangar Bell**

Chairman
Lead Independent
Director



**Mr Liew Chee Seng
James**

Executive Director
Chief Executive Officer

Date of Appointment

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

Board Committee

- Chairman of Nominating & Remuneration
- Member of Audit & Risk

Directorships in Listed Companies only:

Nil

Principal Commitments⁽¹⁾:

- Chairman and Independent Director,
Keneco Property Pty Ltd

Past Directorships in Listed Companies only:

Nil

Mr Bell has more than 30 years of experience in commercial real estate management, primarily in shopping malls management in the Asia Pacific and Middle East regions. He is also a proven commercial business leader with extensive experience in leading, managing and driving change management in both large and smaller property groups.

Mr Bell 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.

Date of Appointment

As Executive Director on 31 December 2019

Directorships in Listed Companies only:

Nil

Principal Commitments⁽¹⁾:

- LMIRT Management Ltd. (as Manager of LMIR Trust),
Executive Director and Chief Executive Officer

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 Master of Business Administration (Strategic Management) and Bachelor of Business, Banking and Finance (First Class Honours) from the Nanyang Technological University.



**Ms Gouw
Vi Ven**

Independent Director



**Mr Mark
Leong Kei Wei**

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
- Redesignated as Independent Director on 31 March 2023

Board Committee

- Member of Nominating & Remuneration
- Member of Audit & Risk

Directorships in Listed Companies only:

Nil

Principal Commitments⁽¹⁾:

Nil

Past Directorships in Listed Companies only:

Nil

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 Lippo Karawaci, 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, enhancing 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.

Date of Appointment

As Independent Director on 15 July 2020

Board Committee

- Chairman of Audit & Risk
- Member of Nominating & Remuneration

Directorships in Listed Companies only:

- MDR Limited, Lead Independent Director
- HS Optimus Holdings Limited (formerly known as KLW Holdings Limited), Independent Non-Executive Director
- Osteopore Ltd, Executive Chairman and Director
- 9R Limited (formerly Viking Offshore and Marine Limited), Independent Non-Executive Director
- CytoMed Therapeutics Limited, Independent Non-Executive Director

Principal Commitments⁽¹⁾ :

- Independent Non-Executive Director, Apeiron Agrocommodities Pte Ltd
- Executive Director, Avalon Partners Pte Ltd

Past Directorships in listed companies only:

- LCT Holdings Limited, Independent Director (2019 to 2021)
- Catalano Seafood Ltd, Non-Executive Director (2022 to 2023)
- LifeBrandz Ltd, Executive Chairman and Director (2023 to 2023)

Mr Leong has considerable corporate, management and directorship experience in a broad range of functions and industries having undertaken several C-suites roles (Chairman, CEO, COO & CFO) in several private as well as public companies.

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).

(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



1. Mr Liew Chee Seng James

Executive Director and Chief Executive Officer

Please refer to page 16 for Mr Liew's bio.

2. 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 and the Hong Kong Stock Exchanges, as well as corporate governance practices and guidelines. Prior to joining the Manager, Mr Wong spent eight years with a SGX Mainboard-listed company in the construction and manufacturing sector. He has a strong track record in fundraising, merger and acquisitions, corporate and operational restructuring exercises.

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

3. 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 Master 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 has obtained the Professional Certificate in Real Estate Investing from the Singapore Management University. He is a member of the Singapore Institute of Directors, a Green Mark Accredited Professional (Facilities Management), and a certified Marshall Goldsmith Executive Coach.

4. Mr Heng Shao Sheng

Director, Sustainability

Mr Heng joined the Manager in April 2017 as Director of Asset Management before resuming his current role in June 2022, where he oversees the development and implementation of LMIR Trust's sustainability strategy. Mr Heng has more than 15 years of experience in the banking and finance industry covering areas such as management information services, operations control, accounting and finance. Prior to joining the Manager, he was Deputy Head of Accounting and Finance at Raiffeisen Banking International. He started his career with BNP Paribas and has also worked for ABN Amro.

Mr Heng graduated with a Bachelor of Business in Accountancy from RMIT University and is a Fellow of CPA Australia (FCPA). He also obtained his Executive Certificate in Real Estate Finance from the National University of Singapore.

5. Ms Lim Chin Ni

Financial Controller

Ms Lim joined the Manager as Financial Controller in June 2022 and oversees the financial reporting, taxation, treasury and risk management, capital management and asset acquisition activities of LMIR Trust. Ms Lim has more than 20 years of experience in accounting and finance related work. She has previously held positions in other SGX mainboard-listed companies as well as a family-owned retail chain in Malaysia. Ms Lim began her career as an auditor in several accounting firms.

Ms Lim is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants (FCCA). She graduated with a Bachelor of Arts (Hons) in Accounting and Finance from London South Bank University in 2000.

6. Ms Jessie Setiono

Senior Manager, Legal and Compliance

Ms Setiono joined the Manager in December 2020 and supports the activities of the Manager in the areas of legal and compliance. Prior to joining the Manager, Ms Setiono was with HHP Law Firm (part of Baker McKenzie) in Indonesia, specialising in capital market and investment funds. She assisted in several high-profile sovereign bond transactions and advisory relating to DIRE (Indonesian equivalent of REITs). Ms Setiono has a Master of Law in International Trade, Investment and Competition Law and a Bachelor of Law in Business Law from the Universitas Pelita Harapan, Jakarta, Indonesia, as well as a Bachelor of Commerce in Management from the Curtin University of Technology, Perth, Australia.

Portfolio Overview



INDONESIA



Legend

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

-  Retail Mall
-  Retail Spaces

Portfolio Summary

| No. | Property | Acquisition Date | Purchase Price (Rp'billion) | Valuation (Rp'billion) | Valuation (\$\$'million) |
|----------------------|---|------------------|-----------------------------|------------------------|--------------------------|
| 1 | Bandung Indah Plaza | 19 November 2007 | 611.6 | 401.5 | 34.3 |
| 2 | Cibubur Junction ⁽¹⁾ | 19 November 2007 | 464.2 | 65.7 | 5.6 |
| 3 | Lippo Plaza Ekalokasari Bogor | 19 November 2007 | 333.0 | 218.3 | 18.6 |
| 4 | Gajah Mada Plaza | 19 November 2007 | 483.3 | 902.0 | 77.0 |
| 5 | Istana Plaza | 19 November 2007 | 585.3 | 280.9 | 24.0 |
| 6 | Mal Lippo Cikarang | 19 November 2007 | 367.2 | 843.2 | 72.0 |
| 7 | The Plaza Semanggi | 19 November 2007 | 1,013.8 | 392.9 | 33.5 |
| 8 | Sun Plaza | 31 March 2008 | 967.2 | 2,649.8 | 226.3 |
| 9 | Plaza Medan Fair | 6 December 2011 | 1,042.1 | 541.9 | 46.3 |
| 10 | Pluit Village | 6 December 2011 | 1,593.6 | 319.5 | 27.3 |
| 11 | Lippo Plaza Kramat Jati | 15 October 2012 | 539.6 | 541.7 | 46.3 |
| 12 | Palembang Square Extension | 15 October 2012 | 221.5 | 282.9 | 24.2 |
| 13 | Tamini Square | 14 November 2012 | 180.0 | 172.3 | 14.7 |
| 14 | Palembang Square | 14 November 2012 | 467.0 | 745.5 | 63.7 |
| 15 | Lippo Mall Kemang | 17 December 2014 | 3,540.4 | 2,194.0 | 187.3 |
| 16 | Lippo Plaza Batu | 7 July 2015 | 265.0 | 226.0 | 19.3 |
| 17 | Palembang Icon | 10 July 2015 | 790.0 | 920.9 | 78.6 |
| 18 | Lippo Mall Kuta | 29 December 2016 | 800.0 | 316.0 | 27.0 |
| 19 | Lippo Plaza Kendari | 21 June 2017 | 310.0 | 256.4 | 21.9 |
| 20 | Lippo Plaza Jogja | 22 December 2017 | 570.0 | 216.0 | 18.4 |
| 21 | Kediri Town Square | 22 December 2017 | 345.0 | 395.0 | 33.7 |
| 22 | Lippo Mall Puri ⁽²⁾ | 27 January 2021 | 3,500.0 | 4,192.0 | 357.9 |
| RETAIL MALLS | | | 18,989.8 | 17,074.4 | 1,457.9 |
| 23 | Depok Town Square Units | 19 November 2007 | 131.5 | 150.4 | 12.8 |
| 24 | Grand Palladium Units ⁽³⁾ | 19 November 2007 | 134.0 | 65.9 | 5.6 |
| 25 | Java Supermall Units | 19 November 2007 | 133.1 | 127.6 | 10.9 |
| 26 | Malang Town Square Units | 19 November 2007 | 130.8 | 168.2 | 14.4 |
| 27 | Mall WTC Matahari Units | 19 November 2007 | 128.9 | 101.1 | 8.6 |
| 28 | Metropolis Town Square Units ⁽⁴⁾ | 19 November 2007 | 171.8 | 88.7 | 7.6 |
| 29 | Plaza Madiun Units | 19 November 2007 | 171.2 | 222.3 | 19.0 |
| RETAIL SPACES | | | 1,001.3 | 924.2 | 78.9 |
| | | | 19,991.1 | 17,998.6 | 1,536.8 |

All information as at 31 December 2023.

(1) PT Cibubur Utama ("PT CU"), a wholly-owned subsidiary of LMIR Trust, which holds Cibubur Junction, entered into a Cooperation Agreement with PT Cibubur Utama on 29 July 2024. This agreement was signed on 31 January 2024. Had the transaction been completed by 31 December 2023, the value of the property would be higher.

(2) Includes intangible assets.

(3) The Business Association is in the midst of consolidating all the strata title holders to refurbish the mall.

(4) Ongoing negotiations with several prospects to sign Letters of Intent for the vacant spaces.

(5) Include carpark area.

(6) The occupancy includes committed leases.

| Gross Floor Area (sqm) ⁽⁵⁾ | Net Lettable Area (sqm) | Occupancy (%) ⁽⁶⁾ | Land Title | Land Lease Expiry | No. of Tenants |
|---------------------------------------|-------------------------|------------------------------|------------|-------------------|----------------|
| 75,868 | 30,292 | 77.6% | ABS | 31 December 2030 | 151 |
| 66,935 | 34,113 | 88.0% | ABS | 29 July 2045 | 121 |
| 58,859 | 29,029 | 72.1% | ABS | 27 June 2032 | 54 |
| 86,894 | 29,869 | 64.0% | Strata | 24 January 2040 | 102 |
| 47,534 | 27,471 | 56.7% | ABS | 17 January 2034 | 38 |
| 47,946 | 29,368 | 96.8% | HGB | 5 May 2043 | 181 |
| 155,122 | 58,110 | 52.6% | ABS | 31 March 2054 | 194 |
| 166,070 | 69,016 | 95.7% | HGB | 24 November 2032 | 350 |
| 141,866 | 67,310 | 95.2% | ABS | 23 July 2027 | 408 |
| 150,905 | 86,396 | 81.0% | ABS | 9 June 2027 | 217 |
| 65,511 | 33,378 | 70.3% | HGB | 24 October 2024 | 81 |
| 23,825 | 17,916 | 94.6% | ABS | 25 January 2041 | 14 |
| 18,963 | 17,475 | 21.1% | Strata | 25 September 2035 | 11 |
| 49,511 | 30,521 | 68.1% | Strata | 1 September 2039 | 104 |
| 150,932 | 57,627 | 82.9% | Strata | 28 June 2035 | 202 |
| 34,340 | 18,145 | 94.9% | HGB | 8 June 2031 | 80 |
| 50,889 | 28,644 | 97.9% | ABS | 30 April 2040 | 176 |
| 49,487 | 21,022 | 84.4% | HGB | 22 March 2037 | 68 |
| 34,831 | 20,999 | 62.9% | ABS | 7 July 2041 | 46 |
| 65,524 | 21,678 | 64.9% | HGB | 27 December 2043 | 62 |
| 28,688 | 16,697 | 96.0% | HGB | 12 August 2044 | 56 |
| 174,645 | 122,273 | 91.8% | Strata | 15 January 2040 | 386 |
| 1,745,145 | 867,349 | 80.7% | | | 3,102 |
| 13,045 | 12,824 | 91.0% | 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 | 10,985 | 37.7% | Strata | 8 April 2038 | 2 |
| 15,248 | 15,327 | 31.1% | Strata | 27 December 2029 | 1 |
| 19,991 | 11,176 | 93.5% | HGB | 9 February 2032 | 15 |
| 95,345 | 84,764 | 62.6% | | | 27 |
| 1,840,490 | 952,113 | 79.0% | | | 3,129 |

at with Perusahaan Umum Daerah Pembangunan Sarana Jaya ("PDPS") which grants the term of PT CU's right to operate Cibubur Junction till property would have been Rp416.5 billion.

Operations Review



Cibubur Junction

Valuation

LMIR Trust's total portfolio value stood at Rp17,998.6 billion as at 31 December 2023, compared to Rp19,427.8 billion as at 31 December 2022. The 7.4% year-on-year ("**YoY**") decrease was mainly due to the lower expected rental cashflow for certain investment properties which are (i) under Agreement-based scheme ("**ABS**") where remaining land tenure are shortened with passage of time, (ii) under asset enhancement initiatives where rental revenue will be disrupted in near term, (iii) facing competition in the market, and (iv) still in its recovery stage from the pandemic.

The Trust's properties located within the Greater Jakarta area registered a 5.5% decrease in valuation to Rp9,841.6 billion from Rp10,412.3 billion as at 31 December 2022. Valuation for The Plaza Semanggi saw a 50.8% YoY decrease due to lower occupancy rate arising from the commencement of AEI works. The other property that registered a marked decline in valuation was Cibubur Junction, which slipped 42.5% YoY due to the imminent expiry of its land tenure in July 2025. On 31 January 2024, PT Cibubur Utama ("**PTCU**"), a wholly-owned subsidiary of LMIR Trust, entered into a Cooperation Agreement with Perusahaan Umum Daerah Pembangunan Sarana Jaya ("**PDPS**") which grants PT CU's right to operate Cibubur Junction till 29 July 2045. The indicative market value of Cibubur Junction (assuming the Cooperation Agreement had been entered) as at 31 December 2023 is Rp416.5 billion. Pluit Village's value declined 36.9% YoY due to the upcoming expiry of its land tenure in June 2027.

The Manager intends to process the renewal of its tenure as it approaches the expiry date, subject to acceptable commercial terms and approvals from the owners of these properties.

The valuation for properties located outside of Greater Jakarta declined 10.5% to Rp7,232.8 billion in FY 2023 from Rp8,076.9 billion a year ago. This was largely due to lower YoY valuations for Lippo Plaza Jogja by 50.7%, Istana Plaza by 31.1%, Bandung Indah Plaza by 27.5%, and Lippo Mall Kuta by 27.0%. Besides the shorter remaining land tenures for Istana Plaza and Bandung Indah Plaza, the projected rental cashflow for these malls were lower than FY 2022 projected numbers, where recovery of visitor traffic to these malls may require a longer period.

In Singapore dollar ("**SGD**") terms, total portfolio value declined 7.8% to S\$1,536.8 million as at 31 December 2023 compared to S\$1,666.3 million as at 31 December 2022, for the above mentioned reasons.

Income Support

As part of its acquisition strategy, LMIR Trust may enter into income support arrangements with the vendors of the properties. They are structured to provide a stable rental income while the properties continue to mature.

The Trust 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 ("**NPI Top-up**") 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. The NPI Top-up for FY 2023 reduced substantially to Rp1.6 billion compared to Rp64.4 billion for FY 2022, a reflection of the recovery of the mall's underlying performance post-pandemic.

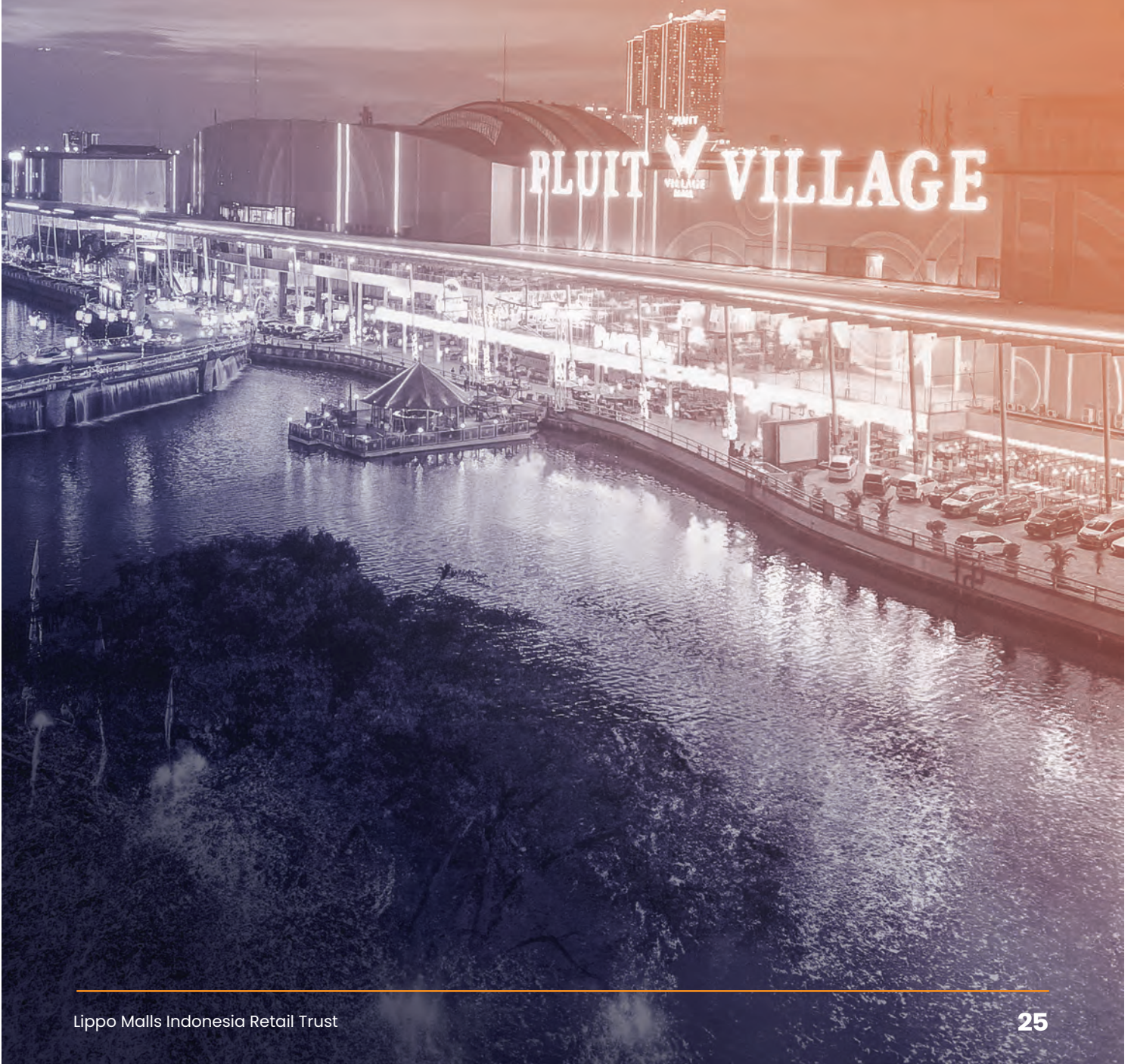
Lease Expiry Profile & Tenancy

As of 31 December 2023, LMIR Trust's weighted average lease expiry ("**WALE**") by NLA came in at 2.2 years while WALE by rental income stood at 2.1 years. Leases by rental income due for renewal in 2024 and 2025 stood at 40.1% and 19.4% respectively. A total of 78,685 square metres of new leases were secured in 2023 at a WALE by NLA of 3.5 years, contributing to 10.4% of the Trust's rental income for the month of December 2023.

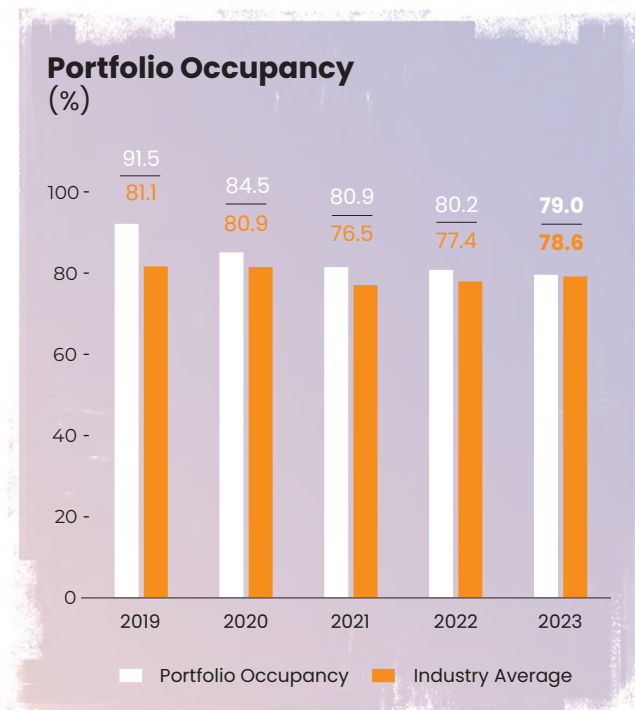
| Year | No. of unit lots expiring | % of Gross Income ⁽¹⁾ |
|-------|---------------------------|----------------------------------|
| 2024 | 2,366 | 40.1% |
| 2025 | 577 | 19.4% |
| 2026 | 377 | 11.3% |
| 2027 | 370 | 15.8% |
| >2028 | 339 | 13.4% |
| | | 100.0% |

(1) Excludes gross turnover rent

PLUIT VILLAGE



Operations Review



Occupancy

The occupancy rate declined due to the non-renewal/termination of some anchor tenant leases during the year. As at 31 December 2023, the average portfolio occupancy stood at 79.0% compared to the industry average of 78.6% as reported by Cushman & Wakefield’s Market Beat Retail Snapshot Q4 2023, Jakarta.

The portfolio occupancy is above industry average and is expected to register steady improvement in 2024 with the recovery of shopper traffic to the malls.

The occupancy of malls located in Java and Bali declined at an average of 0.4% compared to a year ago. The malls in Sumatra and Sulawesi declined 3.3% (with an average occupancy of 89.2% as of 31 December 2023), mainly due to the dip in occupancy in Palembang Square (renovations being carried out at the former anchor store area) and Lippo Plaza Kendari (ongoing renewal negotiation with anchor tenant).



Asset Enhancement Initiatives (“AEI”)

As of 31 December 2023, almost 100% of the major refurbishment works undertaken for Gajah Mada Plaza, which commenced since July 2021, were completed, except for pending works at the basement

connecting the future MRT station and upgrading of the entrance canopy. The AEI at The Plaza Semanggi had commenced in October 2023, and is expected to be completed by March 2026. With the signing of the Cooperation Agreement with the owner of Cibubur Junction, the Trust is planning for its AEI in 2024.



Lippo Mall Kemang



Pluit Village



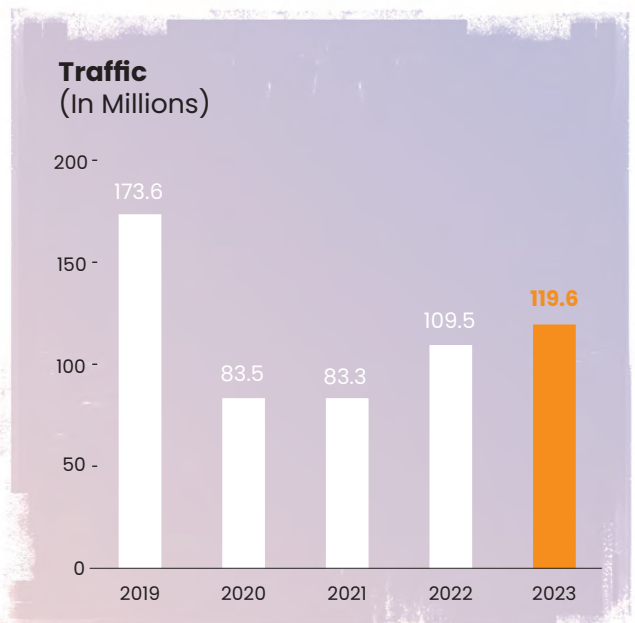
Sun Plaza

Shopper Traffic

With stronger return of shoppers to our malls during the year, shopper traffic increased 9.2% YoY from FY 2022, recovered to 68.9% of pre-Covid levels in FY 2019.

Traffic for the malls located in Jakarta, Java (excluding Jakarta), and Sumatra increased 15.3%, 9.7%, and 4.0% respectively in FY 2023 compared to FY 2022.

Working with our tenants, our malls continue to engage shoppers through online communications, marketing and promotional efforts. Some of these initiatives include shopper incentive programmes, tenants' promotions, shopping bazaars, exhibitions as well as festive season sales and children's programmes. We also bring in new and exciting brands to attract more shoppers to the malls.

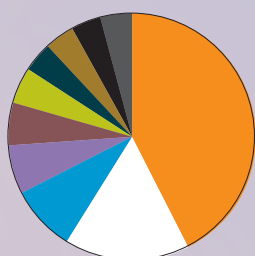


Operations Review

Acquisition

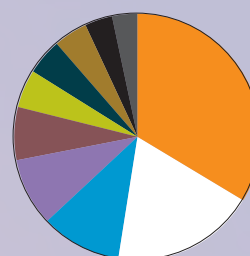
There was no major acquisition of asset by the Trust in FY 2023. The Trust owns all retail units in Gajah Mada Plaza (a strata-titled mall) except for one unit of retail shop with a floor area of 27.4 square metres, which is owned by a third party. Negotiation with the third party to acquire this unit is ongoing. The consideration of this potential acquisition is not expected to be significant.

Top 10 Tenants
by % of Gross Rental Income



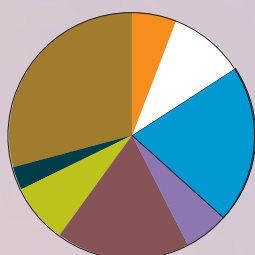
| | | | |
|-----------------------------|------|-----------------|------|
| ● Matahari Department Store | 5.4% | ● Sogo | 0.6% |
| ● Hypermart | 2.1% | ● Ace Hardware | 0.5% |
| ● Timezone | 1.1% | ● Solaria | 0.5% |
| ● Uniqlo | 0.8% | ● Sport Station | 0.5% |
| ● Cinepolis | 0.7% | ● Guardian | 0.5% |

Top 10 Tenants
by % of NLA



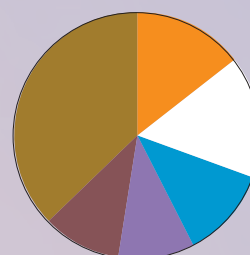
| | | | |
|-----------------------------|-------|----------------|------|
| ● Matahari Department Store | 10.8% | ● Timezone | 1.6% |
| ● Hypermart | 6.0% | ● Cinema 21 | 1.5% |
| ● Cinepolis | 3.4% | ● Ace Hardware | 1.4% |
| ● SOGO | 2.8% | ● Mr D.I.Y. | 1.2% |
| ● Carrefour | 2.2% | ● Uniqlo | 1.0% |

Trade Sector Breakdown
by Gross Revenue



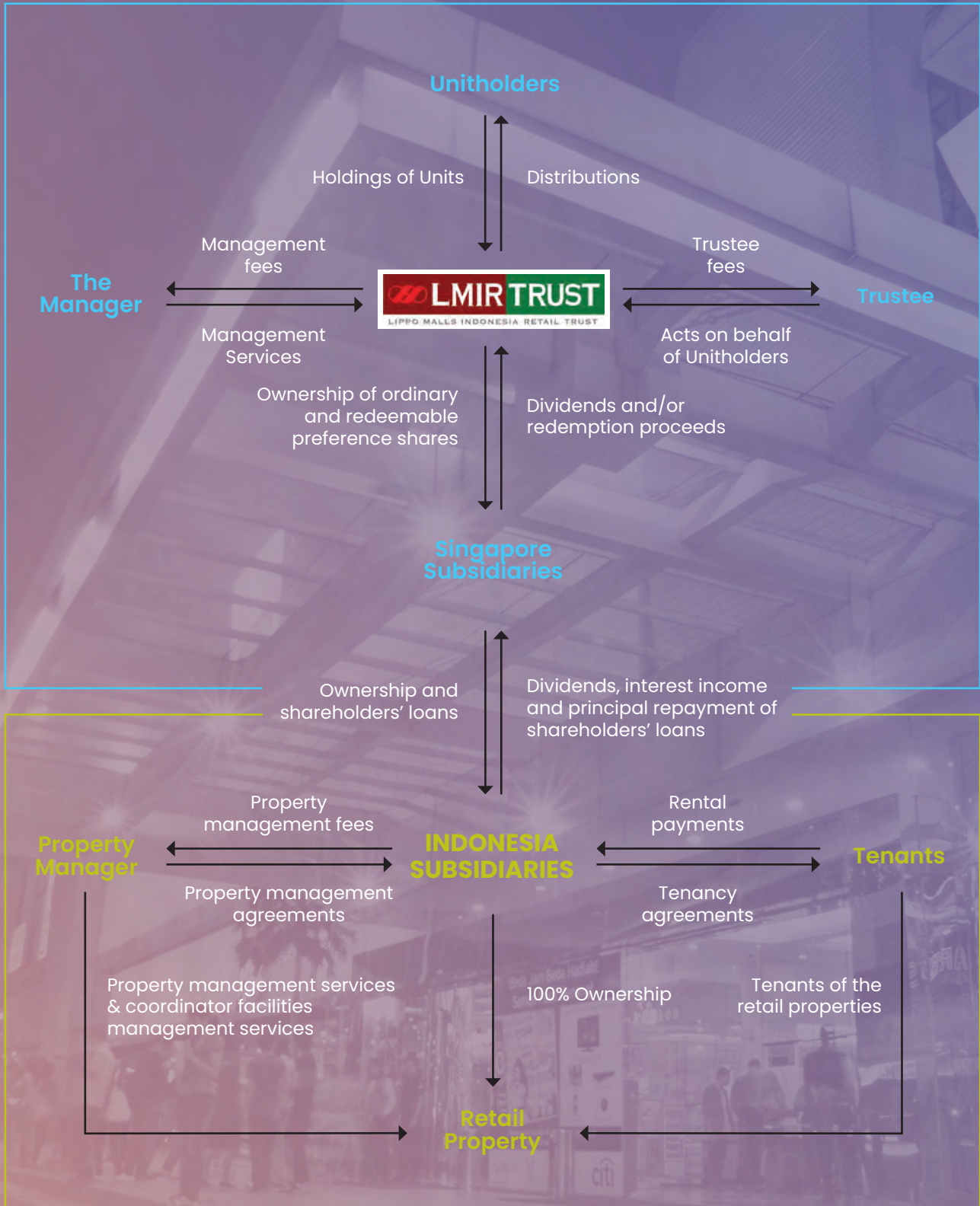
| | | | |
|---------------------------|-------|---------------------|-------|
| ● Supermarket/Hypermarket | 6.1% | ● Fashion | 17.4% |
| ● Department Store | 9.8% | ● Casual Leasing | 7.8% |
| ● F&B/Food Court | 21.0% | ● Carpark | 3.2% |
| ● Leisure & Entertainment | 5.7% | ● All Other Sectors | 29.0% |

Trade Sector Breakdown
by NLA



| | | | |
|---------------------------|-------|---------------------|-------|
| ● Supermarket/Hypermarket | 14.5% | ● Fashion | 10.3% |
| ● Department Store | 16.2% | ● All Other Sectors | 37.1% |
| ● F&B/Food Court | 11.9% | | |
| ● Leisure & Entertainment | 10.0% | | |

Trust Structure



□ Singapore
 □ Indonesia

Financial Review

Gross revenue for the year declined 3.6% or S\$7.4 million to S\$197.3 million. The lower gross revenue reported for FY 2023 was largely attributable to (i) lower revenue contribution from a shopping mall following the expiry of the master lease agreement with the vendor in FY 2022; (ii) lower revenue contribution from certain malls due to early termination or non-renewal of lease agreement of anchor tenants from the hypermarket sector; (iii) lower rental income for shopping malls that are under AEI projects and/or malls that have yet to recover from the pandemic; and (iv) the effect of weaker IDR against SGD where the translated gross revenue was lower in FY 2023.

The net property income margin (excluding allowance for impairment of trade receivables) decreased 2.4 percentage points to 61.1% in FY 2023 from 63.5% in FY 2022. The lower operating margin was mainly attributable to higher operating cost led by an increase in manpower related expenses and certain repair and maintenance expenses.

The gain in other income amounting to S\$21.0 million was largely from the repurchase of USD Guaranteed Senior Notes in FY 2023. During the year under review, the Group repurchased and cancelled an aggregate of US\$89.1 million (face value) of the US\$200.0 million and US\$250.0 million Guaranteed Senior Notes from the open market and through the tender offer exercise with purchase values lower than the face value.

Finance cost was S\$9.2 million higher than FY 2022. The 14.7% YoY increase was mainly due to (i) higher interest expenses from the term loans and a USD Guarantee Senior Note with cross-currency arrangement that swap the currency into SGD with a floating interest rate; and (ii) an increase in amortisation of borrowing costs. The increase in interest expenses was due to higher interest rates in FY 2023 where the applicable benchmark interest rates for the term loans ranged from 3.17% to 4.20% per annum in FY 2023, compared to 0.30% to 3.91% per annum in FY 2022. For the floating interest rate of the cross-currency arrangement, the average applicable benchmark interest rates increased to the range of 2.79% to 3.71% per annum in FY 2023 compared to 0.20% to 2.79% per annum in FY 2022.

Fair value of investment properties decreased by S\$133.5 million in FY 2023 compared to a fair value gain of S\$32.3 million in FY 2022, largely due to the lower expected rental cashflow for certain malls which are (i) under ABS (formerly known as BOT) arrangement where remaining land tenure are shortened with passage of time, (ii) under asset enhancement initiatives where

rental revenue will be disrupted in near term, (iii) facing competition in the market and (iv) still in its recovery stage from the pandemic.

The increase in fair value of derivative financial instruments of S\$3.2 million in FY 2023 compared to a decrease in fair value of derivative financial instruments of S\$29.8 million in FY 2022 was mainly due to more favourable changes in the market observable inputs, including forward foreign exchange rates and interest rate curves, used in the valuation model. The change in fair value of derivative financial instruments was a non-cash item and does not affect the amount of distribution to Unitholders.

Higher realised foreign exchange losses of S\$38.0 million in FY 2023 compared to S\$11.8 million in FY 2022 was mainly due to a substantial increase in funds repatriation from S\$98.5 million in FY 2022 to S\$260.6 million in FY 2023, used for redemption of redeemable preference shares ("**RPS**"). The RPS were denominated in IDR and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates at range from IDR 6,208 to IDR 10,585 when the RPS were issued in prior years. As IDR has weakened since the RPS were issued, the redemption of RPS at the current SGD/IDR exchange rate during FY 2023 has resulted in realised foreign exchange losses. The increase in redemption of RPS in FY 2023 was mainly due to higher repatriation of funds from Indonesia for the purposes of repurchases of the 2024 Notes and 2026 Notes, as well as bank repayment.

Amortisation of intangible assets declined by S\$1.4 million in FY 2023, mainly due to the expiry of master leases where intangible assets had been fully amortised in prior financial years.

Income tax expenses decreased by S\$27.0 million in FY 2023 compared to FY 2022 mainly due to (i) the recognition of deferred tax credit of S\$6.3 million arising from decrease in carrying amounts of investment properties compared to tax base value; and (ii) lower withholding tax incurred in FY 2023 due to lower dividend declared by Indonesian subsidiaries.

Since the beginning of FY 2023, the Trust has ceased distributions to the holders of the S\$140.0 million and S\$120.0 million perpetual securities to conserve cash. As a result of this discretion, the dividend stopper provisions under the perpetual securities kicked in. No declaration or payment of dividends, distributions or other payment was made on the Units, unless and until certain conditions are met.

Financial Highlights

| | FY 2023 | FY 2022 |
|--|----------------|----------------|
| | S\$'000 | S\$'000 |
| Gross revenue | 197,268 | 204,714 |
| Net property income | 122,362 | 130,482 |
| Distributions | - | 23,860 |
| Distribution per unit (cents) | - | 0.31 |
| Net fair value of financial derivatives at end of the year ⁽¹⁾ | (40,516) | (47,950) |
| Proportion of financial derivatives to net assets attributable to Unitholders (%) | (9.30) | (9.10) |
| Total operating expenses ⁽²⁾ | 112,133 | 135,645 |
| Total operating expenses as a percentage of net assets attributable to Unitholders (%) | 25.87 | 25.74 |
| Taxation ⁽³⁾ | 19,578 | 46,638 |

(1) Financial derivatives include cross currency swap, 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 2023 | FY 2022 |
|---|----------------|----------------|
| | S\$'000 | S\$'000 |
| Non-current assets | 1,542,689 | 1,671,905 |
| Current assets | 180,614 | 163,767 |
| Total assets | 1,723,303 | 1,835,672 |
| Current liabilities | 383,489 | 235,822 |
| Non-current liabilities | 649,562 | 816,085 |
| Net assets | 690,252 | 783,765 |
| Net assets attributable to Unitholders | 433,465 | 526,978 |
| Net assets attributable to Unitholders per unit (cents) | 5.63 | 6.85 |

* The exchange rates of FY 2023 and FY 2022 were Rp/S\$ 11,711.64 and 11,659.08 respectively.

Financial Review

| Property | Gross Revenue (S\$' million) | | Net Property Income (S\$' million) | |
|---------------------------------|---------------------------------|--------------|---------------------------------------|--------------|
| | FY 2023 | FY 2022 | FY 2023 | FY 2022 |
| Bandung Indah Plaza | 7.7 | 7.9 | 4.6 | 5.0 |
| Cibubur Junction | 7.5 | 7.6 | 4.3 | 4.5 |
| Lippo Plaza Ekalokasari Bogor | 3.2 | 3.8 | 1.0 | 1.6 |
| Gajah Mada Plaza | 3.1 | 3.1 | 0.1 | 0.7 |
| Istana Plaza | 1.4 | 2.3 | (0.7) | 0.7 |
| Mal Lippo Cikarang | 9.9 | 9.6 | 6.4 | 6.3 |
| The Plaza Semanggi | 3.8 | 5.3 | (0.9) | 0.6 |
| Sun Plaza | 26.2 | 25.9 | 19.2 | 19.0 |
| Plaza Medan Fair | 19.2 | 19.5 | 13.4 | 13.0 |
| Pluit Village | 11.9 | 10.8 | 6.3 | 5.7 |
| Lippo Plaza Kramat Jati | 5.8 | 5.7 | 2.9 | 3.1 |
| Palembang Square Extension | 3.7 | 3.9 | 2.0 | 2.2 |
| Tamini Square | 0.5 | 1.0 | 1.0 | 1.1 |
| Palembang Square | 4.3 | 4.5 | 3.1 | 3.4 |
| Pejaten Village ⁽¹⁾ | - | - | - | (0.1) |
| Binjai Supermall ⁽¹⁾ | - | - | - | - |
| Lippo Mall Kemang | 18.2 | 16.7 | 10.3 | 9.0 |
| Lippo Plaza Batu | 2.1 | 2.1 | 1.1 | 1.1 |
| Palembang Icon | 12.4 | 12.1 | 8.4 | 8.4 |
| Lippo Mall Kuta | 1.5 | 1.1 | (0.2) | (0.4) |
| Lippo Mall Kendari | 4.0 | 4.4 | 2.4 | 2.1 |
| Lippo Plaza Jogja | 1.9 | 5.7 | 0.6 | 4.2 |
| Kediri Town Square | 4.1 | 3.9 | 2.7 | 2.6 |
| Lippo Mall Puri ⁽²⁾ | 38.4 | 40.1 | 30.0 | 32.1 |
| RETAIL MALLS | 190.8 | 197.0 | 118.0 | 125.9 |
| Depok Town Square Units | 1.0 | 1.3 | 0.7 | 1.0 |
| Grand Palladium Medan Units | - | - | (0.1) | (1.0) |
| Java Supermall Units | 1.0 | 1.1 | 1.0 | 1.0 |
| Malang Town Square Units | 1.4 | 1.8 | 1.3 | 1.6 |
| Mall WTC Matahari Units | 0.5 | 0.5 | 0.2 | 0.3 |
| Metropolis Town Square Units | 0.1 | 0.4 | (0.2) | 0.1 |
| Plaza Madiun Units | 2.5 | 2.6 | 1.5 | 1.6 |
| RETAIL SPACES | 6.5 | 7.7 | 4.4 | 4.6 |
| TOTAL | 197.3 | 204.7 | 122.4 | 130.5 |

| Property | 2023 Valuation | | 2022 Valuation | |
|--------------------------------------|-----------------|----------------|-----------------|----------------|
| | Rp'billion | S\$'million | Rp'billion | S\$'million |
| Bandung Indah Plaza | 401.5 | 34.3 | 554.0 | 47.5 |
| Cibubur Junction ⁽¹⁾ | 65.7 | 5.6 | 114.3 | 9.8 |
| Lippo Plaza Ekalokasari Bogor | 218.3 | 18.6 | 290.0 | 24.9 |
| Gajah Mada Plaza | 902.0 | 77.0 | 878.0 | 75.3 |
| Istana Plaza | 280.9 | 24.0 | 408.0 | 35.0 |
| Mal Lippo Cikarang | 843.2 | 72.0 | 817.5 | 70.1 |
| The Plaza Semanggi | 392.9 | 33.5 | 799.0 | 68.5 |
| Sun Plaza | 2,649.8 | 226.3 | 2,616.0 | 224.4 |
| Plaza Medan Fair | 541.9 | 46.3 | 654.8 | 56.2 |
| Pluit Village | 319.5 | 27.3 | 506.0 | 43.4 |
| Lippo Plaza Kramat Jati | 541.7 | 46.3 | 583.5 | 50.0 |
| Palembang Square Extension | 282.9 | 24.2 | 318.0 | 27.3 |
| Tamini Square | 172.3 | 14.7 | 240.6 | 20.6 |
| Palembang Square | 745.5 | 63.7 | 795.0 | 68.2 |
| Lippo Mall Kemang | 2,194.0 | 187.3 | 2,191.2 | 188.0 |
| Lippo Plaza Batu | 226.0 | 19.3 | 225.6 | 19.3 |
| Palembang Icon | 920.9 | 78.6 | 947.0 | 81.2 |
| Lippo Mall Kuta | 316.0 | 27.0 | 433.2 | 37.2 |
| Lippo Plaza Kendari | 256.4 | 21.9 | 300.0 | 25.7 |
| Lippo Plaza Jogja | 216.0 | 18.4 | 438.0 | 37.6 |
| Kediri Town Square | 395.0 | 33.7 | 387.5 | 33.2 |
| Lippo Mall Puri ⁽²⁾ | 4,192.0 | 357.9 | 3,992.0 | 342.4 |
| RETAIL MALLS | 17,074.4 | 1,457.9 | 18,489.2 | 1,585.8 |
| Depok Town Square Units | 150.4 | 12.8 | 147.9 | 12.7 |
| Grand Palladium Units ⁽³⁾ | 65.9 | 5.6 | 70.2 | 6.0 |
| Java Supermall Units | 127.6 | 10.9 | 123.3 | 10.6 |
| Malang Town Square Units | 168.2 | 14.4 | 162.9 | 14.0 |
| Mall WTC Matahari Units | 101.1 | 8.6 | 104.0 | 8.9 |
| Metropolis Town Square Units | 88.7 | 7.6 | 114.7 | 9.8 |
| Plaza Madiun Units | 222.3 | 19.0 | 215.6 | 18.5 |
| RETAIL SPACES | 924.2 | 78.9 | 938.6 | 80.5 |
| TOTAL | 17,998.6 | 1,536.8 | 19,427.8 | 1,666.3 |

+ FY 2022 exchange rate (Rp/S\$): 11,659.08

+ FY 2023 exchange rate (Rp/S\$): 11,711.64

(1) All information as at 31 December 2023.

(2) Includes intangible assets

(3) The Business Association of the malls is in the midst of consolidating all the strata title holders to refurbish the mall.

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 leverage limits and ensures interest coverage ratios are kept within approved limits at all times.

Amid gradual recovery from the impact of the COVID-19 pandemic, the global and domestic economic uncertainty remains elevated with high level of inflation, high interest rate and volatile foreign exchange environment, LMIR Trust continues to generate net cashflows from operating activities amounting to S\$102.7 million for FY 2023.

The cashflow generated from operating activities in FY 2023 was utilised mainly on (i) value accretive AEI and acquisition of plant and equipment amounting to S\$15.4 million; (ii) interest and debts coupon payments amounting to S\$67.8 million; and (iii) certain debt repayments as explained in the following paragraphs.

With reference to the announcements posted on SGXNet in March 2023, May 2023, September 2023 and December 2023, addressing the Trust's debts maturing in FY 2023 and FY 2024, LMIR Trust announced the cessation of distributions to the holders of the S\$140.0 million and S\$120.0 million perpetual securities to conserve cash. As a result, it triggered the dividend stopper provisions under the perpetual securities. Therefore, no declaration or payment of dividends, distributions or other payment was made on the Units,

S\$120.0 million or S\$140.0 million perpetual securities, unless and until certain conditions are met.

In October 2023, LMIR Trust entered into amendment and restatement agreements ("**ARA Facility Agreements**") in respect of its three loan facility agreements originally maturing in November 2023, January 2024 and January 2026. Under the ARA Facility Agreements, S\$47.0 million of the total outstanding loans had been repaid, while the remaining balance of the outstanding loans were extended with a final maturity on 2 November 2026.

In December 2023, LMIR Trust announced that its wholly-owned subsidiary has obtained a secured amortising term loan facility of up to IDR2.5 trillion ("**IDR Facility**"), subject to receiving the requisite consents from the holders of the US\$250.0 million Guaranteed Senior Notes ("**2024 Notes**") and US\$200.0 million Guaranteed Senior Notes ("**2026 Notes**") for the amendment of certain provisions of the Indentures governing the 2024 Notes and 2026 Notes, through consent solicitation exercises ("**Consent Solicitation Exercises**"). The proceeds from the IDR Facility will be used for the purchase of the outstanding 2024 Notes and 2026 Notes, as well as the related fees and expenses for the purchase exercises. The same month, LMIR Trust's wholly-owned subsidiary, LMIRT Capital Pte. Ltd. ("**LMIRT Capital**"), the issuer of 2024 Notes and 2026 Notes, launched the tender offers to purchase the 2024 Notes and 2026 Notes ("**2023 Tender Offer**"), as well as the Consent Solicitation Exercises.

On 27 December 2023, LMIRT Capital announced that it has received valid requisite consents pursuant to the Consent Solicitation Exercises and the Group drawdown from the IDR Facility, repurchased and cancelled US\$43.5 million of the 2024 Notes and US\$38.5 million of the 2026 Notes pursuant to the 2023 Tender Offer.

Subsequent to the 2023 Tender Offer, on 16 January 2024, LMIRT Capital launched its second tender offer for the 2024 Notes and 2026 Notes ("**2024 Tender Offer**"), using proceeds from the remaining IDR Facility. Through the 2024 Tender Offer, LMIR Trust repurchased and cancelled US\$49.8 million of the 2024 Notes and US\$28.4 million of the 2026 Notes.

Following the 2023 Tender Offer and 2024 Tender Offer exercise that was launched to address LMIR Trust's existing capital structure and maturing debts, the outstanding 2024 Notes was reduced from US\$231.8



million to US\$188.3 million as at 31 December 2023 and to US\$138.4 million at the date of this announcement, while the 2026 Notes was reduced from US\$181.7 million to US\$143.2 million as at 31 December 2023 and to US\$114.7 million as of the date of this Annual Report.

LMIR Trust closed the year with cash and cash equivalents of S\$140.3 million, comprising cash restricted in use of S\$100.6 million and those not restricted in use of S\$39.7 million. Subsequent to 31 December 2023, S\$87.3 million of the cash that was restricted in use had been utilised for the 2024 Tender Offer.

The Manager will continue to explore options available to maintain a prudent and sustainable capital structure and to address its remaining maturing debt obligations. Pending a clear resolution on its other debt obligations maturing in 2024 and potentially in 2026 as well as to achieve a sustainable capital structure, the Manager will continue to exercise prudence with respect to any distributions to be made to both Unitholders and holders of the perpetual securities.

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) 2024 Notes issued in 2019; and (ii) 2026 Notes issued in 2021, by LMIRT Capital. To manage these USD

exposures, LMIR Trust entered into cross-currency swap contracts ("**CCS Contracts**") to swap proceeds from these Notes and the corresponding interest coupon payments into SGD obligations. These CCS Contracts mature on the same dates that the Notes are due for repayments. The Manager has established strategies to address these CCS Contracts subsequent to the 2023 Tender Offer and 2024 Tender Offer.

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. To minimise the exposure of the capital values of the investments arising from the exchange rate fluctuations, as stated in the other section of this report, LMIR Trust secured an IDR Facility to be utilised for the purchase of the 2024 Notes and 2026 Notes. This IDR Facility provides a partial natural hedge to the anticipated cashflow and the capital value of LMIR Trust's investments.

Leverage Ratio

As at 31 December 2023, the Trust's leverage ratio remains elevated at 44.3% compared to 44.6% as at 31 December 2022, mainly due to the decrease in the fair value of the investment properties based on the valuation performed by external independent professional valuers in FY 2023. The elevated leverage ratio has posted challenges to LMIR Trust's funding and refinancing strategies and processes.

Interest Rate Risk Management

To protect LMIR Trust's earnings from interest rate volatility, 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 when appropriate. LMIR Trust will take into consideration the interest rate environment, volatility of the interest rate trend, pricing / cost and tenure of the interest rate swaps contracts before it enters into any of the contracts.

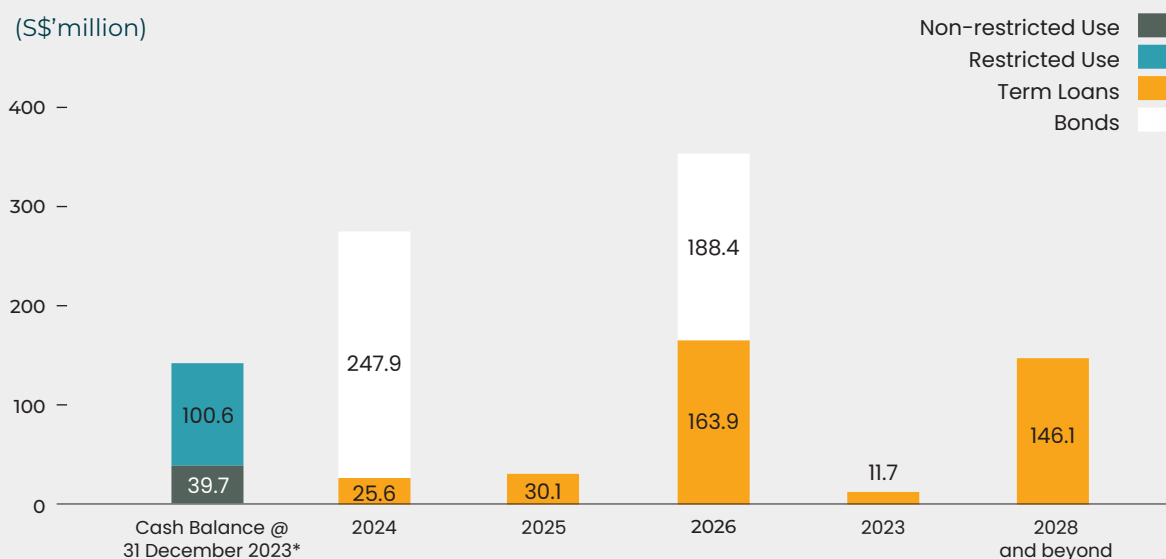
As at 31 December 2023, LMIR Trust's fixed rate debt ratio stood at 30.5%. The weighted average interest rate was 8.62% per annum, with interest service coverage ratio at 1.90 times for the year.

In February 2024, LMIR Trust entered into certain interest rate swap contracts, increasing the fixed rate debt ratio to 41.5% from 30.5% as at 31 December 2023.

Capital Management

Debt Maturity Profile As at 31 December 2023

(\$ million)



| | Maturity | Interest rate | 2023 S\$'000 |
|---|---------------|------------------|-----------------|
| Current borrowings | | | |
| SGD floating rate term loans | November 2026 | margin + SORA# | 22,000 |
| IDR floating rate term loan | June 2034 | margin + BI7DRR* | 3,586 |
| USD fixed rate Guaranteed Senior Notes ("2024 Notes") | June 2024 | 7.25% | 247,846 |
| Non-current borrowings | | | |
| SGD floating rate term loans | November 2026 | margin + SORA# | 176,000 |
| IDR floating rate term loan | June 2034 | margin + BI7DRR* | 175,723 |
| USD fixed rate Guaranteed Senior Notes ("2026 Notes") | February 2026 | 7.50% | 188,435 |
| | | | 813,590 |

SORA refers to Singapore Overnight Rate Average

* BI7DRR refers to BI 7-Day (Reverse) Repo Rate

Gearing
ratio

44.3%

Weighted average
interest rate per anum

8.62%

Fixed/hedged
debt ratio

30.5%

Interest
coverage

1.90x

Unencumbered
assets ratio

50.0%



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 while designated staff continue to assess the potential impact of risks which may arise as well as 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 portfolio properties, which are carried out by the 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 operations 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 and advance rental 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 when necessary. LMIR Trust, which is exposed to foreign currency risks, has (i) 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; (ii) entered into cross-currency swap contracts to swap the proceeds and the corresponding interest coupon payments into Singapore Dollar obligations; and (iii) secured borrowings denominated in Indonesian Rupiah which provide a natural hedge for LMIR Trust's assets which are mainly denominated in Indonesian Rupiah.

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.

e) Climate Risk

Climate risk encompasses (i) physical risks arising from severe climate change phenomena, such as unusual temperature fluctuations, floods, escalating sea levels, and so forth, which can impact the shopping malls under LMIR Trust and their operations; and (ii) transitional risks stemming from measures undertaken by various stakeholders including governments, investors, tenants, and customers to move towards a more carbon-efficient environment which may have an impact on assets valuation and investment returns in the midst of a competitive retail landscape.

Guided by its sustainability framework, LMIR Trust is committed to take active steps to embed all sustainability challenges into its business objectives and accelerate climate action to create long-term tangible impact for both the earth and its stakeholders. LMIR Trust adopted the recommendations set out by the Task Force on Climate-Related financial disclosures ("TCFD") and is committed to disclosing its climate-related risks and opportunities, including its climate change adaptation and resilience strategy in its Sustainability Report.

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 Relation (“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 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. During the COVID-19 pandemic since 2020, all our meetings with investors were conducted via online platforms.

In 2023, 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 2024.

Investor Activities in FY 2023

| | |
|-------------|---|
| 28 February | 4Q 2022 Results Briefing |
| 25 April | 14 th Annual General Meeting (Virtual) |
| 2 May | 1Q 2023 Results Briefing |
| 10 August | 2Q 2023 Results Briefing |
| 10 November | 3Q 2023 Results Briefing |

Financial Calendar for FY 2024*

| | |
|---------------|------------------------------|
| February 2024 | 4Q 2023 Results Announcement |
| April 2024 | 1Q 2024 Results Announcement |
| August 2024 | 2Q 2024 Results Announcement |
| November 2024 | 3Q 2024 Results Announcement |
| February 2025 | 4Q 2024 Results Announcement |

* Subject to change



Sustainability Report

LMIR Trust's FY 2023 Sustainability Report reaffirms its dedication to sustainability by emphasising the integration of sustainable practices into its business operations. It offers a thorough examination of crucial economic, environmental, social, and governance ("EESG") subjects that significantly affect its business and are of paramount importance to its stakeholders. This report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021 and in accordance with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B) on a "comply or explain" basis. LMIR Trust further ensures its climate-related disclosures adhere to the guidelines set forth by the Task Force on Climate-related Financial Disclosures ("TCFD") across four key areas: governance, strategy, risk management, and metrics and targets.

LMIR Trust remains committed to furthering our sustainability efforts, this year LMIR Trust revised its 'Sustainability Policy' to precisely delineate climate-related obligations assigned to key entities including the Board of Directors, Sustainability Committee, Sustainability Department, and all LMIR personnel. Additionally, all Board of Directors received sustainability-related training organised by the Singapore Institute of Directors to ensure they remain updated with the latest climate knowledge and possess the pertinent expertise to steer LMIR Trust in adjusting to environmental shifts.

In FY 2023, LMIR Trust in collaboration with Hyundai Motors Indonesia, took a significant step in its climate journey by implementing 9 electric vehicle (EV) charging stations across our malls to align with our national strategy of increasing EV adoption in Indonesia. Furthermore, LMIR Trust successfully attained the EDGE green building certification for two of our malls, namely Lippo Mall Puri and Sun Plaza, underscoring our dedication to bolstering the energy efficiency of our properties. Additionally, LMIR Trust has successfully navigated all requisite approvals and finalised plans for the installation of an On-Grid Photovoltaic Solar Power Plant with a capacity of 765.6 kilowatt peak ("**kWp**") at Mal Lippo Cikarang, slated for completion in 2024.

This year, LMIR Trust's total GHG emissions totalled 123,511.41 tCO₂e, which was an 8.77% increase from FY 2022. This was mainly due to our properties resuming operation at full capacity post-pandemic, with an increase in mall traffic by 9.2% as compared to FY2022, which resulted in higher electricity consumption. LMIR Trust remains steadfast in its commitment to enhancing energy efficiency through various environmental initiatives. Building upon the achievements of securing EDGE certification for Lippo Mall Puri and Sun Plaza,

along with the approval for a solar plant at Mal Lippo Cikarang, LMIR Trust intends to continue its efforts in FY 2024 by continuing to identify additional malls for green certification and assessing the feasibility of solar panel installations at these sites. These endeavours underscore our ongoing dedication to improving the energy efficiency of our entire property portfolio.

On the social front, LMIR Trust is dedicated to fostering an inclusive and nurturing work environment that empowers its employees to reach their maximum potential. In FY 2023, LMIR Trust surpassed its training objective, achieving an average of 27.0 hours of training per employee, well above the targeted 14.0 training hours per employee. Furthermore, LMIR Trust upheld exemplary safety protocols, with no reported cases of fatalities, occupational diseases, or injuries among employees at the REIT Manager level. Recognising the importance of giving back to the local community and driving positive change in society through its actions, LMIR Trust's employees participated in various Corporate Social Responsibility ("CSR") programs during the year and recorded a total of 57 volunteer hours, which was a 90% increase in volunteer hours compared to FY 2022.

LMIR Trust continued our commitment in FY 2023 to prioritise good governance, embrace responsible business practices, and ensure compliance with all applicable laws and regulations to foster a culture of trust among stakeholders. We are pleased to disclose that in FY 2023, there were no reported incidents of bribery or corruption involving LMIR Trust's employees, and there were zero reports of corruption or non-compliance with relevant regulations and laws at the REIT Manager level.

LMIR Trust maintains a commitment to its sustainability framework and sustainability vision of being "*a leading player in sustainability and commit towards the efficient use of resources and upholding the highest standard of safety across all of our operations in Indonesia*". Looking ahead, LMIR Trust is committed to generating economic value while maintaining rigorous standards of corporate governance and prioritising environmentally and socially responsible actions. By fostering collaboration with all stakeholders and enacting progressive sustainability strategies and policies in the forthcoming years, LMIR Trust aims to chart a course towards a sustainable future for both current and future generations. Through these efforts, it aims to strengthen its position as a leader in sustainability within the real estate sector.

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

Corporate Governance Report

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

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

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 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 working together with PT Lippo Malls Indonesia as the property manager (“**Property Manager**” or “**PT LMI**”) 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 2023, with specific reference to the 2018 CG Code.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1 of 2018 CG Code

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.

Corporate Governance Report (cont'd)

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 2023 ("**FY2023**"). The detailed sustainability report will be issued separately on 3 April 2024 and also available exclusively on LMIR Trust's website.

A summary of the Sustainability Report is set out on page 41 of the Annual Report.

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

Board Approval

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

- (1) all acquisitions, investments, disposals and divestments;
- (2) unit issuances, distributions and other returns to Unitholders;
- (3) corporate and financial restructuring;
- (4) fund raising for new acquisitions and/or refinancing;
- (5) approving and assessing LMIR Trust's/Manager's performance budgets;
- (6) the adequacy of internal controls, risk management, financial reporting and compliance;
- (7) assumption of corporate governance responsibilities; and
- (8) matters which involve a conflict of interest for a controlling Unitholder or a Director.

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

Corporate Governance Report (cont'd)

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.

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 half yearly at the end of each scheduled second and fourth quarter 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 FY2023. 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 and capital management.

Corporate Governance Report (cont'd)

The attendance record of the Directors at meetings of the Board and Board Committee in FY2023 is set out below:

| Name of Directors | Board Meeting Attendance / No. of Meeting held | Audit and Risk Committee Meeting Attendance/ No. of meetings held | Nominating and Remuneration Meeting Attendance/ No. of meetings held | General Meeting Attendance/ No. of meetings held |
|--------------------------|---|--|---|---|
| Mr Murray Dangar Bell | 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 * | 1/6 | 1/4 | 1/1 | 0/1 |

Note:

* Resigned as Independent Director of the Manager on 31 March 2023 and accordingly relinquished his membership on the Audit & Risk Committee and Nominating & Remuneration Committee

⁽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. The Board also 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.

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.

Corporate Governance Report (cont'd)

In FY2023, the Directors attended several seminars and conferences such as ESG and Climate-Governance-what Director Need to Know, Climate Reporting for Listed Companies, Anti-Money Laundering (Director Edition), Code of Conduct: Global Editions, Capital Planning, Fraud Investigation of Asset Misappropriation Schemes, Mergers and Acquisitions, Finance Business Partnering, Business Valuation Fundamentals – Process, Standards, Approaches and Challenges, Working Capital and Treasury Management, Valuation of Intangible Assets – Common methods adopted in the marketplace, Overview of Business Valuation for Financial Reporting, Business Advisory Success, IT Security Awareness Training, Financial Modelling to Support Business Decision-Making, Exploring Business Analytics as A Game Changer etc.

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. The Manager maintains training records to track Directors' attendance at training and professional development courses.

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 Board 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 of 2018 CG Code

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 objectives as set out in the Board Diversity Policy is also taken into consideration when the NRC reviews the size and composition of the Board.

As at the date of this report, the Board comprises four Directors, three of whom (including the Board Chairman) are Independent Directors and one Executive Director.

On 31 March 2023, the following changes were made to the Board:

- Mr Sandip Talukdar stepped down as an Independent Director and member of ARC and NRC;
- Ms Gouw Vi Ven was re-designated as Independent Director and appointed as member of ARC; and
- Mr Mark Leong Kei Wei appointed as member of NRC.

| Name of Directors | Nature of Designation | Appointment Date |
|--------------------------|---|---|
| Mr Murray Dangar Bell | Lead Independent Director, Chairman of the Board, Chairman of the NRC | Appointed as Lead Independent Director, ARC Member and NRC Member on 1 November 2019; Appointed as Chairman of the Board on 31 December 2019; and Appointed as Chairman of the NRC on 31 July 2020 |
| Ms Gouw Vi Ven | Independent Director | Re-designated from Executive Director to Non-Executive Non-Independent Director on 31 December 2019; Appointed as NRC Member on 31 December 2019; Re-designated from Non-Executive Non-Independent Director to Independent Director on 31 March 2023; and Appointed as ARC member on 31 March 2023 |

Corporate Governance Report (cont'd)

| Name of Directors | Nature of Designation | Appointment Date |
|-------------------------|---|---|
| Mr Mark Leong Kei Wei | Independent Director, Chairman of the ARC | Appointed as Independent Director on 15 July 2020; Appointed as Chairman of the ARC on 31 July 2020; and Appointed as NRC member on 31 March 2023 |
| Mr Liew Chee Seng James | Executive Director and Chief Executive Officer (“ CEO ”) | Appointed as Chief Executive Officer on 1 May 2019; and Appointed as Executive Director on 31 December 2019 |

The profiles of the Directors are set out on pages 16 and 17 of this Annual Report. There is no alternate director appointed to the Board.

Independence

The Board, through the NRC, assesses the independence of each Director, on an annual basis in accordance with 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**”).

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 SFLCB Regulations, 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)

For FY2023, each of the Independent Director had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independence status. Accordingly, each of the Independent Directors had made a negative declaration. The declarations made by each Independent Director had been reviewed by the NRC. The Board, after considering the relevant requirements under SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations, 2018 CG Code and the Listing Manual, wishes to set out its views in respect of each of the Directors as follows:

- Mr Murray Dangar Bell and Mr Mark Leong Kei Wei are independent as they (a) had been independent from the management of the Manager and LMIR Trust during FY2023; (b) had been independent from any business relationships with the Manager and LMIR Trust during FY2023; (c) had been independent from every substantial shareholder of the Manager and every substantial unitholder of the LMIR Trust during FY2023; (d) had not been a substantial shareholder of the Manager or a substantial unitholder of LMIR Trust during FY2023; and (e) have not served as a director of the Manager for a continuous period of 9 years as at the last day of FY2023.
- On 31 March 2023, the Board had re-designated Ms Gouw Vi Ven as Independent Director having considered that she (a) has been independent from the management of the Manager and LMIR Trust as she is not currently or has been employed by the company or any of its related corporations for FY2022 or any of the past three financial years; (b) has been independent from any business relationships with the Manager and LMIR Trust during FY2022; (c) has been independent from every substantial shareholder of the Manager, and every substantial unitholder of LMIR Trust during FY2022; (d) is not a substantial shareholder of the Manager, or a substantial unitholder of LMIR Trust; and (e) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2022. In addition, the Board had also considered that she is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any substantial shareholder of the Manager or substantial unitholder of LMIR Trust.

The Board also takes the view that:

- Ms Gouw Vi Ven had retired from all her duties with the Sponsor Group since 1 May 2019; she has thereafter ceased to represent the interests of the Sponsor Group and has been sitting on the Board as Non-Executive Director solely in her personal capacity;
- To the best knowledge of the directors of the Company, Ms Gouw Vi Ven has not relied on the remuneration given by the Manager and she is independent from substantial shareholder of the Manager and substantial unitholder of LMIR Trust;
- Ms Gouw Vi Ven is able to exercise her professional judgment and draw upon her extensive knowledge in real estate, strategic planning, management and corporate governance matters to act in the best interests of the unitholders of LMIR Trust as a whole.

Corporate Governance Report (cont'd)

As at the end of the financial year, the NRC and the Board held the same view that Ms Gouw Vi Ven continues to be independent.

- Mr Liew Chee Seng James is currently the Executive Director and CEO of the Manager and is deemed as non-independent by virtue of his executive appointment.

In the deliberation of independence, each of the NRC members had abstained from the deliberation and recommendation on his/her independence.

As at 31 December 2023, each of the above-mentioned Directors was able to act in the best interests of all unitholders of LMIR Trust as a whole.

Board Diversity

The Board maintains that the board composition must have a strong independent element as well as diversity of thought and background to allow Board to have robust deliberations and provide diverse and objective insights into issues brought before the Board.

The Board has adopted 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, industry 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.

In terms of gender diversity, 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. The Board has achieved a 25% female representation ahead of the 2025 timeline. The NRC will continue to work towards ensuring that:

- (a) LMIRT Board to be composed of a minimum 25% 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.

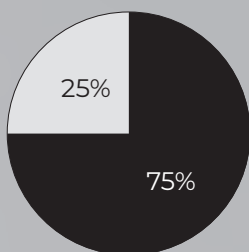
Corporate Governance Report (cont'd)

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.

The NRC would continue with the identification and evaluation of suitable candidate to ensure the gender diversity of 30% is met by 2030 as part of the board renewal process.

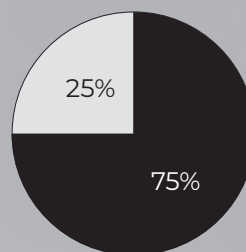
The current board is also represented by directors of different age profile ranging from 40s to 60s as well as different expertise and background.

Independence



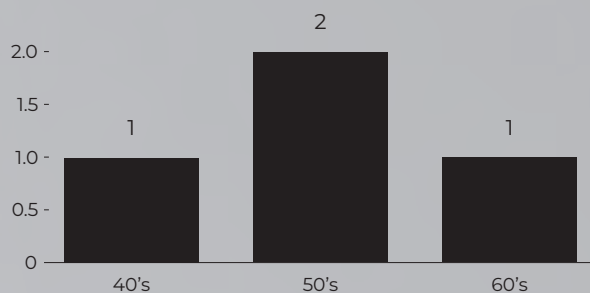
● Independent Directors ● Non-Independent Directors

Gender Diversity

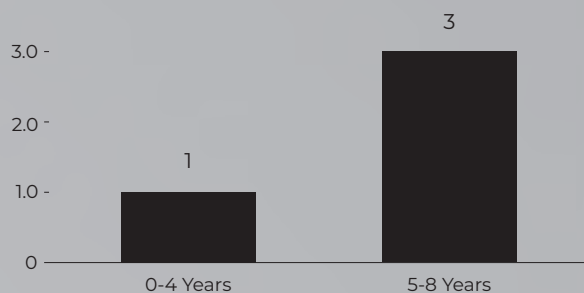


● Male board members ● Female board members

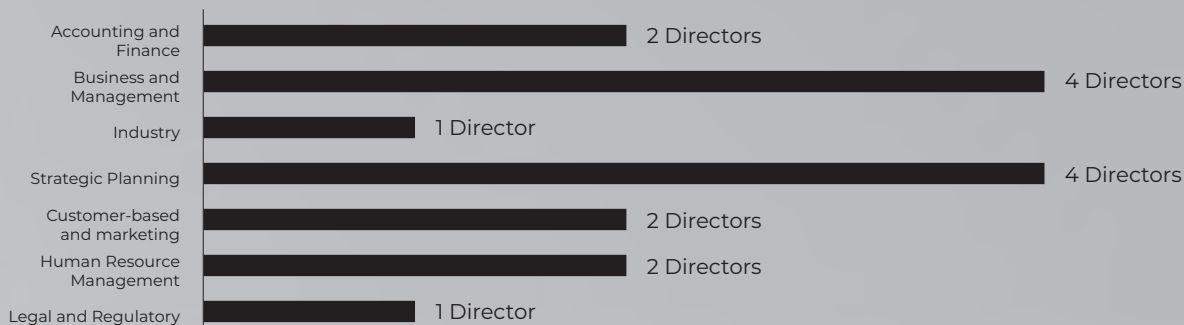
Directors' Age Group



Tenure Mix



Expertise and Experience Matrix



Corporate Governance Report (cont'd)

Notwithstanding that the board size of four members as at the date of this report, the Board is satisfied that its current size is still appropriate with appropriate balance and diversity of background, knowledge, skills, experience, age and gender taking into account the targets and objectives of the Board Diversity Policy and the scope and nature of the operations of the Manager and LMIR Trust for effective decision making. The separation of the roles of Chairman and the CEO provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity. The board composition and size will be reviewed from time to time bearing in mind the scope and nature of the operations of the Manager and LMIR Trust for effective decision making.

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 without the presence of Management or Executive Director half yearly at the conclusion of each second and fourth quarter 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 of 2018 CG Code

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.

Corporate Governance Report (cont'd)

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

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

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

BOARD MEMBERSHIP

Principle 4 of 2018 CG Code

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

Mr Murray Dangar Bell (Chairman) (Lead Independent Director)
Ms Gouw Vi Ven (Member) (Independent Director)
Mr Mark Leong Kei Wei (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;

Corporate Governance Report (cont'd)

- (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

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 an ongoing process to ensure good governance and to remain relevant to the changing needs of the Manager and the Trust's business.

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 retail mall management, 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, if the Chairman of the Board is not an Independent Director, majority of the Board should comprise of 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.

Corporate Governance Report (cont'd)

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 SFLCB Regulations. The NRC has ascertained that, save for 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 the full attendance of Board and Board committee meetings by the Directors during the financial year under review as well as the contribution and performance of each Director at such meetings. The Directors had also responded promptly on any board deliberation, as when needed, outside of board meetings. In this regard, 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 16 and 17 of this Annual Report.

Corporate Governance Report (cont'd)

BOARD PERFORMANCE

Principle 5 of 2018 CG Code

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 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 FY2023, 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 be more effective contributors. The evaluation criteria include the Director's abilities and competencies, level of participation at Board or 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.

Corporate Governance Report (cont'd)

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 of 2018 CG Code

LEVEL AND MIX OF REMUNERATION

Principle 7 of 2018 CG Code

DISCLOSURE ON REMUNERATION

Principle 8 of 2018 CG Code

The NRC has established a framework of remuneration for the Board and Management and also reviews and recommends to the Board the specific remuneration packages for each Director and key management personnel. In addition, the NRC helps to ensure that the remuneration payable is in line with the objectives of the remuneration policies. The NRC seeks to structure the remuneration of Management so as to link reward to the performance and long-term success of LMIR Trust. This ensures that the interest of Management is aligned with the interest of the Unitholders. The NRC also considers all aspects of remuneration, including termination terms, to ensure they are fair. The remuneration of the Non-Executive Directors in the form of directors' fees is paid wholly in cash and the remuneration of the CEO and key management personnel in the form of salaries, annual bonuses and benefits in kind is also paid wholly in cash. There is no non-monetary remuneration in the form of stock options or Units paid to the Non-Executive Directors, CEO or the key management personnel for FY2023.

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 | 20,000 |
| Audit & Risk Committee | Basic fee | 12,500 |
| | Chair fee | 12,500 |
| Nominating & Remuneration Committee | Basic fee | 3,000 |
| | Chair fee | 5,000 |
| Additional Meeting For offsite meetings only | Per Meeting | 4,000 |
| | Attendance fee on a per diem per day | 1,000 |

Corporate Governance Report (cont'd)

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 financial year ended 31 December 2023:

| | Total Remuneration ⁽¹⁾ (S\$) |
|---|--|
| Mr Murray Dangar Bell ⁽¹⁾⁽²⁾ | 137,500 |
| Ms Gouw Vi Ven ⁽¹⁾⁽²⁾ | 100,493 |
| Mr Mark Leong Kei Wei | 91,250 |
| Mr Sandip Talukdar ⁽³⁾ | 18,875 |
| Total | 348,118 |

Note:

⁽¹⁾ Fee paid is inclusive additional attendance fee.

⁽²⁾ Fees paid is inclusive of withholding tax.

⁽³⁾ Mr Sandip Talukdar resigned as Independent and Non-Executive Director on 31 March 2023.

The NRC had recommended to the Board a total amount of S\$378,948 as Directors' fees for the financial year ending 31 December 2024, to be paid quarterly in arrears based on the adopted fee structure. 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.

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;

Corporate Governance Report (cont'd)

- (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 through regular meetings, attending conference, roadshows both locally and overseas and committed to share accurate information with investing public in a timely manner.

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 61 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 115 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.

Corporate Governance Report (cont'd)

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

| Remuneration for Executive Director (who is also Chief Executive Officer) for FY2023 | Salary & AWS | Bonus | Allowance and Benefits ⁽¹⁾ | Total |
|---|-----------------------------|--------------|--|--------------|
| Between S\$250,000 to S\$500,000 | | | | |
| Mr Liew Chee Seng James | 78% | 17% | 5% | 100% |

| Key Management Personnel For FY2023 | Salary & AWS | Bonus | Allowance and Benefits ⁽¹⁾ | Total |
|---|-----------------------------|--------------|--|--------------|
| Mr Wong Yoon Thim | | | | |
| Ms Lim Chin Ni | | | | |
| Mr Cheng Jih Min | 82% | 12% | 6% | 100% |
| Mr Heng Shao Sheng | | | | |
| Ms Jessie Setiono | | | | |
| Aggregate Remuneration (including Executive Director & CEO) | | | S\$1,609,372 | |

Note:

⁽¹⁾ The amount disclosed includes allowance, employer CPF, long service award and benefits in kind such as wedding gift, professional membership, season parking and insurance premium for self and dependent etc.

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

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

No remuneration consultants were engaged in FY2023. The NRC may seek expert advice from remuneration consultants on remuneration matters, as and when necessary.

There were no employees of the Manager who were substantial shareholder of the Manager, substantial Unitholder of LMIR Trust or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder of LMIR Trust, and whose remuneration exceeded S\$100,000 in FY2023.

Corporate Governance Report (cont'd)

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 of the 2018 CG Code

Risk Management

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

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

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

Internal Controls

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

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

Corporate Governance Report (cont'd)

The Board has received assurance from the CEO and CFO that, as at 31 December 2023, the financial records of LMIR Trust have been properly maintained, and the financial statements give a true and fair view of 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 2023 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 2023 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 pages 38 and 39 of this Annual Report.

AUDIT AND RISK COMMITTEE ("ARC")

Principle 10 of the 2018 CG Code

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)
Ms Gouw Vi Ven (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 SG Assurance 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;

Corporate Governance Report (cont'd)

- investigating any matters within the ARC's terms of reference, whenever it deems necessary; and
- reporting to the Board on material matters, findings and recommendations.

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

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

In FY2023, the ARC had:

- held four meetings during the year;
- reviewed and approved the internal and external audit plans, including the nature and scope of work before commencement of these audits;
- 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;
- reviewed and recommended to the Board, the quarterly and full-year financial statements and audit report;
- 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;
- reviewed Interested Person Transactions and Related Party Transactions on a quarterly basis;
- 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
- reviewed the Manager's Risk Management Policy.

RSM SG Assurance LLP audited LMIR Trust and the Singapore subsidiaries. A member firm of RSM International, of which RSM SG Assurance 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.

Corporate Governance Report (cont'd)

The ARC has undertaken a review of all non-audit services provided by the external auditors in FY2023 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 FY2023 was S\$755,945, of which audit fees amounted to S\$717,905 and non-audit fees amounting to S\$38,040. 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 SG Assurance LLP for re-appointment for the financial year ending 31 December 2024, the ARC had considered the adequacy of the resources and experience of RSM SG Assurance LLP 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 SG Assurance LLP.

On the basis above, the ARC, with the concurrence of the Board, has recommended the re-appointment of RSM SG Assurance LLP as the external auditors, which will be subject to approval of Unitholders at LMIR Trust's Annual General Meeting to be held on 25 April 2024.

In the review of the financial statements for FY2023, 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 key audit matters, which is included in the Independent Auditor's Report.

The ARC also held discussion with the Management on their plans and measures taken and assessed the ability of the Group to continue operating as a going concern and the relevant factors and bases considered in analyzing the validity of the going concern, details of which are found in Note 1 to the financial statements on pages from 96 to 98 of the Annual Report.

| Key Audit Matters | How the ARC reviewed these matters and what decisions were made |
|--------------------------|--|
|--------------------------|--|

Valuation of investment properties

The ARC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the investment properties.

The valuation of investment properties was also an area of focus of the external auditor. The external auditor has included this item as a key audit matter in their audit of report for the financial year ended 31 December 2023. 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.

The ARC was satisfied with the valuation process, the methodologies used and the valuation of investment properties as adopted as at 31 December 2023.

Corporate Governance Report (cont'd)

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 MEETINGS

Principle 11 of 2018 CG Code

ENGAGEMENT WITH SHAREHOLDERS

Principle 12 of 2018 CG Code

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

The 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.

Corporate Governance Report (cont'd)

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 FY2023 is disclosed on page 40 of this Annual Report.

The Board has taken active steps to solicit and understand the views of Unitholders by providing 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 <https://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.

Corporate Governance Report (cont'd)

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. The 2023 AGM was convened and held by electronic means on 25 April 2023 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, or live at, the 2023 AGM, addressing of substantial and relevant questions in advance of, or live at, the AGM and voting at the AGM live by the Unitholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means, or by appointing the Chairman of the Meeting as proxy to vote on the Unitholders’ behalf at the AGM, were put in place for the 2023 AGM.

LMIR Trust targets to provide sustainable distribution payouts. LMIR Trust 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 distribution declaration made, Unitholders will be notified via an announcement made through SGXNet.

However, due to the looming economic downturn, ongoing geopolitical tensions and restrictive financial conditions, these have affected LMIR Trust’s financial performance and made it necessary for LMIR Trust to deviate from its stated policy of distributing at least 90% of its tax-exempted income to conserve cash and ensure financial flexibility. Amidst the challenging circumstances, LMIR Trust has exercised caution and took strategic actions to manage its capital structure effectively, ensuring sustainability and compliance with financial covenants. Thus, a more modest and prudent distribution strategy was adopted considering the challenging circumstances and uncertainties in the near future.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 of 2018 CG Code

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 40 (Investor Relations) of this Annual Report as well as on page 41 of the summary of the Sustainability Report.

Corporate Governance Report (cont'd)

(E) ADDITIONAL INFORMATION

DEALING IN LMIR TRUST UNITS

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

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

- (i) during the period commencing one month before the public announcement of LMIR Trust's full year results and (where applicable) property valuation and two weeks before the public announcement of LMIR Trust's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuation; and
- (ii) on short term considerations or at any time whilst in possession of price sensitive information.

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

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

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.

Corporate Governance Report (cont'd)

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 FY2023, the breakdown of the management fees and frequency of payment is as follows:

| | Group | | LMIR Trust | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2023 S\$'000 | 2022 S\$'000 | 2023 S\$'000 | 2022 S\$'000 |
| Base fee | 4,571 | 4,864 | 4,500 | 4,794 |
| Performance fee | 4,894 | 5,219 | 4,894 | 5,219 |
| Authorised Investment fee | 78 | 96 | 78 | 96 |
| Total | 9,543 | 10,179 | 9,472 | 10,109 |

In FY2023, 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 2023, LMIR Trust existing portfolio comprises 22 retail malls and seven retail spaces spread over Indonesia with a combined gross floor area including carpark of 1,840,490 square metres and valuation of S\$1,536.8 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 FY2023 was S\$2,142,000 compared to S\$1,641,000 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.

Corporate Governance Report (cont'd)

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

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

DEALING WITH CONFLICT OF INTEREST

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

- The Manager will not manage any other real estate investment trust which invests in the same type of properties as LMIR Trust;
- All executive officers will be employed by the Manager;
- All resolutions in writing of the Directors in relation to matters concerning LMIR Trust must be approved by a majority of the Directors, including at least one Independent Director;
- At least half of the Board shall comprise Independent Directors; and

In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interest will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude the nominee Directors of the Sponsor and/or its subsidiaries.

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

Corporate Governance Report (cont'd)

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

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

WHISTLE BLOWING POLICY

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

Corporate Governance Report (cont'd)

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

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

ROLE OF THE AUDIT AND RISK COMMITTEE FOR RELATED PARTY TRANSACTIONS

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

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

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Report of the Trustee

Perpetual (Asia) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of Lippo Malls Indonesia Retail Trust (the “Trust”) and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”). In accordance with the Securities and Futures Act 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 84 to 168 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

1 April 2024

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 84 to 168, comprising the statements of total return, statements of distribution, statements of financial position and statements of movements 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 2023, and the total return, distribution and movements 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 recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. 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

1 April 2024

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 2023, the statements of total return, statements of distribution, statements of movements 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, statement of distribution and statement of movements 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 2023 and the consolidated total return, consolidated distributable income, consolidated movements 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that, as at 31 December 2023, the Group's current liabilities exceeded its current assets by \$202,875,000. As is more fully disclosed in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Notwithstanding this, the Manager has prepared the financial statements on a going concern basis given the mitigating factors disclosed in note 1.

Independent Auditor's Report (cont'd)

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

Key audit matters

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

Valuation of investment properties

Please refer to note 2 on accounting policies and 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 matters.

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 and higher degree of caution should be exercised when relying on the valuations. These valuations are based on information available as at the date of valuations and values may change significantly and unexpectedly over a short period of time.

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

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

The audit team tested the integrity of inputs of the projected cash flows used. The audit team also challenged the growth rates and discount rates used in the computations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. 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.

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

Independent Auditor's Report (cont'd)

TO THE UNITHOLDERS OF LIPPO MALLS INDONESIA RETAIL TRUST

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, the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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)

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 SG Assurance LLP

Public Accountants and
Chartered Accountants
Singapore

1 April 2024

Engagement partner – Appointment since financial year ended 31 December 2020

Statements of Total Return

YEAR ENDED 31 DECEMBER 2023

| | Note | Group | | Trust | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Gross revenue | 4 | 197,268 | 204,714 | 399 | 113,175 |
| Property operating expenses | 5 | (74,906) | (74,232) | - | - |
| Net property income | | 122,362 | 130,482 | 399 | 113,175 |
| Interest income | | 2,142 | 1,641 | 635 | 155 |
| Other income | 6 | 20,968 | 10,642 | - | - |
| Manager's management fees | 7 | (9,543) | (10,179) | (9,472) | (10,109) |
| Trustee's fees | | (423) | (473) | (423) | (473) |
| Finance costs | 8 | (71,981) | (62,739) | (75,034) | (65,637) |
| Other expenses | 9 | (7,683) | (4,123) | (6,510) | (2,395) |
| Net income/(loss) | | 55,842 | 65,251 | (90,405) | 34,716 |
| (Decrease)/Increase in fair value of investment properties | 14 | (133,467) | 32,310 | - | - |
| Impairment loss on investments in subsidiaries | 16 | - | - | (104,790) | (133,389) |
| Realised gains/(losses) on derivative financial instruments | | 99 | (304) | 99 | (304) |
| Increase/(Decrease) in fair value of derivative financial instruments | 28 | 3,184 | (29,849) | 3,184 | (29,849) |
| Realised foreign exchange losses | | (38,012) | (11,811) | (23,360) | (11,569) |
| Unrealised foreign exchange gains/(losses) | | 11,352 | (563) | 9,875 | (6,706) |
| Amortisation of intangible assets | 15 | (5,406) | (6,813) | - | - |
| Total (loss)/return before tax | | (106,408) | 48,221 | (205,397) | (147,101) |
| Income tax expense | 10 | (19,578) | (46,638) | (32) | (2) |
| Total (loss)/return for the year | | (125,986) | 1,583 | (205,429) | (147,103) |
| Other comprehensive return/(loss) | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating foreign operations, net of tax | | 35,552 | (161,889) | - | - |
| Total comprehensive loss | | (90,434) | (160,306) | (205,429) | (147,103) |
| Total (loss)/return for the year attributable to: | | | | | |
| Unitholders of the Trust | | (125,986) | (12,736) | (205,429) | (161,422) |
| Perpetual securities holders | | - | 14,319 | - | 14,319 |
| | | (125,986) | 1,583 | (205,429) | (147,103) |
| Total comprehensive loss attributable to: | | | | | |
| Unitholders of the Trust | | (90,434) | (174,625) | (205,429) | (161,422) |
| Perpetual securities holders | | - | 14,319 | - | 14,319 |
| | | (90,434) | (160,306) | (205,429) | (147,103) |
| | | Cents | Cents | | |
| Earnings per unit | | | | | |
| Basic and diluted | 11 | (1.64) | (0.17) | | |

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

Statements of Distribution

YEAR ENDED 31 DECEMBER 2023

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Total (loss)/return for the year | (125,986) | 1,583 | (205,429) | (147,103) |
| Add: Net adjustments (note A below) | 125,986 | (1,583) | 205,429 | 147,103 |
| Income available for distribution to Unitholders | - | - | - | - |
| Distributions to Unitholders: | | | | |
| Interim distributions paid during the year (note 12A) | - | 20,781 | - | 20,781 |
| Distribution to Unitholders for the quarter ended 31 December paid after end of year (note 12A) | - | 3,079 | - | 3,079 |
| | - | 23,860 | - | 23,860 |
| Unitholders' distribution: | | | | |
| - As distribution from operations | - | - | - | - |
| - As distribution of Unitholders' capital contribution | - | 23,860 | - | 23,860 |
| | - | 23,860 | - | 23,860 |
| Note A – Net adjustments | | | | |
| Decrease/(Increase) in fair value of investment properties, net of deferred tax | 127,160 | (16,634) | - | - |
| Depreciation of plant and equipment | 2,725 | 2,432 | - | - |
| (Increase)/Decrease in fair value of derivative financial instruments | (3,184) | 29,849 | (3,184) | 29,849 |
| Unrealised foreign exchange losses | (11,352) | 563 | (9,875) | 6,706 |
| Amortisation of intangible assets | 5,406 | 6,813 | - | - |
| Amount reserved for distribution to perpetual securities holders | - | (14,319) | - | (14,319) |
| Gain on repurchase of Guaranteed Senior Notes | (20,968) | (10,642) | - | - |
| Capital repayment from subsidiaries | - | - | 206,305 | 55,271 |
| Impairment loss on investments in subsidiaries | - | - | 104,790 | 133,389 |
| Allocation of realised exchange differences to capital repayment of shareholders' loans | - | - | 24,281 | 10,203 |
| Net overseas income (of prior years)/not distributed to the Trust | - | - | 43,186 | (71,605) |
| Other adjustments* | 26,199 | 355 | (160,074) | (2,391) |
| | 125,986 | (1,583) | 205,429 | 147,103 |

* Other adjustments represent an adjustment of \$26,199,000 (2022: \$355,000) 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 2023

| | Note | Group | | Trust | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current assets | | | | | |
| Plant and equipment | 13 | 5,879 | 5,582 | - | - |
| Investment properties | 14 | 1,531,578 | 1,655,812 | - | - |
| Intangible assets | 15 | 5,232 | 10,511 | - | - |
| Investments in subsidiaries | 16 | - | - | 1,035,034 | 1,346,130 |
| Total non-current assets | | 1,542,689 | 1,671,905 | 1,035,034 | 1,346,130 |
| Current assets | | | | | |
| Trade and other receivables | 18 | 29,018 | 40,992 | 170,699 | 217,885 |
| Other non-financial assets | 19 | 11,262 | 11,738 | 27 | 80 |
| Cash and cash equivalents | 20 | 140,334 | 111,037 | 6,346 | 23,339 |
| Total current assets | | 180,614 | 163,767 | 177,072 | 241,304 |
| Total assets | | 1,723,303 | 1,835,672 | 1,212,106 | 1,587,434 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 10 | 15,675 | 21,878 | - | - |
| Other payables | 26 | - | - | 292,300 | 692,269 |
| Other financial liabilities | 24 | 532,123 | 668,329 | 86,172 | - |
| Other non-financial liabilities | 25 | 75,178 | 77,956 | - | - |
| Derivative financial instruments | 28 | 26,586 | 47,922 | 26,586 | 47,922 |
| Total non-current liabilities | | 649,562 | 816,085 | 405,058 | 740,191 |
| Current liabilities | | | | | |
| Income tax payable | | 1,934 | 4,784 | - | - |
| Trade and other payables | 26 | 51,079 | 46,145 | 359,725 | 74,842 |
| Other financial liabilities | 24 | 269,932 | 140,435 | 9,838 | 140,310 |
| Other non-financial liabilities | 27 | 46,614 | 44,430 | - | - |
| Derivative financial instruments | 28 | 13,930 | 28 | 13,930 | 28 |
| Total current liabilities | | 383,489 | 235,822 | 383,493 | 215,180 |
| Total liabilities | | 1,033,051 | 1,051,907 | 788,551 | 955,371 |
| Net assets | | 690,252 | 783,765 | 423,555 | 632,063 |
| Represented by: | | | | | |
| - Unitholders' funds | 21 | 433,465 | 526,978 | 166,768 | 375,276 |
| - Perpetual securities | 23 | 256,787 | 256,787 | 256,787 | 256,787 |
| Net assets | | 690,252 | 783,765 | 423,555 | 632,063 |
| Net asset value per unit attributable to Unitholders (in Cents) | 21 | 5.63 | 6.85 | 2.17 | 4.88 |

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

Statements of Movements in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2023

| | Group | | Trust | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Unitholders' funds | | | | |
| At beginning of year | 526,978 | 728,018 | 375,276 | 563,113 |
| Operations | | | | |
| Total return/(loss) for the year | (125,986) | 1,583 | (205,429) | (147,103) |
| Less: Amount reserved for distribution to perpetual securities holders | - | (14,319) | - | (14,319) |
| Net decrease in net assets resulting from operations attributed to Unitholders | (125,986) | (12,736) | (205,429) | (161,422) |
| Unitholders' contribution | | | | |
| Manager's management fees settled in units | - | 1,272 | - | 1,272 |
| Change in net assets resulting from creation of units | - | 1,272 | - | 1,272 |
| Distributions paid (note 12) | (3,079) | (27,687) | (3,079) | (27,687) |
| Total net assets before movements in foreign currency translation reserve and perpetual securities | 397,913 | 688,867 | 166,768 | 375,276 |
| Foreign currency translation reserve* | | | | |
| Net movement in other comprehensive return | 35,552 | (161,889) | - | - |
| At end of year | 433,465 | 526,978 | 166,768 | 375,276 |
| Perpetual securities | | | | |
| At beginning of year | 256,787 | 259,453 | 256,787 | 259,453 |
| Amount reserved for distribution to perpetual securities holders | - | 14,319 | - | 14,319 |
| Distributions to perpetual securities holders | - | (16,985) | - | (16,985) |
| At end of year | 256,787 | 256,787 | 256,787 | 256,787 |
| Net assets | 690,252 | 783,765 | 423,555 | 632,063 |

* 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 2023

| | Group | |
|---|-----------|----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Total (loss)/return before tax | (106,408) | 48,221 |
| Adjustments for: | | |
| Interest income | (2,142) | (1,641) |
| Interest expense and other related costs | 64,458 | 56,457 |
| Amortisation of borrowing costs | 7,523 | 6,282 |
| Depreciation of plant and equipment | 2,725 | 2,432 |
| Amortisation of intangible assets | 5,406 | 6,813 |
| Net reversal of allowance for impairment of trade and other receivables | (1,702) | (1,464) |
| Decrease/(Increase) in fair value of investment properties | 133,467 | (32,310) |
| Fair value (gain)/loss on derivative financial instruments | (3,184) | 29,849 |
| Unrealised foreign exchange (gain)/loss | (11,352) | 563 |
| Gain on repurchase of Guaranteed Senior Notes | (20,968) | (10,642) |
| Plant and equipment written-off | 45 | 8 |
| Realised foreign exchange losses | 38,012 | 11,811 |
| Operating cash flows before changes in working capital | 105,880 | 116,379 |
| Trade and other receivables | 14,314 | 13,821 |
| Other non-financial assets | 436 | 32,871 |
| Trade and other payables | 8,374 | 2,402 |
| Other non-financial liabilities, current | 2,462 | 997 |
| Net cash flows from operations before tax | 131,466 | 166,470 |
| Income tax paid | (28,804) | (29,292) |
| Net cash flows from operating activities | 102,662 | 137,178 |
| Cash flows from investing activities | | |
| Capital expenditure on investment properties | (12,380) | (9,734) |
| Purchase of plant and equipment | (3,003) | (1,657) |
| Interest received | 2,142 | 1,647 |
| Net cash flows used in investing activities | (13,241) | (9,744) |
| Cash flows from financing activities | | |
| Proceeds from bank borrowings | 179,309 | 67,500 |
| Repayment of bank borrowings | (54,000) | (67,500) |
| Transaction costs on bank borrowings | (8,901) | (1,472) |
| Other financial liabilities, current | (337) | (234) |
| Other non-financial liabilities, non-current | (2,509) | 2,041 |

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

Consolidated Statement of Cash Flows (cont'd)

YEAR ENDED 31 DECEMBER 2023

| | Group | |
|---|------------------|------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Cash flows from financing activities (cont'd) | | |
| Interest paid | (67,771) | (56,878) |
| Distribution to unitholders | (3,079) | (27,687) |
| Distribution to perpetual securities holders | - | (16,985) |
| Cash restricted in use for bank facilities | (96,547) | (1,839) |
| Repurchase of Guaranteed Senior Notes | (96,958) | (28,608) |
| Net cash flows used in financing activities | <u>(150,793)</u> | <u>(131,662)</u> |
| Net decrease in cash and cash equivalents | (61,372) | (4,228) |
| Cash and cash equivalents at beginning of year | 106,975 | 119,881 |
| Effect of exchange rate fluctuations on cash held | (5,878) | (8,678) |
| Cash and cash equivalents at end of year | <u>39,725</u> | <u>106,975</u> |
| Cash and cash equivalents per consolidated statement of cash flows | 39,725 | 106,975 |
| Add: Cash restricted in use for bank facilities | 100,609 | 4,062 |
| Cash and cash equivalents per statements of financial position (note 20) | <u>140,334</u> | <u>111,037</u> |

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

Statement of Portfolio

AS AT 31 DECEMBER 2023

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 | 86,894 |
| 2. Cibubur Junction | Jalan Jambore No.1 Cibubur, Sub-District, Ciracas District, East Jakarta City, 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 | 47,946 |
| 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 | 47,534 |
| 8. Sun Plaza | Jalan Haji Zainul Arifin No. 7, Madras Hulu, Medan Polonia, Medan, North Sumatra-Indonesia | 31 March 2008 | 166,070 |
| 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 |

[^] On 31 January 2024, Cibubur Junction's right to operate has been granted to 29 July 2045. Had the granting been completed by 31 December 2023, the valuation of the property would have been IDR416.5 billion (equivalent to \$35,560,000).

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

Statement of Portfolio (cont'd)

AS AT 31 DECEMBER 2023

| Tenure of land | Last valuation date | Carrying value at 31 December 2023 \$'000 | Percentage of net assets at 31 December 2023 % | Carrying value at 31 December 2022 \$'000 | Percentage of net assets at 31 December 2022 % |
|---|---------------------|--|---|--|---|
| Strata title constructed on Hak Guna Bangunan ("HGB") Title common land, expires on 24 January 2040 | 31 December 2023 | 77,017 | 11.2 | 75,306 | 9.6 |
| Agreement-based scheme ("ABS"), formerly known as Build, Operate and Transfer ("BOT") scheme, expires on 28 July 2025 ^ | 31 December 2023 | 5,613 | 0.9 | 9,807 | 1.3 |
| ABS, expires on 31 March 2054 | 31 December 2023 | 33,545 | 4.9 | 68,530 | 8.7 |
| HGB title, expires on 5 May 2043 | 31 December 2023 | 71,998 | 10.4 | 70,120 | 8.9 |
| ABS, expires on 27 June 2032 | 31 December 2023 | 18,640 | 2.7 | 24,873 | 3.2 |
| ABS, expires on 31 December 2030 | 31 December 2023 | 34,285 | 5.0 | 47,517 | 6.1 |
| ABS, expires on 17 January 2034 | 31 December 2023 | 23,988 | 3.5 | 34,994 | 4.5 |
| HGB title, expires on 24 November 2032 | 31 December 2023 | 226,250 | 32.8 | 224,374 | 28.6 |
| ABS, expires on 9 June 2027 | 31 December 2023 | 27,280 | 4.0 | 43,401 | 5.5 |
| ABS, expires on 23 July 2027 | 31 December 2023 | 46,266 | 6.7 | 56,158 | 7.2 |

Statement of Portfolio (cont'd)

AS AT 31 DECEMBER 2023

INDONESIA RETAIL MALLS (CONT'D)

Group

| Description of property | Location | Acquisition date | Gross floor area in sqm |
|--------------------------------|--|------------------|-------------------------|
| 11. Palembang Square Extension | Jalan Angkatan 45/POM IX, Lorok Pakjo Sub District, Ilir Barat 1 District, Palembang City, South Sumatera Province, Indonesia | 15 October 2012 | 23,825 |
| 12. Lippo Plaza Kramat Jati | Jalan Raya Bogor Km 19, Kramat Jati Sub District, Kramat Jati District, East Jakarta Region, DKI Jakarta Province, Indonesia | 15 October 2012 | 65,511 |
| 13. Tamini Square | Jalan Raya Taman Mini Pintu 1 No.15, Pinang Ranti Sub District, Makassar District, 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 RT.30/RW.09, Sub District of Lorok Pakjo, District of Ilir 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 | 49,487 |
| 19. Lippo Plaza Kendari | Jalan MT Haryono No.61-63, Sub-district of Bende, District of Kadia, City of Kendari, South East Sulawesi 93117, Indonesia | 21 June 2017 | 34,831 |
| 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 | 174,645 |

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

Statement of Portfolio (cont'd)

AS AT 31 DECEMBER 2023

| Tenure of land | Last valuation date | Carrying value at 31 December 2023 \$'000 | Percentage of net assets at 31 December 2023 % | Carrying value at 31 December 2022 \$'000 | Percentage of net assets at 31 December 2022 % |
|---|---------------------|--|---|--|---|
| ABS, expires on 25 January 2041 | 31 December 2023 | 24,159 | 3.5 | 27,275 | 3.5 |
| HGB title, expires on 24 October 2024 | 31 December 2023 | 46,251 | 6.7 | 50,049 | 6.4 |
| Strata title constructed on HGB title common land, expires on 25 September 2035 | 31 December 2023 | 14,716 | 2.1 | 20,638 | 2.6 |
| Strata title constructed on HGB title common land, expires on 1 September 2039 | 31 December 2023 | 63,651 | 9.2 | 68,187 | 8.7 |
| Strata title constructed on HGB title common land, expires on 28 June 2035 | 31 December 2023 | 187,335 | 27.1 | 187,941 | 24.0 |
| HGB title, expires on 8 June 2031 | 31 December 2023 | 19,297 | 2.8 | 19,348 | 2.5 |
| HGB title, ABS, expires on 30 April 2040 | 31 December 2023 | 78,630 | 11.4 | 81,224 | 10.4 |
| HGB title, expires on 22 March 2037 | 31 December 2023 | 26,982 | 3.9 | 37,152 | 4.7 |
| ABS, expires on 7 July 2041 | 31 December 2023 | 21,893 | 3.2 | 25,731 | 3.3 |
| HGB title, expires on 27 December 2043 | 31 December 2023 | 18,443 | 2.7 | 37,564 | 4.8 |
| HGB title, expires on 12 August 2024 | 31 December 2023 | 33,727 | 4.9 | 33,236 | 4.2 |
| Strata title constructed on HGB title common land, expires on 15 January 2040 | 31 December 2023 | 352,702 | 51.1 | 331,887 | 42.3 |

Statement of Portfolio (cont'd)

AS AT 31 DECEMBER 2023

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 North Serpong, South Tangerang City, Banten-Indonesia | 19 November 2007 | 11,184 |
| 2. Metropolis Town Square Units | Jalan Hartono Raya, Sub-District of Kelapa, Indah, District of Tangerang, Tangerang City, Banten-Indonesia | 19 November 2007 | 15,248 |
| 3. Depok Town Square Units | Jalan Margonda Raya No. 1, Sub-District of Pondok Cina, District of Beji, Depok City, West Java-Indonesia | 19 November 2007 | 13,045 |
| 4. Java Supermall Units | Jalan MT Haryono, No. 992-994, Sub-District of Lamper Kidul, District of Semarang Selatan, Semarang City, Central Java-Indonesia | 19 November 2007 | 11,082 |
| 5. Malang Town Square Units | Jalan Veteran No. 2, Sub-District of Penanggungan, District of Klojen, Malang City, East Java-Indonesia | 19 November 2007 | 11,065 |
| 6. Plaza Madiun Units | Jalan Pahlawan No. 38-40, Sub-District of Pangongangan, District of Manguharjo, Madiun City, East Java-Indonesia | 19 November 2007 | 19,991 |
| 7. Grand Palladium Units | Jalan Kapten Maulana Lubis No.8, Sub-District of Petisah Tengah, District of Medan Petisah, Regency of Medan, North Sumatra-Indonesia | 19 November 2007 | 13,730 |

Investment properties

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 2023

| Tenure of land | Last valuation date | Carrying value at 31 December 2023 \$'000 | Percentage of net assets at 31 December 2023 % | Carrying value at 31 December 2022 \$'000 | Percentage of net assets at 31 December 2022 % |
|---|---------------------|--|---|--|---|
| Strata title constructed on HGB title common land, expires on 8 April 2038 | 31 December 2023 | 8,630 | 1.3 | 8,923 | 1.1 |
| Strata title constructed on HGB title common land, expires on 27 December 2029 | 31 December 2023 | 7,570 | 1.1 | 9,838 | 1.3 |
| Strata title constructed on HGB title common land, expires on 27 February 2035 | 31 December 2023 | 12,841 | 1.9 | 12,680 | 1.6 |
| Strata title constructed on HGB title common land, expires on 24 September 2037 | 31 December 2023 | 10,895 | 1.6 | 10,578 | 1.3 |
| Strata title constructed on HGB title, expires on 21 April 2033 | 31 December 2023 | 14,365 | 2.1 | 13,966 | 1.8 |
| HGB title, expires on 9 February 2032 | 31 December 2023 | 18,984 | 2.8 | 18,490 | 2.4 |
| Strata title constructed on HGB title common land, expires on 9 November 2028 | 31 December 2023 | 5,625 | 0.8 | 6,025 | 0.8 |
| | | 1,531,578 | 222.2 | 1,655,812 | 211.3 |
| | | (841,326) | (122.2) | (872,047) | (111.3) |
| | | 690,252 | 100.0 | 783,765 | 100.0 |

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2023

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.

Perpetual (Asia) Limited was appointed as the Trustee with effect from 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 was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 November 2007.

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

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 1 April 2024.

The registered office of the Manager is located at 6 Shenton Way, OUE Downtown 1 #40-05 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.

Uncertainties relating to current economic conditions and going concern

As much of the world is emerging into a post-pandemic normal, the global economic uncertainties remains elevated with persistently high level of inflation, high interest rate and a volatile foreign exchange environment. If these uncertainties continue, the potential impacts are uncertain and difficult to assess. The uncertainties could have a material adverse impact on the Group (in particular, the fair values of the investment properties and recoverability of the trade receivables) and the sustainability of its existing capital structure, its leverage ratio and credit ratings.

The Manager expects the operating environment to remain challenging as retailers remain cautious despite the easing of COVID-19 restrictions. The Manager will continue to explore options and measures to maintain a sustainable capital structure and reduce the aggregate leverage of LMIR Trust and the Group.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

1. GENERAL (CONT'D)

Uncertainties relating to current economic conditions and going concern (cont'd)

As at 31 December 2023, the Group's current liabilities exceeded its current assets by \$202,875,000, mainly arising from the classification of the 2024 Guaranteed Senior Notes (the "2024 Notes"), amounting to US\$188,290,000 (equivalent to \$247,846,000), that are maturing within the next 12 months as current liabilities. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements. Notwithstanding that these events or conditions appear to cast significant doubt upon the Group's ability to continue as a going concern, the Manager has prepared the financial statements on a going concern basis given the following mitigating factors:

- (a) Based on the Group's cash flow forecast for the next 12 months, the Manager believes the Group will be able to pay its debts as and when they fall due. The Group continues to generate positive cash flows from operating activities for both the current and prior years, and is expected to meet the cash flow requirements from its normal course of business through its existing and future lease agreements with tenants that are expected to generate positive cash flows over the next 12 months;
- (b) On 11 December 2023, the Group obtained a secured term loan facility of up to IDR2.5 trillion (the "IDR Facility") (equivalent to \$213.5 million), subject to receiving the requisite consents from holders of the 2024 Notes and the 2026 Guaranteed Senior Notes (the "2026 Notes") for the amendment of certain provisions of the Indentures governing the 2024 Notes and 2026 Notes, respectively, through consent solicitation exercises (the "Consent Solicitation Exercises"). The proceeds from the IDR Facility will be used for the purchase of the outstanding 2024 Notes and 2026 Notes, as well as the related expenses arising from this exercise. In addition, on 11 December 2023, the Trust's wholly-owned subsidiary, LMIRT Capital Pte. Ltd. ("LMIRT Capital"), the issuer of the 2024 Notes and 2026 Notes, also launched tender offers to purchase the 2024 Notes and 2026 Notes (the "2023 Tender Offer"), as well as the Consent Solicitation Exercises.

On 27 December 2023, LMIRT Capital announced that it received valid requisite consents pursuant to the Consent Solicitation Exercises. Consequently, the Group drew down from the IDR Facility and repurchased and cancelled US\$43,510,000 of the 2024 Notes and US\$38,545,000 of the 2026 Notes pursuant to the 2023 Tender Offer.

Subsequent to the year ended 31 December 2023, on 16 January 2024, with the remaining balance of the IDR Facility, LMIRT Capital launched a second tender offer for the 2024 Notes and 2026 Notes (the "2024 Tender Offer"), pursuant to which the Group repurchased and cancelled US\$49,846,000 of the 2024 Notes and US\$28,435,000 of the 2026 Notes, respectively.

Following the 2023 Tender Offer and 2024 Tender Offer, the outstanding 2024 Notes was reduced from US\$231,800,000 to US\$188,290,000 as at 31 December 2023 and then to US\$138,444,000 at the date of this report, while the 2026 Notes was reduced from US\$181,700,000 to US\$143,155,000 as at 31 December 2023 and then to US\$114,720,000 as the date of this report. Accordingly, as at the date of this report, the balance of the IDR Facility not yet drawdown amounted to IDR230 billion (equivalent to \$19.6 million); and

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

1. GENERAL (CONT'D)

Uncertainties relating to current economic conditions and going concern (cont'd)

- (c) The Group has existing banking relationships with a number of banks and the Group is exploring various options available to address the remaining debts that are maturing in the next 12 months. These options include securing additional term loan facilities to be used together with the remaining balance of the IDR Facility not yet drawn down, as well as potentially conducting additional liability management exercises. To this end, as at the date of these financial statements, the Group has commenced negotiation with a bank to secure a term loan facility.

Although this process of obtaining refinancing for the remaining outstanding balances of the 2024 Notes has not yet reached conclusion with the relevant parties involved at the date of these financial statements, management expects the Group to be able to obtain additional funding from the banks when required.

The validity of the going concern assumptions on which the financial statements are prepared depends on the successful conclusion of these matters. If the going concern assumptions are inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are now recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION

(a) Statement of compliance with financial reporting standards

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 ("ASC").

(b) Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(c) Basis of presentation and principles of consolidation

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 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 are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within Unitholders' fund 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.

(d) 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.

(e) Revenue recognition

(i) 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.

(ii) 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.

(iii) 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(f) Foreign currency

(i) Foreign currency transactions

The functional currency of the Trust is Singapore dollars 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 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 financial statements are presented in Singapore dollars, the functional currency of the Trust.

(ii) Translation of financial statements of foreign operations

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 foreign exchange translation (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.

(g) 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(h) 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.

(i) Investment properties

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(j) Intangible assets

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

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

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

(k) 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(l) 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.

(m) Business combinations

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

(n) Impairment

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(o) Financial instruments

(i) Recognition and de-recognition of financial instruments

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.

(ii) Classification and measurement of financial assets

Financial assets are classified into: (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"); (3) Financial asset that is a debt asset instrument classified as measured at FVTOCI; and (4) Financial asset classified as measured at fair value through profit or loss ("FVTPL"). At end of reporting year, the Group had the following financial assets 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 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 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(o) Financial instruments (cont'd)

(iii) Classification and measurement of financial liabilities

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

- The liabilities are managed, evaluated and reported internally on a fair value basis; or
- 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.

(iv) 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.

(v) 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, 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(p) Fair value measurement

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

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

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. The recurring measurements are made at each reporting year end date.

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

(q) Leases of lessor

As a lessor the Group 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.

(r) 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.

(s) 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.

(t) 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

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 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONT'D)

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 post-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 *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, a company incorporated in Indonesia.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

3A. Related party transactions

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

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

Significant related party transactions

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

(a) Manager's fees

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

- (i) A base fee of 0.25% (2022: 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% (2022: 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% (2022: 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;

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

3A. Related party transactions (cont'd)

(a) Manager's fees (cont'd)

- (iv) An acquisition fee at 1.0% (2022: 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% (2022: 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% (2022: 2.0%) per annum of the gross revenue for the relevant retail mall and retail space;
- (ii) 2.0% (2022: 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% (2022: 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.

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

3A. Related party transactions (cont'd)

(c) Trustee's fees

The Trustee's fees shall not exceed 0.03% (2022: 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.

During the reporting year, other than those disclosed elsewhere in the financial statements, significant related party transactions that took place at terms agreed between the parties are as follows:

| | Group | | Trust | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Manager | | | | |
| Manager's management fees expense (note 7) | 9,543 | 10,179 | 9,472 | 10,109 |
| Trustee | | | | |
| Trustee's fees expense | 423 | 473 | 423 | 473 |
| Property Manager | | | | |
| Property Manager fees expense (note 5) | 6,719 | 6,964 | – | – |
| Affiliates of Sponsor ⁽¹⁾ | | | | |
| Rental revenue and service charge ^{(2) (3) (4)} | 31,462 | 48,654 | – | – |

⁽¹⁾ The affiliates of the Sponsor are PT First Media Tbk, Yayasan Universitas Pelita Harapan, PT Bank National Nobu, PT Matahari Putra Prima Tbk, PT Gratia Prima Indonesia, PT 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, PT Link Net and PT Rumah Sakit Siloam Hospital Sumsel. The affiliates of the Sponsor are entities that either have common shareholders with the Sponsor or in which the Sponsor has an interest.

The amount also includes revenue from PT Matahari Graha Fantasi up to the date that it ceased to be a related party.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ 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 2023

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 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

| | 2023 | | 2022 | |
|---------------------------|----------------------|-----------------|----------------------|-----------------|
| | Number of units held | % interest held | Number of units held | % interest held |
| The Manager as Unitholder | 48,075,671 | 0.62 | 48,075,671 | 0.62 |

On 29 March 2022, the Trust issued 23,473,967 new units at an issue price of \$0.0542 per unit as payment of the performance fee component of the Manager's management fee for the period from 1 April 2021 to 30 June 2021.

4. GROSS REVENUE

| | Group | | Trust | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Rental revenue | 110,569 | 119,206 | - | - |
| Car park revenue | 5,282 | 5,588 | - | - |
| Dividend income from subsidiaries | - | - | 399 | 113,175 |
| Service charge and utilities recovery | 80,005 | 78,241 | - | - |
| Other rental income | 1,412 | 1,679 | - | - |
| | 197,268 | 204,714 | 399 | 113,175 |

Gross revenue includes top-up from the vendor of Lippo Mall Puri under the net property income 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 2023

5. PROPERTY OPERATING EXPENSES

| | Group | |
|---|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Land rental expense | 1,464 | 1,439 |
| Property management fees (note 3) | 6,719 | 6,964 |
| Legal and professional fees | 1,485 | 1,653 |
| Depreciation of plant and equipment (note 13) | 2,725 | 2,432 |
| Allowance for impairment of trade receivables (note 18) | 211 | 1,244 |
| Reversal of allowance for impairment of trade receivables (note 18) | (1,947) | (1,756) |
| Property operating and maintenance expenses | 63,314 | 61,844 |
| Others | 935 | 412 |
| | <u>74,906</u> | <u>74,232</u> |

6. OTHER INCOME

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Gain on repurchase of 2024 Notes and 2026 Notes | <u>20,968</u> | <u>10,642</u> | - | - |

During the year ended 31 December 2023, the gain on repurchase of Guaranteed Senior Notes arose from the repurchase of 2024 Notes amounting to US\$50,510,000 and 2026 Notes amounting to US\$38,545,000 through purchases from the open market and the 2023 Tender Offer.

During the year ended 31 December 2022, the gain on repurchase of Guaranteed Senior Notes arose from the repurchase of 2024 Notes amounting to US\$11,200,000 and 2026 Notes amounting to US\$18,300,000 through purchases from the open market.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

7. MANAGER'S MANAGEMENT FEES

| | Group | | Trust | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Base fee | 4,571 | 4,864 | 4,500 | 4,794 |
| Performance fee | 4,894 | 5,219 | 4,894 | 5,219 |
| Authorised investment fee | 78 | 96 | 78 | 96 |
| | <u>9,543</u> | <u>10,179</u> | <u>9,472</u> | <u>10,109</u> |

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

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

8. FINANCE COSTS

| | Group | | Trust | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Interest expense | 64,399 | 56,323 | 66,381 | 58,546 |
| Amortisation of borrowing costs | 7,523 | 6,282 | 8,594 | 6,957 |
| Issuance and commitment fees | 59 | 134 | 59 | 134 |
| | <u>71,981</u> | <u>62,739</u> | <u>75,034</u> | <u>65,637</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

9. OTHER EXPENSES

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Bank charges | 62 | 66 | 5 | 4 |
| Professional fees | 5,416 | 1,499 | 5,347 | 842 |
| Investor relation expenses | 79 | 80 | 79 | 80 |
| Listing expenses | 35 | 35 | 35 | 35 |
| Security agent fees | 158 | 90 | 128 | 60 |
| Valuation expenses | 480 | 316 | 480 | 316 |
| Unclaimable input tax | – | 472 | – | 472 |
| Allowance for impairment of other receivables | 34 | – | – | – |
| Reversal of allowance for impairment of other receivables | – | (952) | – | – |
| Other expenses | 1,419 | 2,517 | 436 | 586 |
| | <u>7,683</u> | <u>4,123</u> | <u>6,510</u> | <u>2,395</u> |

| | Group | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Audit fees to independent auditors of the Trust | 448 | 448 |
| Audit fees to other independent auditors – network firms | 264 | 271 |
| Non-audit related services (“Non-ARS”) fees to independent auditors of the Trust | 38 | 38 |
| Non-ARS fees to other independent auditors – network firms | <u>–</u> | <u>–</u> |

Total fees to independent auditors are included in property operating expenses (note 5) and other expenses (note 9). This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX

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

| | Group | | Trust | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current tax | | | | |
| Singapore income tax | | | | |
| – Adjustments in respect of prior years | 32 | 2 | 32 | 2 |
| Foreign income tax | 21,284 | 21,749 | – | – |
| Withholding tax | 4,569 | 9,211 | – | – |
| | <u>25,885</u> | <u>30,962</u> | <u>32</u> | <u>2</u> |
| Deferred tax | | | | |
| Deferred tax (credit)/expense | (6,307) | 15,676 | – | – |
| | <u>19,578</u> | <u>46,638</u> | <u>32</u> | <u>2</u> |

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% (2022: 17%) to total (loss)/return before tax as a result of the following differences:

| | Group | | Trust | |
|---|------------------|----------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Total (loss)/return before tax | <u>(106,408)</u> | <u>48,221</u> | <u>(205,397)</u> | <u>(147,101)</u> |
| Income tax at statutory rate of 17% (2022: 17%) | (18,089) | 8,198 | (34,917) | (25,007) |
| Effect of different tax rates in foreign jurisdictions | (798) | 2,189 | – | – |
| Non-deductible expenses | 19,211 | 20,407 | 35,091 | 44,271 |
| Income not subject to tax | (3,677) | (1,831) | (174) | (19,264) |
| Deferred tax assets not recognised | 17,231 | 7,430 | – | – |
| Withholding tax | 4,569 | 9,211 | – | – |
| Adjustments in respect of prior years | 32 | 2 | 32 | 2 |
| Others | 1,099 | 1,032 | – | – |
| | <u>19,578</u> | <u>46,638</u> | <u>32</u> | <u>2</u> |

Please refer to note 12 for income tax on distributions to Unitholders.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX (CONT'D)

10B. Deferred tax recognised in statements of total return

| | Group | |
|--|--------|----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Deferred tax credit/(expense) relating to changes in fair value of investment properties | 6,307 | (15,676) |

10C. Deferred tax in statements of financial position

| | Group | |
|---|--------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Deferred tax liabilities relating to changes in fair value of investment properties | 15,675 | 21,878 |

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 payment of income tax on income from 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

10. INCOME TAX (CONT'D)

10D. Tax matters (cont'd)

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 its Singapore subsidiaries are exempt from Singapore income tax provided that the Singapore subsidiaries are tax residents of Singapore for income tax purposes.

Interest income from 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 of the Trust 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

11. EARNINGS PER UNIT

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

| | Group | |
|--|----------------------|----------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Numerator | | |
| Total (loss)/return for the year | (125,986) | 1,583 |
| Less: Amount reserved for distribution to perpetual securities holders | — | (14,319) |
| Total loss attributable to Unitholders | <u>(125,986)</u> | <u>(12,736)</u> |
| Denominator | | |
| Weighted average number of units | <u>7,696,809,979</u> | <u>7,691,214,814</u> |
| Earnings per unit | <u>(1.64)</u> | <u>(0.17)</u> |
| Adjusted earnings per unit ^(#) | <u>0.02</u> | <u>(0.38)</u> |

^(#) 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 2023

12. DISTRIBUTIONS TO UNITHOLDERS

No distributions were paid during the reporting year.

Total distributions paid during the year in respect of prior year distribution were as follows:

| | Group and Trust | |
|--|------------------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Distribution of 0.09 cents per unit for the period from 1 October 2021 to 31 December 2021 | – | 6,906 |
| Distribution of 0.09 cents per unit for the period from 1 January 2022 to 31 March 2022 | – | 6,927 |
| Distribution of 0.09 cents per unit for the period from 1 April 2022 to 30 June 2022 | – | 6,927 |
| Distribution of 0.09 cents per unit for the period from 1 July 2022 to 30 September 2022 | – | 6,927 |
| Distribution of 0.04 cents per unit for the period from 1 October 2022 to 31 December 2022 | 3,079 | – |
| | <u>3,079</u> | <u>27,687</u> |

12A. Distributions per unit

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

| | Group and Trust | | | |
|----------------------------------|------------------------|-----------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | Cents | Cents | \$'000 | \$'000 |
| | per unit | per unit | \$'000 | \$'000 |
| Tax-exempt income ⁽¹⁾ | – | – | – | – |
| Capital ⁽²⁾ | – | 0.27 | – | 20,781 |
| | <u>–</u> | <u>0.27</u> | <u>–</u> | <u>20,781</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

12. DISTRIBUTIONS TO UNITHOLDERS (CONT'D)

12A. Distributions per unit (cont'd)

| Name of distribution Distribution type | Distribution declared subsequent to year-end (final distribution) | | Group and Trust | |
|---|---|---------------------------|-----------------|----------------|
| | 2023 Cents per unit | 2022 Cents per unit | 2023 \$'000 | 2022 \$'000 |
| Tax-exempt income ⁽¹⁾ | – | – | – | – |
| Capital ⁽²⁾ | – | 0.04 | – | 3,079 |
| | – | 0.04 | – | 3,079 |
| Total distributions | – | 0.31 ⁽³⁾⁽⁴⁾ | – | 23,860 |

⁽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⁾ Please refer note 22 for new units issued during the prior reporting year. The number of units used to compute distribution per unit for the reporting year is 7,696,809,979 (2022: 7,696,809,979).

12B. Distribution policy

The Trust's current distribution policy is to distribute at least 90% (2022: at least 90%) of its tax-exempt income (after deduction of applicable expenses) and capital receipts. Tax-exempt income comprises dividends received from Singapore tax resident subsidiaries. The capital receipts comprise amounts received by the Trust from redemption of redeemable preference shares in the Singapore subsidiaries.

The Trust announced on 20 March 2023, 31 May 2023, 18 September 2023 and 11 December 2023, respectively, that it had ceased distributions to the holders of the \$140.0 million and \$120.0 million perpetual securities. As a result of this discretion, the dividend stopper provisions under the perpetual securities are applied. No declaration or payment of dividends, distributions or other payment is made on the Units, unless and until certain conditions are met.

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 2023

13. PLANT AND EQUIPMENT

| | Group | |
|---------------------------------|---------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Cost | | |
| At beginning of year | 22,621 | 24,670 |
| Additions | 3,003 | 1,657 |
| Disposals | (354) | (1,435) |
| Foreign exchange translation | (102) | (2,271) |
| At end of year | <u>25,168</u> | <u>22,621</u> |
| Accumulated depreciation | | |
| At beginning of year | 17,039 | 17,834 |
| Depreciation for the year | 2,725 | 2,432 |
| Disposals | (309) | (1,427) |
| Foreign exchange translation | (166) | (1,800) |
| At end of year | <u>19,289</u> | <u>17,039</u> |
| Net book value | | |
| At beginning of year | <u>5,582</u> | <u>6,836</u> |
| At end of year | <u>5,879</u> | <u>5,582</u> |

Depreciation expense is charged to profit or loss as property operating expenses (note 5).

14. INVESTMENT PROPERTIES

| | Group | |
|--|------------------|------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At beginning of year | 1,655,812 | 1,788,915 |
| Enhancement expenditure capitalised | 12,380 | 9,734 |
| | <u>1,668,192</u> | <u>1,798,649</u> |
| Changes in fair value included in profit or loss | (133,467) | 32,310 |
| Foreign exchange translation | (3,147) | (175,147) |
| At end of year | <u>1,531,578</u> | <u>1,655,812</u> |
| Gross revenue from investment properties | 197,268 | 204,714 |
| Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental revenue during the year | <u>(74,906)</u> | <u>(74,232)</u> |

Other details of the properties are disclosed in the statement of portfolio.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONT'D)

Security

As at 31 December 2023, certain investment properties of the Group are pledged as security for bank loans (see note 24).

Independent professional valuers

The fair values of retail malls and retail spaces of the Group set out in the statement of portfolio were determined by the following independent professional valuers:

| External valuer | Valuation date 31 December 2023 | Valuation date 31 December 2022 |
|--|--|---|
| Cushman & Wakefield VHS Pte. Ltd. | <ul style="list-style-type: none"> Pluit Village Gajah Mada Plaza Lippo Plaza Batu Lippo Plaza Jogja Kediri Town Square Lippo Mall Kemang Lippo Mall Puri Lippo Mall Kuta | <ul style="list-style-type: none"> The Plaza Semanggi Palembang Square Palembang Square Extension Palembang Icon Plaza Medan Fair Sun Plaza |
| KJPP Wilson & Rekan (in association with Knight Frank) | <ul style="list-style-type: none"> The Plaza Semanggi Plaza Medan Fair Bandung Indah Plaza Istana Plaza Lippo Plaza Kendari Lippo Plaza Ekalokasari Bogor | <ul style="list-style-type: none"> 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 |
| KJPP Rengganis, Hamid & Rekan (in association with CBRE) | <ul style="list-style-type: none"> Sun Plaza Plaza Madiun Units Cibubur Junction Mal Lippo Cikarang Mall WTC Matahari Units Java Supermall Units Depok Town Square Units Malang Town Square Units Metropolis Town Square Units Grand Palladium Units | <ul style="list-style-type: none"> Lippo Plaza Batu Lippo Plaza Jogja Kediri Town Square Lippo Plaza Kramat Jati Lippo Mall Kemang Lippo Mall Puri |
| Savills Valuation and Professional Services (S) Pte Ltd | <ul style="list-style-type: none"> Palembang Square Palembang Square Extension Palembang Icon Lippo Plaza Kramat Jati Tamini Square | <ul style="list-style-type: none"> Pluit Village Lippo Plaza Kendari Gajah Mada Plaza Lippo Plaza Ekalokasari Bogor Bandung Indah Plaza Istana Plaza |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value

Investment properties are stated at fair value based on valuations performed by external independent professional valuers having appropriate recognised professional qualifications and relevant experience in the location and category of the investment properties being valued.

In determining fair value, the valuers used valuation methods that involve certain estimates. The key valuation assumptions used to determine fair value of investment properties include discount rates, growth rates, terminal capitalisation rates and expected rental cashflows. The Manager reviews the appropriateness of the valuation method, assumptions and estimates adopted and is of the view that they are reflective of current market conditions as at 31 December 2023.

The valuation reports obtained from two of the external independent professional valuers for our investment properties drew attention to geopolitical conditions and uncertainty in the global economy as well as those in Indonesia. Greater uncertainty and a higher degree of caution should be attached to the valuation than would normally be the case given the unknown level of impact that geopolitical conditions have on the market and the absence or lack of market data to inform or support a quantitative estimate. This clause does not invalidate the valuations, but implies that there is substantially more uncertainty than under normal market conditions.

All recurring fair value measurements of investment properties are based on income approach, and are categorised within Level 3 of the fair value hierarchy.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONT'D)

Measurement of fair value (cont'd)

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

| Valuation method | Significant unobservable inputs | Relationship of unobservable inputs to fair value |
|------------------------------|--|--|
| Discounted cash flows method | <ul style="list-style-type: none"> • Discount rates from 11.1% to 13.7% (2022: from 11.5% to 12.6%) per annum • Growth rates from 0% to 6.0% (2022: from 0% to 6.0%) • Terminal capitalisation rates from 7.5% to 10.0% (2022: from 8.0% to 9.3%) • Discounted cash flow forecasts: <ul style="list-style-type: none"> – Over remaining lease period for Bandung Indah Plaza, Cibubur Junction, Lippo Plaza Ekalokasari Bogor, Istana Plaza, Lippo Plaza Kendari, The Plaza Semanggi, Pluit Village and Plaza Medan Fair – Over 10-year projection for Lippo Mall Puri, Sun Plaza, Mal Lippo Cikarang, Lippo Plaza Jogja, Lippo Mall Kuta, Lippo Mall Kemang, Kediri Town Square, Gajah Mada Plaza, Tamini Square, Lippo Plaza Kramat Jati, Palembang Square, Palembang Square Extension, Palembang Icon, Lippo Plaza Batu and Plaza Madiun – Over 6-year projection for retail spaces | <ul style="list-style-type: none"> • The higher the discount rates, the lower the fair value • The higher the growth rates, the higher the fair value • The higher the terminal capitalisation rates, the lower the fair value • The higher the cash flow forecasts, the higher the fair value |
| Direct capitalisation method | <ul style="list-style-type: none"> • Capitalisation rates from 8.5% to 9.0% (2022: 8.3% to 9.3%) | <ul style="list-style-type: none"> • The higher the capitalisation rates, the lower the fair value |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONT'D)

The external valuers' reports highlighted that the Indonesia 30-year bond yield has remained stable at 6.89% (2022: 7.27%) per annum as of 31 December 2023. This has resulted in discount rates ranging from 11.1% to 13.7% (2022: from 11.5% to 12.6%) per annum being adopted for the valuations.

Sensitivity analysis

1. Discount rates

A hypothetical 10% (2022: 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 \$96,978,000; higher by \$107,680,000 (2022: lower by \$128,887,000; higher by \$149,970,000).

2. Growth rates

A hypothetical 10% (2022: 10%) increase or decrease in rental revenue would have an effect on return before tax of: higher by \$97,753,000; lower by \$97,229,000 (2022: higher by \$84,287,000; lower by \$82,299,000).

3. Terminal discount rates

A hypothetical 10% (2022: 10%) increase or decrease in terminal discount rate would have an effect on return before tax of: lower by \$52,914,000; higher by \$64,965,000 (2022: lower by \$51,893,000; higher by \$63,533,000).

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

14. INVESTMENT PROPERTIES (CONT'D)

The types of property titles in Indonesia held by the Group are as follows: (cont'd)

(b) Agreement-based scheme (formerly known as BOT)

This title gives the Indonesian subsidiaries ("Grantee") the right to build and operate the retail mall for a particular period of time as stipulated in the agreement by the land owner ("Grantor").

An agreement-based scheme is not registered with any Indonesian authority. Rights under an agreement-based 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 Grantor, the Grantee is obliged to pay a certain compensation (as stipulated in the agreement), which may be made in the form of a lump sum or staggered.

An agreement-based scheme is granted for an initial period of 20 to 30 years. Upon expiration of the term of the agreement, (i) the Grantee is required to 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; or (ii) the parties may opt to enter into other forms of agreement in order to have the operational right of the retail mall (i.e., asset utilisation agreement).

(c) Strata title

This title gives the party that 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 see note 32 for more information.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

15. INTANGIBLE ASSETS

| | Group | |
|---------------------------------|---------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Cost | | |
| At beginning of year | 60,806 | 67,319 |
| Additions | – | – |
| Foreign exchange translation | (273) | (6,513) |
| At end of year | <u>60,533</u> | <u>60,806</u> |
| Accumulated amortisation | | |
| At beginning of year | 50,295 | 48,724 |
| Amortisation for the year | 5,406 | 6,813 |
| Foreign exchange translation | (400) | (5,242) |
| At end of year | <u>55,301</u> | <u>50,295</u> |
| Net book value | | |
| At beginning of year | <u>10,511</u> | <u>18,595</u> |
| At end of year | <u>5,232</u> | <u>10,511</u> |

Intangible assets represent unamortised aggregate rental guarantee amounts receivable by the Group from master leases upon acquisitions of Lippo Mall Kuta in 2016, Lippo Plaza Kendari in 2017, Lippo Plaza Jogja in 2017, respectively, and NPI guaranteed amount receivable by the Group upon acquisition of Lippo Mall Puri in 2021. The master leases range from 3 to 5 years and the NPI guaranteed covers the period from the date of acquisition to 31 December 2024. As at 31 December 2023 and 31 December 2022, all master leases had expired.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

15. INTANGIBLE ASSETS (CONT'D)

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

| Property | From | To | 2023 | | 2022 | |
|------------------------|---------------------|---------------------|---|---------------|---|---------------|
| | | | Guaranteed amount equivalent IDR million | in \$'000 | Guaranteed amount equivalent IDR million | in \$'000 |
| Lippo Plaza Kendari | 21 June 2017 | 20 June 2022 | - | - | 7,130 | 662 |
| Lippo Plaza Jogja | 22 December 2017 | 21 December 2022 | - | - | 41,490 | 3,855 |
| Lippo Mall Puri | 27 January 2021 | 31 December 2024 | 340,000 | 29,994 | 340,000 | 31,591 |
| | | | <u>340,000</u> | <u>29,994</u> | <u>388,620</u> | <u>36,108</u> |

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

| | 2023 | | | 2022 | | |
|------------------------|---------------------------------|---------------------------------------|---|---------------------------------|---------------------------------------|---|
| | 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 Plaza Kendari | - | 3,962 | - | 662 | 4,434 | 14.9 |
| Lippo Plaza Jogja | - | 1,870 | - | 3,855 | 5,656 | 68.2 |
| | <u>-</u> | <u>5,832</u> | | <u>4,517</u> | <u>10,090</u> | |

The NPI guarantee for Lippo Mall Puri for the reporting year was \$29,994,000 (2022: \$31,591,000) and actual NPI of the mall was \$30,205,000 (2022: \$25,612,000). 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

16. INVESTMENTS IN SUBSIDIARIES

| | Trust | |
|---------------------------------------|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 |
| Unquoted equity shares, at cost | 988,759 | 988,759 |
| Redeemable preference shares, at cost | 833,372 | 1,039,678 |
| Quasi-equity loans ^(#) | 19,565 | 19,565 |
| Less: Allowance for impairment | (806,662) | (701,872) |
| | <u>1,035,034</u> | <u>1,346,130</u> |

Analysis by amounts denominated in non-functional currencies:

| | | |
|--------|----------------|----------------|
| In USD | 181 | 186 |
| In IDR | <u>313,418</u> | <u>475,542</u> |

^(#) The quasi-equity loans, which are extended to three Singapore subsidiaries, are unsecured, interest-free and with no fixed repayment terms. They are, in substance, part of the Trust's net investment in these subsidiaries.

Movements in allowance for impairment are as follows:

| | Trust | |
|---|------------------|------------------|
| | 2023 \$'000 | 2022 \$'000 |
| At beginning of year | (701,872) | (568,483) |
| Impairment loss charged to profit or loss | (127,857) | (133,389) |
| Reversal of impairment of loss | 23,067 | – |
| At end of year | <u>(806,662)</u> | <u>(701,872)</u> |

The list of subsidiaries is set out in note 37.

Management has assessed there are indicators of impairment for those subsidiaries with shortfalls between cost of investment in subsidiaries and recoverable amount of the investments mainly due to decrease in fair value of the investment properties that the subsidiaries hold as a result of lower expected rental cash flow for certain malls. Based on the assessment, management made net allowance for impairment of \$104,790,000 (2022: \$133,389,000) in the Trust's financial statements.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

17. INVESTMENTS IN JOINT OPERATION

| Name | Place of operation | Principal activities | Proportion of ownership interest held by the Group | |
|---|--------------------|---|--|-----------|
| | | | 2023 % | 2022 % |
| 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 SG Assurance 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 \$16,311,000.

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 2023

18. TRADE AND OTHER RECEIVABLES

| | Group | | Trust | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Trade receivables | | | | |
| Outside parties | 28,443 | 36,089 | - | - |
| Related parties (note 3) | 4,543 | 7,008 | - | - |
| Less: Allowance for impairment | (8,688) | (10,416) | - | - |
| | <u>24,298</u> | <u>32,681</u> | <u>-</u> | <u>-</u> |
| Other receivables | | | | |
| Subsidiaries (note 3) | - | - | 170,620 | 217,774 |
| Related parties (note 3) | 289 | 386 | - | - |
| Other receivables | 4,894 | 8,357 | 79 | 111 |
| Less: Allowance for impairment | (463) | (432) | - | - |
| | <u>4,720</u> | <u>8,311</u> | <u>170,699</u> | <u>217,885</u> |
| | <u>29,018</u> | <u>40,992</u> | <u>170,699</u> | <u>217,885</u> |

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

| | Group | | Trust | |
|---|----------------|-----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| At beginning of year | (10,416) | (12,052) | - | - |
| Reversal of allowance no longer required (note 5) | 1,947 | 1,756 | - | - |
| Charged to profit or loss (note 5) | (211) | (1,244) | - | - |
| Foreign exchanges translation | (8) | 1,124 | - | - |
| At end of year | <u>(8,688)</u> | <u>(10,416)</u> | <u>-</u> | <u>-</u> |

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

| | Group | | Trust | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| At beginning of year | (432) | (1,516) | - | - |
| Reversal of allowance no longer required | - | 952 | - | - |
| Charged to profit or loss | (34) | - | - | - |
| Foreign exchange translation | 3 | 132 | - | - |
| At end of year | <u>(463)</u> | <u>(432)</u> | <u>-</u> | <u>-</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

18. TRADE AND OTHER RECEIVABLES (CONT'D)

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.

Allowance for impairment for trade receivables were made based on the lifetime ECL model adopted by the Manager in accordance with FRS 109 *Financial Instruments*. Lifetime ECL are expected credit losses that result from all possible default events over the expected life of the trade receivables. ECL are the weighted average credit losses with probability of default as the weight. An ECL matrix was set up based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The Manager has also assessed the specific tenants' receivables based on their credit profile and made provisions when collectability of certain receivables is in doubt.

The loss allowance was determined as follows for trade receivables:

| | Group | | | |
|------------------------|----------------|----------------|----------------|----------------|
| | Gross amount | | Loss allowance | |
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current | 15,387 | 18,965 | 64 | 65 |
| 1 to 30 days past due | 1,795 | 2,732 | 72 | 63 |
| 31 to 60 days past due | 485 | 1,284 | 37 | 49 |
| Over 61 days past due | 7,041 | 9,718 | 1,320 | 1,224 |
| | 24,708 | 32,699 | 1,493 | 1,401 |
| Credit impaired | 8,278 | 10,398 | 7,195 | 9,015 |
| | 32,986 | 43,097 | 8,688 | 10,416 |

19. OTHER NON-FINANCIAL ASSETS

| | Group | | Trust | |
|-------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| | Prepayments | 2,252 | 2,609 | 27 |
| Prepaid tax | 9,010 | 9,129 | – | – |
| | 11,262 | 11,738 | 27 | 80 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

20. CASH AND CASH EQUIVALENTS

| | Group | | Trust | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Not restricted in use | 39,725 | 106,975 | 2,678 | 21,094 |
| Restricted in use | 100,609 | 4,062 | 3,668 | 2,245 |
| | <u>140,334</u> | <u>111,037</u> | <u>6,346</u> | <u>23,339</u> |
| Interest earning balances | <u>130,589</u> | <u>105,226</u> | <u>699</u> | <u>20,398</u> |

Included in restricted in use of the Group are: (i) cash pledged for bank facilities totalling \$10,217,000 (2022: \$4,062,000); and (ii) funds withdrawn from the IDR Facility for the purpose of the 2024 Tender Offer that was launched on 16 January 2024 amounting to \$90,392,000 (2022: \$nil). Included in restricted in use of the Trust is cash pledged for bank facilities. The cash pledged for bank facilities is to cover interest payments for bank loans.

The rate of interest for the cash on interest earning accounts is between 1.3% and 4.3% (2022: 0.1% and 3.7%) per annum.

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

| | Group | |
|--|------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Amount as shown above | 140,334 | 111,037 |
| Less: Cash pledged for bank facilities | <u>(100,609)</u> | <u>(4,062)</u> |
| | <u>39,725</u> | <u>106,975</u> |

20A. Non-cash transactions

During the prior reporting year, units amounting to \$1,272,000 were issued as settlement of the Manager's management fees.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

20. CASH AND CASH EQUIVALENTS (CONT'D)

20B. Reconciliation of liabilities arising from financing activities

| | Group | | | |
|---|--------------------------------|----------------------|---|--------------------------|
| | At beginning of year \$'000 | Cash flows \$'000 | Non-cash changes [#] \$'000 | At end of year \$'000 |
| 2023 | | | | |
| Interest-bearing borrowings | 807,947 | 19,450 | (25,918) | 801,479 |
| Finance lease liabilities | 817 | (337) | 96 | 576 |
| Cash pledged for bank facilities | 4,062 | 96,547 | – | 100,609 |
| Total liabilities from financing activities | <u>812,826</u> | <u>115,660</u> | <u>(25,822)</u> | <u>902,664</u> |
| 2022 | | | | |
| Interest-bearing borrowings | 845,134 | (30,080) | (7,107) | 807,947 |
| Finance lease liabilities | 1,022 | (235) | 29 | 817 |
| Cash pledged for bank facilities | 2,223 | 1,839 | – | 4,062 |
| Total liabilities from financing activities | <u>848,379</u> | <u>(28,476)</u> | <u>(7,078)</u> | <u>812,826</u> |

[#] Mainly relates to foreign exchange adjustments on the 2024 Notes and 2026 Notes.

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 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Numerator | | | | |
| Net assets attributable to Unitholders at end of year | <u>433,465</u> | <u>526,978</u> | <u>166,768</u> | <u>375,276</u> |
| Denominator | | | | |
| Units in issue (note 22) | <u>7,696,809,979</u> | <u>7,696,809,979</u> | <u>7,696,809,979</u> | <u>7,696,809,979</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

21. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

| | Group | | Trust | |
|--|--------------|--------------|--------------|--------------|
| | 2023 Cent | 2022 Cent | 2023 Cent | 2022 Cent |
| Net asset value per unit attributable to Unitholders | 5.63 | 6.85 | 2.17 | 4.88 |

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.

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

21. NET ASSET VALUE PER UNIT ATTRIBUTABLE TO UNITHOLDERS (CONT'D)

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% 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 | |
|--|-----------|-----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Total gross borrowings and deferred payments | 723,198 | 819,359 |
| Total deposited property | 1,632,911 | 1,835,672 |
| Aggregated leverage ratio (%) | 44.3% | 44.6% |

The funds set aside with sole purpose for the 2024 Tender Offer announced on 16 January 2024 (see note 20) were excluded from total gross borrowings and deferred payments and the total deposited property to calculate the aggregated leverage ratio in accordance with the Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6 (the "MAS guidelines").

The Group met the aggregate leverage ratio at end of reporting year. The aggregate leverage ratio as at reporting date was maintained at this level despite a decrease in total gross borrowings and deferred payments primarily due to decrease of \$124,234,000 in the valuation of investment properties as at 31 December 2023.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

22. UNITS IN ISSUE

| | Group and Trust | |
|--|-----------------|-----------------|
| | 2023 | 2022 |
| | Number of units | Number of units |
| At beginning of year | 7,696,809,979 | 7,673,336,012 |
| Manager's management fees settled in units | - | 23,473,967 |
| At end of year | 7,696,809,979 | 7,696,809,979 |

The issue price for determining 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 ten 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.

No units were issued during the reporting year.

The following units were issued in the prior reporting year:

- (i) In March 2022, 23,473,967 new units were issued at an issue price of \$0.0542 per unit as payment of performance fee component of the Manager's management fee for the period from 1 April 2021 to 30 June 2021. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last ten business days of the relevant quarter in which the management fees accrued.

23. PERPETUAL SECURITIES

| | Group and Trust | |
|--|-----------------|----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At beginning of year | 256,787 | 259,453 |
| Amount reserved for distribution to perpetual securities holders | - | 14,319 |
| Distribution to perpetual securities holders | - | (16,985) |
| At end of year | 256,787 | 256,787 |

The perpetual securities are classified as equity instruments and recorded in equity in the statements of financial position.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

23. PERPETUAL SECURITIES (CONT'D)

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 19 December 2022, the distribution rate applicable to the \$120.0 million perpetual securities has been reset. The distribution rate in respect of the period from the first reset date (being 19 December 2022) to the immediately following reset date (being 19 December 2027) shall be 8.0960% per annum.

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% per annum.

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.

While the Manager is exploring options to maintain a sustainable capital structure and refinancing and/or extension its maturing loan obligations, in order to conserve cash, the Trust intends not to pay distributions for the \$140.0 million and \$120 million perpetual securities.

There were no distributions accrued or reserved as at 31 December 2023 and 31 December 2022 in respect of the \$140.0 million and \$120.0 million perpetual securities after the last distributions declared and paid on 27 September 2022 and 19 December 2022, respectively.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

24. OTHER FINANCIAL LIABILITIES

| | Group | | Trust | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current | | | | |
| Bank loans (secured) (note 24A) | 351,723 | 110,000 | 88,000 | – |
| Less: Unamortised transaction costs | (6,207) | (2,007) | (1,828) | – |
| | 345,516 | 107,993 | 86,172 | – |
| Senior notes (unsecured) (note 24A) | 188,435 | 567,359 | – | – |
| Less: Unamortised transaction costs | (2,376) | (7,715) | – | – |
| | 186,059 | 559,644 | – | – |
| Finance leases (note 24B) | 548 | 692 | – | – |
| | 532,123 | 668,329 | 86,172 | – |
| Current | | | | |
| Bank loans (secured) (note 24A) | 25,586 | 142,000 | 11,000 | 142,000 |
| Less: Unamortised transaction costs | (2,714) | (1,690) | (1,162) | (1,690) |
| | 22,872 | 140,310 | 9,838 | 140,310 |
| Senior notes (unsecured) (note 24A) | 247,846 | – | – | – |
| Less: Unamortised transaction costs | (814) | – | – | – |
| | 247,032 | – | – | – |
| Finance leases (note 24B) | 28 | 125 | – | – |
| | 269,932 | 140,435 | 9,838 | 140,310 |
| | 802,055 | 808,764 | 96,010 | 140,310 |
| Due within 2 to 5 years | 400,497 | 668,329 | 86,172 | – |
| Due after 5 years | 131,626 | – | – | – |
| | 532,123 | 668,329 | 86,172 | – |

Where secured, bank loans are collateralised by:

- mortgages on certain investment properties;
- assignment of all rights and benefits to sale, receivable, certain bank accounts and insurance proceeds in respect of certain investment properties; and
- pledge of shares of certain subsidiaries of the Trust.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

24. OTHER FINANCIAL LIABILITIES (CONT'D)

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

| | Group | | Trust | |
|--------------------------|---------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Bank loans (secured) | 6.3% to 8.00% | 3.67% to 6.06% | 6.30% to 7.33% | 3.67% to 6.06% |
| Senior notes (unsecured) | 10.52% | 8.07% | 10.52% | 8.07% |

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

| | Group | |
|--------------------------|----------------|----------------|
| | 2023 | 2022 |
| Senior notes (unsecured) | 6.71% to 7.50% | 6.71% to 7.50% |
| Finance leases | 14.00% | 14.00% |

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

| | Group | | Trust | |
|--------------------------|-------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| Bank loans (secured) | 8.20% | 5.81% | 8.39% | 5.47% |
| Senior notes (unsecured) | 8.98% | 7.90% | 8.98% | 7.90% |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

24. OTHER FINANCIAL LIABILITIES (CONT'D)

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

| | Notes | Maturity | Interest rate | 2023 \$'000 | 2022 \$'000 |
|---|-------|---------------|------------------|----------------|----------------|
| Current borrowings | | | | | |
| SGD floating rate term loans | 1 | November 2026 | Margin + SORA # | 22,000 | 135,000 |
| IDR floating rate term loan | 2 | June 2034 | Margin + BI7DRR* | 3,586 | – |
| 2024 Notes | 3 | June 2024 | 7.25% | 247,846 | – |
| Committed revolving floating rate loan facility | 4 | August 2023 | Margin + SORA # | – | 7,000 |
| Non-current borrowings | | | | | |
| SGD floating rate term loans | 1 | November 2026 | Margin + SORA # | 176,000 | 110,000 |
| IDR floating rate term loan | 2 | June 2034 | Margin + BI7DRR* | 175,723 | – |
| 2024 Notes | 3 | June 2024 | 7.25% | – | 322,200 |
| 2026 Notes | 3 | February 2026 | 7.50% | 188,435 | 245,159 |
| | | | | <u>813,590</u> | <u>819,359</u> |

SORA refers to Singapore Overnight Rate Average

* BI7DRR refers to BI 7-Day (Reverse) Repo Rate

Note

1. SGD floating rate term loans

On 16 October 2023, the Group entered into the ARA Facility Agreements in respect of SGD term loans with total outstanding loans of \$245,000,000 in aggregate, which are originally maturing in November 2023, January 2024 and January 2026 respectively. Under the ARA Facility Agreements, out of the total outstanding loans of \$245,000,000, \$47,000,000 had been settled on 3 November 2023, while the remaining had been extended with a final maturity in November 2026. Certain properties were provided as collateral to the Lenders under the ARA Facility Agreements.

2. IDR floating rate term loan

On 11 December 2023, the Group obtained the IDR Facility up to IDR2.5 trillion (equivalent to \$213.5 million) with a final maturity in June 2034, subject to receiving the requisite consents from holders of the 2024 Notes and 2026 Notes for the amendment of certain provisions of the Indentures governing the Notes, respectively, through the Consent Solicitation Exercises.

The proceeds from the IDR Facility are used to finance the repurchase of the Group's 2024 Notes and 2026 Notes and its related costs. The Group has drawdown IDR2.1 trillion (\$179.3 million) and utilised IDR1.04 trillion (\$88.9 million) as of 31 December 2023. The unutilised cash that was drawdown from the IDR Facility is included in restricted cash (see note 20).

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

24. OTHER FINANCIAL LIABILITIES (CONT'D)

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

Note (cont'd)

3. USD fixed rate Guaranteed Senior Notes

The Trust, through a wholly-owned subsidiary, issued US\$250.0 million 2024 Notes due in 2024 on 19 June 2019 and US\$200.0 million 2026 Notes due in 2026 on 9 February 2021.

Cross currency swap agreements were entered into to swap the original principal amount of US\$250.0 million of 2024 Notes into SGD with a weighted average fixed interest rate of 6.71% per annum, and to swap US\$180.0 million of the US\$200.0 million of 2026 Notes into SGD with a weighted average interest rate of margin plus 6-month SORA per annum. Please refer to note 28B for more information.

During the reporting year, a wholly-owned subsidiary of the Trust launched the 2023 Tender Offer and the Consent Solicitation Exercises. It has received valid requisite consents pursuant to the Consent Solicitation Exercises and the Group drawdown from the IDR Facility, repurchased and cancelled US\$43.5 million of the 2024 Notes and US\$38.5 million of the 2026 Notes pursuant to the 2023 Tender Offer, respectively.

Subsequent to the year ended 31 December 2023, on 16 January 2024, the wholly-owned subsidiary of the Trust launched the 2024 Tender Offer, pursuant to which the Trust repurchased and cancelled US\$49.8 million of the 2024 Notes and US\$28.4 million of the 2026 Notes, respectively.

Following the 2023 Tender Offer and 2024 Tender Offer, the outstanding 2024 Notes of US\$188.3 million (\$247.8 million) (2022: US\$238.8 million (\$322.2 million)) as at 31 December 2023 was reduced to US\$138.4 million (\$182.2 million) as at the date of these financial statements, and the outstanding 2026 Notes of US\$143.2 million (\$188.4 million) as at 31 December 2023 was reduced to US\$114.7 million (\$151.0 million) as at the date of these financial statements.

During the prior reporting year, the Trust repurchased and cancelled an aggregate principal amount of US\$11.2 million of 2024 Notes and US\$18.3 million of 2026 Notes from the open market using internal funding.

The fair value of the US\$188.3 million (2022: US\$238.8 million) 2024 Notes (Level 1) is \$192.2 million (2022: \$227.8 million), and the fair value of the US\$143.2 million (2022: US\$181.7 million) 2026 Notes (Level 1) is \$125.7 million (2022: \$148.9 million).

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

24. OTHER FINANCIAL LIABILITIES (CONT'D)

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

Note (cont'd)

4. Committed revolving floating rate loan facility

On 18 August 2021, the Group obtained a committed \$30.0 million revolving loan facility for a period of 2 years till August 2023, and drew down \$7.0 million in August 2021 from the facility. The facility has been fully repaid in April 2023.

On 13 February 2023, Moody's downgraded the corporate family rating of the Trust and the Senior Notes to Caa1. Subsequently, on 29 January 2024, both the corporate family rating and the Senior Notes were further downgraded to Caa3 and to Ca respectively, with the outlook on all ratings remains negative.

On 20 February 2023, Fitch downgraded the Long-Term Issue Default Rating (IDR) of the Senior Notes to CCC+, followed by further downgrades to CCC on 9 March 2023, CCC- on 6 April 2023 and C on 2 January 2024. Subsequently, the rating was re-rated to CC on 5 January 2024, downgraded again to C on 26 January 2024 and re-rated back to CC on 31 January 2024. The recovery rating remains at RR4.

The foregoing reflects rating agencies' views of the Trust's refinancing risk, given that US\$138.4 million of the 2024 Notes will be due in June 2024.

The senior notes are listed on the SGX-ST.

24B. Finance leases

Finance lease is for the agreement-based scheme fees payable.

The fixed rate of interest for finance leases is 14.00% (2022: 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 2023

25. OTHER NON-FINANCIAL LIABILITIES, NON-CURRENT

| | Group | |
|-----------------------------|--------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Advance payments by tenants | 75,178 | 77,956 |

This relates to rental received in advance from certain tenants.

The Group collects advance rental payment from tenants for new leases, which is up to 20% of total rental of the lease agreement and is amortised to statement of total return as rental revenue over the lease tenure.

26. TRADE AND OTHER PAYABLES

| | Group | | Trust | |
|--|--------|--------|---------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Other payables, non-current | | | | |
| Loans payable to LMIRT Capital | – | – | 292,300 | 692,269 |
| Trade payables, current | | | | |
| Outside parties and accrued liabilities | 41,488 | 32,472 | 15,061 | 9,006 |
| Related parties (note 3) | 1,002 | 2,505 | – | – |
| | 42,490 | 34,977 | 15,061 | 9,006 |
| Other payables, current | | | | |
| Loans payable to LMIRT Capital | – | – | 281,902 | – |
| Loans payable to other subsidiaries ^(#) | – | – | 43,395 | 45,467 |
| Subsidiaries (note 3) | – | – | 19,367 | 20,369 |
| Other payables | 8,589 | 11,168 | – | – |
| | 8,589 | 11,168 | 344,664 | 65,836 |
| | 51,079 | 46,145 | 359,725 | 74,842 |
| | 51,079 | 46,145 | 652,025 | 767,111 |

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

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

^(#) Included in this balance are amounts due to other subsidiaries amounting to \$43,395,000 (2022: \$45,467,000) that are unsecured, bear fixed interest ranging from 5.00% to 9.35% (2022: 5.00% to 9.35%) per annum and with a fixed term of repayment. The carrying amount is a reasonable approximation of fair value (Level 2).

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

27. OTHER NON-FINANCIAL LIABILITIES, CURRENT

| | Group | |
|--------------------------------|--------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Security deposits from tenants | 46,614 | 44,430 |

The Group typically collects security deposits from tenants for new leases, which may be (1) subject to adjustment upon renewal or variation of the leasing terms and conditions agreed by the parties and (2) refundable upon expiry of lease agreement subject to no rental in arrears.

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 | |
|--|-----------------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Derivatives with negative fair values | | |
| Currency option contracts (note 28A) | – | 28 |
| Cross currency interest rate swap contracts (note 28B) | 40,516 | 47,922 |

Movements during the year are as follows:

| | | |
|---|---------|--------|
| At beginning of year | 47,950 | 12,971 |
| Fair value changes recognised in profit or loss | (3,184) | 29,849 |
| Reset amount payable | (4,250) | 5,130 |
| At end of year | 40,516 | 47,950 |

Presented in statements of financial position as:

| | | |
|-------------------------|--------|--------|
| Non-current liabilities | 26,586 | 47,922 |
| Current liabilities | 13,930 | 28 |
| | 40,516 | 47,950 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28A. Currency option contracts

| | Notional amounts | | Reference currency | Maturity | | Fair value | |
|---------------------------|------------------|----------------|-----------------------|----------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | | 2023 | 2022 | 2023 \$'000 | 2022 \$'000 |
| Currency option contracts | - | 60,210 | IDR | - | August 2023 | - | (28) |

There were no outstanding currency option contracts as of 31 December 2023.

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.

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.

28B. Cross currency interest rate swap contracts

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

| | Notional amounts | | Interest rate hedged | | Fair value | |
|------------|------------------|----------------|----------------------|---------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 per annum | 2022 per annum | 2023 \$'000 | 2022 \$'000 |
| 2024 Notes | 341,683 | 341,683 | 6.71% | 6.71% | (13,930) | (11,270) |
| 2026 Notes | 238,904 | 238,904 | Margin + 6m SORA | Margin + 6m SORA | (26,586) | (36,652) |

Cross currency interest rate swap agreements were entered into to swap US\$180.0 million of the 2026 Notes into SGD with a weighted average interest rate of margin plus 6-month SORA per annum.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

28C. 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 currency option contracts is based on option models. The valuation technique uses market observable inputs including forward rate curves and annualised volatility of exchange rate.

The valuation techniques applied on cross currency interest rate swap contracts include forward pricing, swap models, and present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, and interest rates. For these financial instruments, inputs into models are market observable (Level 2).

29. FINANCIAL RATIOS

| | Group | | Trust | |
|---|-------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| Expenses to average net assets ratio – excluding performance related fee ⁽¹⁾ | 1.73% | 1.08% | 2.16% | 1.06% |
| Expenses to average net assets ratio – including performance related fee ⁽¹⁾ | 2.39% | 1.67% | 3.08% | 1.78% |
| 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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 | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial assets | | | | |
| Financial assets at amortised cost | 169,352 | 152,029 | 177,045 | 241,224 |
| Financial liabilities | | | | |
| Financial liabilities at FVTPL | 40,516 | 47,950 | 40,516 | 47,950 |
| Financial liabilities at amortised cost | 853,134 | 854,909 | 748,035 | 907,421 |
| | 893,650 | 902,859 | 788,551 | 955,371 |

Further quantitative disclosures are included throughout these financial statements.

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group'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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30C. Fair value of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the 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.

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.

Please refer to note 20 for 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 2023

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

30E. Liquidity risk

The following table analyses remaining contractual maturity (including derivative financial liabilities) of the Group and the Trust based on contractual undiscounted cash flows:

| | Less than 1 year \$'000 | 1 to 3 years \$'000 | 3 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|------------------|
| 2023 | | | | | |
| Group | | | | | |
| Gross borrowings commitments | 318,204 | 440,871 | 48,889 | 166,743 | 974,707 |
| Gross-settled cross currency interest rate swaps | | | | | |
| – Payments | 382,853 | 267,151 | – | – | 650,004 |
| – Receipts | (358,771) | (256,579) | – | – | (615,350) |
| Gross finance lease obligations | 111 | 224 | 159 | 1,112 | 1,606 |
| Trade and other payables | 51,079 | – | – | – | 51,079 |
| | <u>393,476</u> | <u>451,667</u> | <u>49,048</u> | <u>167,855</u> | <u>1,062,046</u> |
| Trust | | | | | |
| Gross borrowings commitments | 17,054 | 99,030 | – | – | 116,084 |
| Gross-settled cross currency interest rate swaps | | | | | |
| – Payments | 382,853 | 267,151 | – | – | 650,004 |
| – Receipts | (358,771) | (256,579) | – | – | (615,350) |
| Trade and other payables | 361,103 | 296,689 | – | – | 657,792 |
| | <u>402,239</u> | <u>406,291</u> | <u>–</u> | <u>–</u> | <u>808,530</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30E. Liquidity risk (cont'd)

| | Less than 1 year \$'000 | 1 to 3 years \$'000 | 3 to 5 years \$'000 | Over 5 years \$'000 | Total \$'000 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|------------------|
| 2022 | | | | | |
| Group | | | | | |
| Gross borrowings commitments | 195,757 | 455,432 | 274,697 | - | 925,886 |
| Gross-settled cross currency interest rate swaps | | | | | |
| – Payments | 47,327 | 390,706 | 241,016 | - | 679,049 |
| – Receipts | (42,670) | (384,814) | (244,788) | - | (672,272) |
| Gross finance lease obligations | 217 | 225 | 190 | 1,198 | 1,830 |
| Trade and other payables | 46,145 | - | - | - | 46,145 |
| | <u>246,776</u> | <u>461,549</u> | <u>271,115</u> | <u>1,198</u> | <u>980,638</u> |
| Trust | | | | | |
| Gross borrowings commitments | 148,572 | - | - | - | 148,572 |
| Gross-settled cross currency interest rate swaps | | | | | |
| – Payments | 47,327 | 390,706 | 241,016 | - | 679,049 |
| – Receipts | (42,670) | (384,814) | (244,788) | - | (672,272) |
| Trade and other payables | 125,539 | 459,172 | 282,354 | - | 867,065 |
| | <u>278,768</u> | <u>465,064</u> | <u>278,582</u> | <u>-</u> | <u>1,022,414</u> |

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. 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30E. Liquidity risk (cont'd)

| | Group | | Trust | |
|-------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Undrawn bank facilities | 34,154 | 23,000 | – | 23,000 |

As at 31 December 2023, the Group and the Trust have undrawn bank facilities amounting to \$34.2 million (2022: \$23.0 million) and nil (2022: \$23.0 million) from IDR Facility (2022: committed revolving loan facility) respectively. The details of the facilities are disclosed in note 24A.

A schedule showing maturity of financial liabilities and unused bank facilities is provided regularly to management of the Manager to assist in monitoring 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 certain debt repayment obligations. The Trust's structure necessitates raising funds through debt financing or refinancing and the capital markets to fund strategic acquisitions and capital expenditures.

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 | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Financial liabilities with interest | | | | |
| Fixed rates | 247,846 | 324,494 | 284,462 | 369,961 |
| Floating rates | 565,743 | 494,865 | 386,435 | 494,865 |
| | 813,589 | 819,359 | 670,897 | 864,826 |

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 cross currency interest rate swaps contracts to swap foreign currencies interest into fixed Singapore dollar interest, as described in note 28B.

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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30F. Interest rate risk (cont'd)

Sensitivity analysis

An effect of change of 100 basis point ("bps") in interest rates at the reporting date would have increased/(decreased) profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| | Group | | Trust | |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 100bps increase \$'000 | 100bps decrease \$'000 | 100bps increase \$'000 | 100bps decrease \$'000 |
| 2023 | | | | |
| Unhedged variable rate instruments | (5,657) | 5,657 | (3,864) | 3,864 |
| 2022 | | | | |
| Unhedged variable rate instruments | (4,949) | 4,949 | (4,949) | 4,949 |

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 2023

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

30G. Foreign currency risk

Analysis of amounts denominated in non-functional currencies:

| | SGD \$'000 | Group USD \$'000 | Total \$'000 |
|------------------------------------|---------------|------------------------|-----------------|
| 2023 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 1 | 1,539 | 1,540 |
| Trade and other receivables | 34,905 | – | 34,905 |
| | <u>34,906</u> | <u>1,539</u> | <u>36,445</u> |
| Financial liabilities | | | |
| Loans and borrowings | – | 436,280 | 436,280 |
| Trade and other payables | – | 6,134 | 6,134 |
| | <u>–</u> | <u>442,414</u> | <u>442,414</u> |
| Net financial assets/(liabilities) | 34,906 | (440,875) | (405,969) |
| Cross currency interest rate swaps | – | 573,763 | 573,763 |
| Net currency exposure | <u>34,906</u> | <u>132,888</u> | <u>167,794</u> |
| 2022 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 554 | 237 | 791 |
| Trade and other receivables | 35,505 | – | 35,505 |
| | <u>36,059</u> | <u>237</u> | <u>36,296</u> |
| Financial liabilities | | | |
| Loans and borrowings | – | 567,359 | 567,359 |
| Trade and other payables | – | 7,980 | 7,980 |
| | <u>–</u> | <u>575,339</u> | <u>575,339</u> |
| Net financial assets/(liabilities) | 36,059 | (575,102) | (539,043) |
| Cross currency interest rate swaps | – | 588,126 | 588,126 |
| Net currency exposure | <u>36,059</u> | <u>13,024</u> | <u>49,083</u> |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30G. Foreign currency risk (cont'd)

| | IDR \$'000 | Trust USD \$'000 | Total \$'000 |
|------------------------------------|---------------|------------------------|-----------------|
| 2023 | | | |
| Financial assets | | | |
| Cash and cash equivalents | – | 1,511 | 1,511 |
| Trade and other receivables | 75,203 | – | 75,203 |
| | <u>75,203</u> | <u>1,511</u> | <u>76,714</u> |
| Financial liabilities | | | |
| Loans and borrowings | 2,207 | 486,230 | 488,437 |
| | <u>2,207</u> | <u>486,230</u> | <u>488,437</u> |
| Net financial assets/(liabilities) | 72,996 | (484,719) | (411,723) |
| Cross currency interest rate swaps | – | 573,763 | 573,763 |
| Net currency exposure | <u>72,996</u> | <u>89,044</u> | <u>162,040</u> |
| 2022 | | | |
| Financial assets | | | |
| Cash and cash equivalents | – | 141 | 141 |
| Trade and other receivables | 76,927 | – | 76,927 |
| | <u>76,927</u> | <u>141</u> | <u>77,068</u> |
| Financial liabilities | | | |
| Loans and borrowings | 5,198 | 586,737 | 591,935 |
| | <u>5,198</u> | <u>586,737</u> | <u>591,935</u> |
| Net financial assets/(liabilities) | 71,729 | (586,596) | (514,867) |
| Cross currency interest rate swaps | – | 588,126 | 588,126 |
| Net currency exposure | <u>71,729</u> | <u>1,530</u> | <u>73,259</u> |

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, IDR Facility was obtained (see note 24) to finance the repurchase of 2024 Notes and 2026 Notes denominated in USD and currency option contracts (see note 28A) were entered into to take into consideration of anticipated revenues in IDR over operating expenses in prior year; and
- USD currency risk arise from the Group's 2024 Notes and 2026 Notes whose functional currency is in SGD, have been substantially hedged using the cross currency interest rate swap contracts that mature on the same dates that the senior notes are due from repayment. Note 28B illustrates the cross currency swaps derivatives in place at end of reporting year.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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

30G. Foreign currency risk (cont'd)

The Group's main foreign currency exposure is in SGD and USD. If the SGD and USD change against the functional currency of IDR and SGD by 10% (2022: 10%) with all other variables including tax being held constant, the effects on total return for the year arising from the net financial asset/liability position will be as follows:

| | Group | |
|---|---------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| A hypothetical 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: | 3,491 | 3,606 |
| A hypothetical 10% strengthening in exchange rate of functional currency SGD against USD with all other variables held constant would have an adverse effect on total return before tax of: | <u>13,289</u> | <u>1,302</u> |

| | Trust | |
|---|---------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| A hypothetical 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: | 6,636 | 7,173 |
| A hypothetical 10% strengthening in exchange rate of functional currency SGD against USD with all other variables held constant would have an adverse effect on total return before tax of: | <u>8,904</u> | <u>153</u> |

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 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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 estimated to amount to \$5,209,000 (2022: \$4,916,000).

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 | |
|----------------------------|----------------|----------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Not later than one year | 71,563 | 80,900 |
| Between 1 and 2 years | 51,244 | 58,616 |
| Between 2 and 3 years | 37,415 | 36,638 |
| Between 3 and 4 years | 24,773 | 23,548 |
| Between 4 and 5 years | 10,828 | 14,733 |
| More than five years | 7,100 | 8,588 |
| | <u>202,923</u> | <u>223,023</u> |
| Rental income for the year | <u>110,569</u> | <u>119,206</u> |

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 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.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

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. 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 |
|---|--|
| Amendments to FRS 12 | Deferred tax related to Assets and Liabilities arising from a Single Transaction – Amendments to |
| Amendments to FRS 12 | International Tax Reform – Pillar Two Model Rules – Amendments to |
| Amendment to FRS 1 and FRS Practice Statement 2 | Disclosure of Accounting Policies – Amendments to |
| Amendments to FRS 8 | Definition of Accounting Estimates |

The application of these amendments to standards and interpretations does not have a material effect on the financial statements, except for the following:

- (i) Global minimum top-up tax

The Amendments to FRS 12: International Tax Reform – Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, the amendments have no impact on the Group as the Group's consolidated revenue is less than EUR 750 million/year and it is not in scope of the Pillar Two model rules.

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

34. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS (CONT'D)

(ii) Material accounting policy information

The Group adopted Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies for the first time in financial year 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Manager reviewed the accounting policies and made updates to the information disclosed in note 2 Material accounting policy information (2022: Significant accounting policies) in certain instances in line with the amendments.

35. 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 2024 |
| FRS 1 | Presentation of Financial Statements – amendment relating to Non-current Liabilities with Covenants | 1 January 2024 |
| FRS 7 and FRS 107 | Supplier Finance Arrangements (amendment) | 1 January 2024 |
| FRS 116 | Lease Liability in a Sale and Leaseback (amendments) | 1 January 2024 |
| FRS 21 | The Effect of Changes in Foreign Exchange Rates (amendment) Lack of Exchangeability | 1 January 2025 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

36. EVENTS AFTER REPORTING YEAR

2024 Tender Offer

On 16 January 2024, with the remaining balances of the IDR Facility, LMIRT Capital Pte. Ltd., a wholly-owned subsidiary of the Trust launched the 2024 Tender Offer, pursuant to which the Trust repurchased and cancelled US\$49,846,000 of the 2024 Notes and US\$28,435,000 of the 2026 Notes, respectively.

Following the 2024 Tender Offer, the outstanding 2024 Notes was reduced from US\$188,290,000 as at 31 December 2023 to US\$138,444,000 at the date of these financial statements and the 2026 Notes was reduced from US\$143,155,000 as at 31 December 2023 to US\$114,720,000 as the date of these financial statements.

Cooperation agreement for Cibubur Junction

On 31 January 2024, Cibubur Junction's right to operate has been granted up to 29 July 2045. Had the cooperation agreement been entered by 31 December 2023, the valuation of the property would have been IDR416.5 billion (equivalent to \$35,560,000) in place of IDR65.7 billion (equivalent to \$5,613,000).

37. LISTING OF SUBSIDIARIES

All the subsidiaries are wholly owned. The subsidiaries held by the Trust and the Group are listed below:

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|--------------------------------|--------------------------|----------------------|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust</i> | | | | |
| Gajah Mada Investments Pte Ltd | Singapore | Investment holding | 26,569 | 76,173 |
| Mal Lippo Investments Pte Ltd | Singapore | Investment holding | 40,057 | 43,525 |
| 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 | 48,101 | 48,233 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|------------------------------------|--------------------------|----------------------|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust (cont'd)</i> | | | | |
| 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 | 16,585 | 16,809 |
| Serpong Properties Pte Ltd | Singapore | Investment holding | 13,601 | 13,601 |
| 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 | 43,547 | 43,569 |
| Madiun Properties Pte Ltd | Singapore | Investment holding | 22,289 | 22,348 |
| 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 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|--------------------------------------|--------------------------|----------------------|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust (cont'd)</i> | | | | |
| EP International Investments Pte Ltd | Singapore | Investment holding | 60 | 60 |
| Plaza Semanggi Investments Pte Ltd | Singapore | Investment holding | 161 | 161 |
| PV International Holdings Pte Ltd | Singapore | Investment holding | 169,306 | 174,006 |
| Pluit Village Investments Pte Ltd | Singapore | Investment holding | 29,189 | 29,189 |
| PMF Holdings Pte Ltd | Singapore | Investment holding | 28,299 | 28,299 |
| 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 | 192,313 | 323,191 |
| Pejaten Holdings Pte Ltd | Singapore | Investment holding | 84,426 | 87,008 |
| Super Binjai Investment Pte Ltd | Singapore | Investment holding | 19,012 | 19,012 |
| Pejatenmall Investment Pte Ltd | Singapore | Investment holding | 2,072 | 2,151 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|-----------------------------------|--------------------------|--------------------------------|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust (cont'd)</i> | | | | |
| 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 | 64,050 | 73,643 |
| Picon2 Investments Pte Ltd | Singapore | Investment holding | 5,668 | 5,668 |
| Kuta1 Holdings Pte Ltd | Singapore | Investment holding | 83,116 | 83,116 |
| Kuta2 Investments Pte Ltd | Singapore | Investment holding | 4,320 | 4,320 |
| Icon2 Investments Pte Ltd | Singapore | Investment holding | 42,314 | 47,280 |
| 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 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|-----------------------------------|--------------------------|--|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust (cont'd)</i> | | | | |
| 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 | Investment holding | 6,270 | 6,270 |
| PT Panca Permata Pejaten | Indonesia | Owner of Kediri Town Square | 24,532 | 24,532 |
| PT Benteng Teguh Perkasa | Indonesia | Owner of Lippo Plaza Kramat Jati | 10,263 | 10,263 |
| PT Cahaya Megah Nusantara | Indonesia | Owner of Tamini Square | 2,566 | 2,566 |
| PT Jaya Integritas | Indonesia | Owner of Palembang Square | 2,566 | 2,566 |
| PT Palembang Paragon Mall | Indonesia | Owner of Palembang Square Extension | 4,362 | 4,362 |
| PT Cahaya Bimasakti Nusantara | Indonesia | Dormant | 2,566 | 2,566 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|-----------------------------------|--------------------------|---|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Held by the Trust (cont'd)</i> | | | | |
| 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 Sejahtera 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 | 76,049 |

Notes to the Financial Statements (cont'd)

YEAR ENDED 31 DECEMBER 2023

37. LISTING OF SUBSIDIARIES (CONT'D)

| Name of subsidiary | Country of incorporation | Principal activities | Cost | |
|---|--------------------------|---|----------------|----------------|
| | | | 2023 \$'000 | 2022 \$'000 |
| <i>Joint operations held by subsidiary, Icon2 Investments Pte Ltd</i> | | | | |
| PT Yogya Central Terpadu | Indonesia | Owner of Lippo Plaza Jogja and Siloam Hospital Yogyakarta | 14,250 | 14,250 |

* Amount less than \$1,000.

The subsidiaries incorporated in Indonesia are audited by RSM Amir Abadi Jusuf, Aryanto, Mawar & Rekan, a member firm of RSM International of which RSM SG Assurance LLP in Singapore is a member.

The subsidiaries incorporated in Singapore are audited by RSM SG Assurance 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 2023

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 Interested Person | Nature of relationship | Aggregate value of all interested person transactions during FY 2023 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 | Controlling shareholder of the Manager and controlling Unitholder, and its subsidiaries and associates | | |
| – Manager's management fees expense | | 9,543 | – |
| – Property management fees expense | | 6,719 | – |
| – Rental revenue and service charge | | 25,474 | – |
| – Services | | 12,023 | – |
| Perpetual (Asia) Limited | | | |
| – Trustee's fees | Trustee | 423 | – |

⁽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 2007 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 2023, the issued and subscribed units as at 31 December 2023 is an aggregate of 7,696,809,979 units.

Statistics of Unitholdings

AS AT 20 MARCH 2024

DISTRIBUTION OF UNITHOLDINGS

| Size of Unitholdings | No. of Unitholders | % | No. of Units | % |
|----------------------|--------------------|---------------|----------------------|---------------|
| 1 – 99 | 40 | 0.39 | 678 | 0.00 |
| 100 – 1,000 | 349 | 3.44 | 239,700 | 0.00 |
| 1,001 – 10,000 | 2,444 | 24.07 | 15,794,230 | 0.21 |
| 10,001 – 1,000,000 | 7,112 | 70.06 | 810,662,691 | 10.53 |
| 1,000,001 AND ABOVE | 207 | 2.04 | 6,870,112,680 | 89.26 |
| TOTAL | 10,152 | 100.00 | 7,696,809,979 | 100.00 |

TWENTY LARGEST UNITHOLDERS

| No. | Name | No. of Units | % |
|-----|--|----------------------|--------------|
| 1 | CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. | 3,632,049,682 | 47.19 |
| 2 | CITIBANK NOMINEES SINGAPORE PTE LTD | 1,251,229,190 | 16.26 |
| 3 | DBS NOMINEES (PRIVATE) LIMITED | 326,936,578 | 4.25 |
| 4 | DB NOMINEES (SINGAPORE) PTE LTD | 250,505,600 | 3.25 |
| 5 | OCBC SECURITIES PRIVATE LIMITED | 142,548,220 | 1.85 |
| 6 | RAFFLES NOMINEES (PTE.) LIMITED | 129,916,421 | 1.69 |
| 7 | PHILLIP SECURITIES PTE LTD | 88,237,920 | 1.15 |
| 8 | HSBC (SINGAPORE) NOMINEES PTE LTD | 72,823,039 | 0.95 |
| 9 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 56,503,291 | 0.73 |
| 10 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 51,713,823 | 0.67 |
| 11 | LMIRT MANAGEMENT LTD. | 48,075,671 | 0.62 |
| 12 | MAYBANK SECURITIES PTE. LTD. | 43,477,001 | 0.56 |
| 13 | MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD | 40,371,541 | 0.52 |
| 14 | NG HWEE KOON | 34,135,700 | 0.44 |
| 15 | KO OON JOO | 30,452,100 | 0.40 |
| 16 | WIRTZ JOCHEN | 24,805,400 | 0.32 |
| 17 | IFAST FINANCIAL PTE. LTD. | 24,625,640 | 0.32 |
| 18 | TJANDRA TJAKRAWINATA @ CHOW CHARLES | 19,229,600 | 0.25 |
| 19 | HENG SIEW ENG | 18,587,800 | 0.24 |
| 20 | NG THIAN SAI | 16,546,200 | 0.21 |
| | TOTAL | 6,302,770,417 | 81.87 |

Statistics of Unitholdings (cont'd)

AS AT 20 MARCH 2024

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 20 March 2024)

| | 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 | – | 3,652,141,233 |
| 4. PT Inti Anugerah Pratama ("IAP") ² | – | 3,652,141,233 |
| 5. PT Triyaja Utama Mandiri ("TUM") ³ | – | 3,652,141,233 |
| 6. James Tjahaja Riady ("JTR") ⁴ | – | 3,652,141,233 |
| 7. Fullerton Capital Limited ("Fullerton") ⁵ | – | 3,652,141,233 |
| 8. Sinovex Limited ("Sinovex") ⁶ | – | 3,652,141,233 |
| 9. Dr Stephen Riady ("SR") ⁷ | – | 3,652,141,233 |
| 10. Tokyo Century Corporation ("TCC") ⁸ | 874,912,770 | – |
| 11. ITOCHU Corporation ⁸ | – | 874,912,770 |

Notes:

- 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.
- IAP holds more than 50% interest in the Sponsor and is therefore deemed to be interested in Sponsor's deemed interest in 3,652,141,233 Units comprising of 48,075,671 units held by the Manager and 3,604,065,562 units held by BIL.
- TUM holds 60% interest in IAP which is the intermediate holding company of the Manager. Accordingly, TUM has a deemed interest in 48,075,671 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.
- JTR effectively holds 100% interest in TUM and is therefore deemed to be interested in TUM's deemed interest.
- Fullerton holds 40% interest in IAP and is therefore deemed to be interested in IAP's deemed interest of 3,652,141,233 Units.
- Sinovex is the holding company of Fullerton and is therefore deemed to be interested in Fullerton's deemed interest of 3,652,141,233 Units.
- 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 3,652,141,233 Units comprising of 48,075,671 units held by the Manager and 3,604,065,562 units held by BIL.
- 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 2024)

| | No. of Units Direct Interest | No. of Units Deemed Interest |
|-----------------------|---------------------------------|---------------------------------|
| 1. Mark Leong Kei Wei | 150,000 | – |

FREE FLOAT

Based on the information made available to the Manager as at 20 March 2024, approximately 41.18% 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 20 March 2024, LMIR Trust does not hold any treasury units and there is no subsidiary holdings.

Notice of Annual General Meeting of the Unitholders



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

NOTICE OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS OF

LIPPO MALLS INDONESIA RETAIL TRUST

NOTICE IS HEREBY GIVEN that the Fifteenth 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 physically at Village Hotel Changi, Basement 1, Square Ballroom, 1 Netheravon Road, Singapore 508502 on **Thursday, 25 April 2024 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 2023 together with the Auditors’ Report thereon.

(Ordinary Resolution 1)

2. To re-appoint RSM SG Assurance LLP (formerly known as 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

Notice of Annual General Meeting of the Unitholders (cont'd)

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

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Units arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time of the passing of this Resolution;
 - (b) new Units arising from exercising unit options or vesting of unit awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting of LMIR Trust, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of LMIR Trust or (ii) the date by which the next AGM of LMIR Trust is required by law to be held, whichever is earlier or (iii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

Notice of Annual General Meeting of the Unitholders (cont'd)

- (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. 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

Eunice Hooi Lai Fann

Company Secretary

Singapore

3 April 2024

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.

Notice of Annual General Meeting of the Unitholders (cont'd)

IMPORTANT NOTICE:

1. The AGM will be held physically at Village Hotel Changi, Basement 1, Square Ballroom, 1 Netheravon Road, Singapore 508502 on **Thursday, 25 April 2024 at 10:00 a.m. (Singapore Time)**. Any reference to a time of day is made by reference to Singapore time.

Printed copies of this Notice of AGM ("**Notice**") will be sent to Unitholders. In addition, this Notice will be made available electronically via publication on LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. Arrangements relating to attendance at the AGM, submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM and voting at the AGM (i) by the Unitholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on the Unitholders' behalf at the AGM, are set out in the paragraphs below.
3. Question and answer and AGM minutes

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) or corporate representative(s), can submit questions in advance of, or at, the AGM.

Submit questions in advance of the AGM

Unitholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Manager no later than **5:00 p.m. (Singapore Time) on Monday, 15 April 2024** and can be submitted in the following manner:

- (a) electronically via email by completing the Submission of Questions Form provided by the Manager on LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and sending the same to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at lmirtagm2024@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 https://www.lmir-trust.com/ir_agm2024.html and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> 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.

Addressing questions

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 **5:00 p.m. (Singapore Time) on Monday, 15 April 2024** on LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> **before trading commences on 19 April 2024**.

Notice of Annual General Meeting of the Unitholders (cont'd)

The Manager will also address any substantial and relevant questions which have been received after the deadline on **5:00 p.m. (Singapore Time) on Monday, 15 April 2024** and have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM itself, will be addressed during the AGM. Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.

Ask questions at the AGM

At the AGM, Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) or corporate representative(s) can also ask substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) or corporate representative(s), must be registered and authenticated to ask questions live at the AGM.

The Chairman of the AGM will conduct the proceedings of the AGM and, together with the directors and senior management of the Manager, will endeavour to address the substantial and relevant questions raised during the AGM which are related to the resolutions to be tabled for approval at the AGM.

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 https://www.lmir-trust.com/ir_agm2024.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> within one month from the date of the AGM.

5. Vote in person, or appoint proxy(ies) to vote, at the AGM

Live voting will be conducted during the AGM for Unitholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) or corporate representative(s) attending the AGM.

A Unitholder who wishes to exercise his/her/its voting rights at the AGM may:

- (a) vote live at the AGM;
- (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM; or
- (c) appoint a proxy(ies) to vote on their behalf at the AGM.

Upon their registration at the AGM venue, Unitholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies), will be provided with a handheld device for electronic voting at the physical AGM.

Notice of Annual General Meeting of the Unitholders (cont'd)

Appointment of proxy(ies) or corporate representative(s)

Unitholders (whether individual or corporate) who wish to appoint a proxy(ies), including the Chairman of the AGM, must submit an instrument of proxy ("**Proxy Form**") by post or via the manner stated below.

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 (the "**Requisite Document**"), 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.

A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Unitholder appoints more than one proxy, the proportion of his/her/its unitholding concerned to be represented by each proxy must be specified in the Proxy Form.

A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the number and class of Units held in relation to which each proxy has been appointed must be specified in the Proxy Form.

"**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 the Central Provident Fund Act 1953 of Singapore 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.

Printed copies of the Proxy Form will be sent to Unitholders. In addition, the Proxy Form may be accessed at LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Notice of Annual General Meeting of the Unitholders (cont'd)

A Unitholder who wishes to submit a Proxy Form or Requisite Document, whichever is applicable, must do so in the following manner:

- (a) if submitted by post, by lodging it at the office of LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically via email, by attaching and sending a clear PDF copy of it to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at lmirtagm2024@boardroomlimited.com,

in each case, by **10:00 a.m. (Singapore Time) on Monday, 22 April 2024**, being 72 hours before the time fixed for the AGM.

A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending a clear PDF copy by email to the email address provided above.

The Proxy Form must be signed by the appointor 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.

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 than 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. Persons who hold Units through relevant intermediaries (other than CPF and SRS investors)

Unitholders who hold their Units through a relevant intermediary, other than CPF and SRS investors, and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves by being appointed as proxy by their relevant intermediary; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM, should approach their respective relevant intermediaries through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

Notice of Annual General Meeting of the Unitholders (cont'd)

7. CPF and SRS investors

CPF and SRS investors may:

- (a) vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators by **5:00 p.m. (Singapore Time) on Monday, 15 April 2024**, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.

For the avoidance of doubt, while CPF and SRS investors may themselves be appointed as proxies by their respective CPF Agent Bank and SRS Operator, CPF and SRS investors will not be able to appoint third-party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote live at the AGM on their behalf.

8. Other information

- (a) A proxy need not be a Unitholder;
- (b) The Chairman of the AGM, as proxy, need not be a Unitholder;
- (c) The Annual Report 2023 and the AGM related documents (including this Notice of AGM, the Proxy Form, the Submission of Questions Form and the Request Form) have been uploaded on the SGX website on 3 April 2024 at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html.

Printed copies of the Annual Report 2023 and the Submission of Questions Form will **not** be sent to Unitholders. Any Unitholder who wishes to receive a printed copy of the Annual Report 2023 should submit his/her/its request in the following manner:

- (i) if submitted by post, by lodging it at the office of LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) if submitted electronically via email, by attaching and sending a clear PDF copy of it to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at lmirtagm2024@boardroomlimited.com,

no later than **5:00 p.m. (Singapore Time) on Thursday, 11 April 2024**.

- (d) Unitholders are strongly encouraged to submit completed Proxy Forms or Requisite Documents electronically; and
- (e) 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 https://www.lmir-trust.com/ir_agm2024.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) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) registering for the AGM in accordance with the Notice of AGM; (c) submitting any question in advance of, or at the AGM to the Chairman of the Meeting in accordance with the Notice of AGM; and/or (d) submitting a request form for a printed copy of the Annual Report 2023, a Unitholder:

- (i) consents to the collection, use and disclosure of the Unitholder's personal data by LMIR Trust, the Manager and the Trustee (and their respective agents or service providers) for the following purposes:
 - (1) the processing, administration and analysis by LMIR Trust, the Manager and the Trustee (and their respective agents or service providers) of instruments appointing a proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof);
 - (2) the processing of the 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
 - (5) in order for LMIR Trust, the Manager and the Trustee (and their respective agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines,(collective, "**Purposes**");
- (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) to LMIR Trust, the Manager and the Trustee (and their respective agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by LMIR Trust, the Manager and the Trustee (and their agents or service providers) of the personal data of such proxy(ies) for the Purposes;
- (iii) agrees to provide LMIR Trust, the Manager and the Trustee with written evidence of such prior consent upon reasonable request; and
- (iv) agrees that the Unitholder will indemnify LMIR Trust, the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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> and may be accessed at Lippo Malls Indonesia Retail Trust's ("LMIR Trust") website at the URL https://www.lmir-trust.com/ir_agm2024.html.

Personal Data Privacy

By submitting an instrument appointing proxy(ies), including the Chairman of the Annual General Meeting ("AGM"), unitholders of LMIR Trust ("Unitholders") accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 April 2024 (the "Notice of AGM").

IMPORTANT:

- The AGM is being convened, and will be held in a wholly physical format at Village Hotel Changi, Basement 1, Square Ballroom, 1 Netheravon Road, Singapore 508502 on **Thursday, 25 April 2024 at 10:00 a.m. (Singapore Time)**.
- Please refer to the Notice of AGM dated 3 April 2024 (the "Notice of AGM") for details of the arrangement relating to the conduct of the AGM.** Printed copies of the Notice of AGM will be sent to Unitholders. In addition, the Notice of AGM is also accessible to Unitholders at LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- This Proxy Form is for use by Unitholders who wish to appoint a proxy(ies) for the AGM. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).**
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by investors holding Units through a relevant intermediary and CPF and SRS investors who hold Units through CPF Agent Banks or SRS Operators. Unitholders holding Units through relevant intermediaries who wish to participate in the AGM should contact their respective relevant intermediary (as defined herein) as soon as possible in order for the necessary arrangements to be made for their participation at the AGM. CPF and SRS investors may (a) vote at the AGM if they are appointed as proxy by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Bank or SRS Operator as soon as practicable if they have any queries regarding their appointment as proxies; or (b) appoint the Chairman of the AGM as proxy and in this respect, they should specify their voting instructions to their respective CPF Agent Bank or SRS Operator and approach their respective CPF Agent Bank or SRS Operator by **5:00 p.m. (Singapore Time) on Monday, 15 April 2024**, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.

I/We _____ (Name) _____ (NRIC/Passport/Company Registration Number) of _____ (Address)

being a *unitholder/unitholders of LMIR Trust, hereby appoint the following person(s):

| Name: | NRIC/Passport No.: | Proportion of Unitholdings | |
|----------------|--------------------|----------------------------|---|
| | | No. of Units | % |
| Email Address: | | | |

*and/or

| Name: | NRIC/Passport No.: | Proportion of Unitholdings | |
|----------------|--------------------|----------------------------|---|
| | | No. of Units | % |
| Email Address: | | | |

or, both of whom failing, the Chairman of the AGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of LMIR Trust to be convened and held physically at Village Hotel Changi, Basement 1, Square Ballroom, 1 Netheravon Road, Singapore 508502 on **Thursday, 25 April 2024 at 10:00 a.m. (Singapore Time)** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, or in the event of any other matter arising at the AGM and at any adjournment thereof, *my/our *proxy/proxies, will vote or abstain from voting at *his/her/their discretion.

| No. | Resolutions relating to: | 'For'** | 'Against** | 'Abstain** |
|--------------------------|---|---------|------------|------------|
| Ordinary Business | | | | |
| 1 | To receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of LMIR Trust for the financial year ended 31 December 2023 and the Auditors' Report thereon (Ordinary Resolution) | | | |
| 2 | To re-appoint RSM SG Assurance LLP (formerly known as 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) | | | |

* Delete where applicable

** Voting will be conducted by poll. If you wish 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 "For" or "Against" or "Abstain" as appropriate in the relevant boxes provided.

Dated this _____ day of _____ 2024

| 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

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to the Proxy Form:

1. A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Unitholders' instrument appointing a proxy(ies) ("**Proxy Form**") appoints more than one proxy, the proportion of his/her/its unitholding(s) concerned to be represented by each proxy shall be specified in the Proxy Form.
2. A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different unit in LMIR Trust ("**Unit**") or Units held by such Unitholder. Where such Unitholder's Proxy Form appoints more than two proxies, the number of Units held in relation to which each proxy has been appointed must be specified in the Proxy Form.
"**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.
3. This Proxy Form may be accessed at LMIR Trust's website at the URL https://www.lmir-trust.com/ir_agm2024.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
4. A proxy need not be a unitholder. The Chairman of the AGM, as proxy, need not be a Unitholder.
5. A Unitholder who wishes to submit Proxy Form must do so in the following manner:
 - (a) if submitted by post, by lodging it at the office of LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically via email, by attaching and sending a clear PDF copy of it to LMIR Trust's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at lmirtagm2024@boardroomlimited.com, in either case not later than **10:00 a.m. (Singapore Time) on Monday, 22 April 2024**, being 72 hours before the time fixed for the AGM.A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending a clear PDF copy by email to the email address provided above.
Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. 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.

7. The Proxy Form must be executed under the hand (or if submitted electronically, alternatively by way of affixation of an electronic signature) 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 (or if submitted electronically, alternatively by way of affixation of an electronic signature) 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.
8. Completion and return of the Proxy Form by a Unitholder will not prevent him/her attending, speaking and voting at the AGM if he/she wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the Unitholder attends the AGM as well and, in such event, the Manager reserves the right to refuse to admit any person or person appointed under the relevant Proxy Form to the AGM.
9. 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.
10. 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 than 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.
11. Any reference to a time is made by reference to Singapore time.
12. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
13. On a poll, every Unitholder who is present or by proxy shall have one vote for every Unit which he/she is the Unitholder. There shall be no division of votes between the Unitholder who is present personally and voting at the AGM and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

GENERAL

The Manager shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intention of the appointor is not ascertainable from the instruction of the appointor specified in the Proxy Form. In the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form lodged if such Unitholders are not shown to have the corresponding number of Units in LMIR Trust entered against his/her/its name in the Depository Register not less than 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

**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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Corporate Information

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LMIRT Management Ltd.
6 Shenton Way
#40-05 OUE Downtown 1
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
Independent Director

Mr Mark Leong Kei Wei
Independent Director

Audit And Risk Committee

Mr Mark Leong Kei Wei (Chairman)
Mr Murray Dangar Bell
Ms Gouw Vi Ven

Nominating And Remuneration Committee

Mr Murray Dangar Bell (Chairman)
Ms Gouw Vi Ven
Mr Mark Leong Kei Wei

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
#14-07 Keppel Bay Tower
Singapore 098632

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

Auditors Of The Trust

RSM SG Assurance LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

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

Company Secretary Of The Manager

Ms Eunice Hooi Lai Fann

Investor Relations

August Consulting Pte Ltd
101 Thomson Road
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Website & Email Address

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