



**LIPPO MALLS INDONESIA RETAIL TRUST
2018 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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LIPPO MALLS INDONESIA RETAIL TRUST
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Introduction

Lippo Malls Indonesia Retail Trust ("LMIR Trust") is a Singapore-based real estate investment trust ("REIT") constituted by a trust deed dated 8 August 2007 between LMIRT Management Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the trustee. LMIR Trust was listed on the Singapore Exchange Securities Trading Limited on 19 November 2007. On 3 January 2018, HSBC Institutional Trust Services (Singapore) Limited retired as trustee of LMIR Trust and Perpetual (Asia) Limited was appointed as the new trustee of LMIR Trust.

LMIR Trust was established with the principal investment objective of owning and investing on a long-term basis in a diversified portfolio of income-producing real estate in Indonesia that is primarily used for retail and / or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 June 2018, LMIR Trust's property portfolio comprises 23 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

LMIR Trust's distribution policy is to distribute at least 90% of the tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received from the Singapore Special Purpose Companies ("SPCs"). These are dividends from the Indonesian SPCs paid out of income (less the related income taxes) derived by letting out of the properties. The capital receipts comprise mainly of amounts received by LMIR Trust from the redemption of redeemable preference shares in the Singapore SPCs.

Summary of Lippo Malls Indonesia Retail Trust Group Results

	Group Performance					
	2Q 2018 S\$'000	2Q 2017 S\$'000	Variance	1H 2018 S\$'000	1H 2017 S\$'000	Variance
Gross rental income (Note A)	41,380	41,896	(1.2%)	81,659	82,867	(1.5%)
Carpark income (Note A)	5,013	4,946	1.4%	10,150	10,171	(0.2%)
Other rental income (Note A)	536	3,044	(82.4%)	3,521	5,435	(35.2%)
Service charge and utilities recovery (Note A)	5,721	-	NM	6,443	-	NM
Total Gross Revenue (Note A)	52,650	49,886	5.5%	101,773	98,473	3.4%
Net Property Income (Note A)	43,153	46,823	(7.8%)	87,101	92,902	(6.2%)
Amount distributable :						
- Unitholders	16,816	25,403	(33.8%)	35,834	50,523	(29.1%)
- Perpetual securities holders	4,445	2,704	64.4%	8,814	5,120	72.1%
Distributable Amount	21,261	28,107	(24.4%)	44,648	55,643	(19.8%)
Available Distribution per Unit (cents)	0.59	0.90	(34.4%)	1.26	1.79	(29.6%)

Note A: The portfolio performance in IDR terms are shown as below:

	Group Performance					
	2Q 2018 IDR'million	2Q 2017 IDR'million	Variance	1H 2018 IDR'million	1H 2017 IDR'million	Variance
Gross rental income	433,269	399,132	8.6%	846,569	784,451	7.9%
Carpark income	52,516	47,150	11.4%	105,226	96,289	9.3%
Other rental income	5,874	29,014	(79.8%)	36,504	51,507	(29.1%)
Service charge and utilities recovery	59,387	-	NM	66,795	-	NM
Total Gross Revenue	551,046	475,296	15.9%	1,055,094	932,247	13.2%
Net Property Income	452,039	446,103	1.3%	902,987	879,443	2.7%
Exchange rate	10,459.47	9,534.19	9.7%	10,367.13	9,466.35	9.5%

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1 (a) (i) **Statement of Total Return**

	Group					
	2Q 2018 S\$'000	2Q 2017 S\$'000	Variance	1H 2018 S\$'000	1H 2017 S\$'000	Variance
Gross rental income	41,380	41,896	(1.2%)	81,659	82,867	(1.5%)
Carpark income	5,013	4,946	1.4%	10,150	10,171	(0.2%)
Other rental income ¹	536	3,044	(82.4%)	3,521	5,435	(35.2%)
Service charge and utilities recovery ^{1,2}	5,721	-	NM	6,443	-	NM
Total Gross Revenue	52,650	49,886	5.5%	101,773	98,473	3.4%
Property Operating Expenses						
Land rental	(425)	(509)	16.5%	(841)	(1,019)	17.5%
Property management fee	(2,105)	(1,708)	(23.2%)	(4,155)	(2,791)	(48.9%)
Property operating and maintenance expenses ^{1,2}	(4,150)	-	NM	(4,839)	-	NM
Other property operating expenses ³	(2,817)	(846)	NM	(4,837)	(1,761)	NM
Total Property Operating Expenses	(9,497)	(3,063)	NM	(14,672)	(5,571)	NM
Net Property Income	43,153	46,823	(7.8%)	87,101	92,902	(6.2%)
Interest income	46	55	(16.4%)	93	111	(16.2%)
Financial expenses	(8,289)	(8,305)	0.2%	(16,328)	(16,416)	0.5%
Administrative Expenses						
Manager's management fees	(2,991)	(3,199)	6.5%	(5,992)	(6,287)	4.7%
Trustee's fee	(115)	(106)	(8.5%)	(230)	(189)	(21.7%)
Other trust operating expenses	(973)	(891)	(9.2%)	(1,308)	(1,147)	(14.0%)
Total Administrative Expenses	(4,079)	(4,196)	2.8%	(7,530)	(7,623)	1.2%
Other losses (net) (See Note A)	(2,279)	(2,762)	17.5%	(5,444)	(6,962)	21.8%
Total Return For The Period Before Tax	28,552	31,615	(9.7%)	57,892	62,012	(6.6%)
Income tax ¹	(7,615)	(5,226)	(45.7%)	(14,316)	(10,347)	(38.4%)
Withholding tax	(2,648)	(3,288)	19.5%	(5,518)	(6,364)	13.3%
Total Return For The Period After Tax	18,289	23,101	(20.8%)	38,058	45,301	(16.0%)
Total Return For The Period After Tax attributable:						
Unitholders	13,844	20,397	(32.1%)	29,244	40,181	(27.2%)
Perpetual securities holders	4,445	2,704	64.4%	8,814	5,120	72.1%
	18,289	23,101	(20.8%)	38,058	45,301	(16.0%)

1 (a) (ii) **Statement of Distribution**

Total return for the period after tax before distribution	18,289	23,101	(20.8%)	38,058	45,301	(16.0%)
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units ⁴	2,991	1,873	59.7%	5,992	3,716	61.2%
- Amount reserved for distribution to perpetual securities holders ⁵	(4,445)	(2,704)	64.4%	(8,814)	(5,120)	72.1%
- Depreciation of plant and equipment	770	591	30.3%	1,355	1,020	32.8%
- Amortisation of intangible assets	746	3,259	(77.1%)	1,508	6,560	(77.0%)
- Unrealised (gain)/loss on hedging contracts	(614)	409	NM	(959)	15	NM
- Unrealised foreign exchange gain	(921)	(1,126)	(18.2%)	(1,306)	(969)	34.8%
Total Unitholders' Distribution	16,816	25,403	(33.8%)	35,834	50,523	(29.1%)
Unitholders' distribution:						
- as distributions from operations	9,244	15,739	(41.3%)	17,964	37,019	(51.5%)
- as return of capital ⁶	7,572	9,664	(21.6%)	17,870	13,504	32.3%
Total Unitholders' Distribution	16,816	25,403	(33.8%)	35,834	50,523	(29.1%)

(Note A) **Other (losses)/gains (net) comprise:**

Realised (loss)/gain on hedging contracts, net of premium	(735)	471	NM	(1,500)	478	NM
Realised loss on foreign exchange	(2,132)	(939)	NM	(4,521)	(2,132)	NM
Miscellaneous income	(201)	248	NM	(180)	298	NM
Unrealised gain/(loss) on hedging contracts	614	(409)	NM	959	(15)	NM
Unrealised foreign exchange gain	921	1,126	(18.2%)	1,306	969	34.8%
Amortisation of intangible assets	(746)	(3,259)	(77.1%)	(1,508)	(6,560)	(77.0%)
	(2,279)	(2,762)	(17.5%)	(5,444)	(6,962)	(21.8%)

Footnote:

- 1 Since May 2012, certain maintenance services for LMIR Trust's properties, such as cleaning and maintenance of utilities, are outsourced to a third party service provider. Pursuant to the outsourced agreements, the third party service provider has the right to collect a service charge and utilities recovery charges from the tenants of the retail malls, and is responsible for all costs directly related to the maintenance and operation of the retail malls, as well as to pay for the rental for use of electrical, mechanical and mall operating equipment of the individual malls. The latter forms part of the other rental income and is subject to Indonesian Corporate Tax of 25%. Pursuant to Government Regulation Number 34 of 2017, which came into effect on 2 January 2018, all income received or earned from land and/or building leases in Indonesia are subject to income tax at 10% of the gross amount of the value of the land and/or building lease which comprises the total amount that is paid or acknowledged as debt by a tenant in any form whatsoever, including service charges and utilities recovery charges. Previously, property owners were not liable to pay income tax on such charges which are paid by tenants to a third-party operator appointed by the property owner to manage and maintain the property. However, following the implementation of Government Regulation Number 34 of 2017, tenants are now required to withhold income tax on service charges and utilities recovery charges as well, notwithstanding that these are not paid to the property owner. As such, LMIR Trust has incurred higher tax expenses in 1H 2018 resulting from this change. Following the implementation of Government Regulation Number 34 of 2017, LMIR Trust has terminated all outsourced agreements with the third party service provider over two phases - phase one is for five retail malls by end April 2018 and phase two is for the rest of the retail malls by end June 2018. Hence after the termination of such agreements, all the malls collect service charge and utilities recovery charges from the tenants and pay for all costs for the maintenance and operation of the malls directly.
- For the avoidance of doubt, the outsourced agreements with the third party service provider do not apply to Palembang Square, Tamini Square (owner association of these strata title malls is responsible for maintenance and operations of the malls), Lippo Mall Kuta and Lippo Plaza Jogya (vendor of the malls is responsible for all costs relating to operating and maintenance in the first 5 years of acquisition), Kediri Town Square and the 7 Retail Spaces.

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1 (a) (i) Statement of Total Return (continued)

Footnote:

- 2 Relate to service charge and utilities recovery charges directly collected from tenants and the cost incurred for maintenance and operations of the malls and Retail Spaces.
- 3 Increase in other property operating expenses is mainly due to a net allowance for doubtful debts made in 2Q 2018 of S\$1.2 million (1H 2018: net allowance for doubtful debts of S\$1.9 million), as opposed to a net reversal of allowance of doubtful debts in 2Q 2017 of S\$0.4 million (1H 2017: net reversal of allowance of doubtful debts of S\$0.8 million).
- 4 Manager's fee payable in the form of units in 1H 2018 of S\$6.0 million includes performance fee of S\$3.5 million and base fee of S\$2.5 million respectively (1H 2017: performance fee of S\$3.7 million).
- 5 The Trust issued perpetual securities of S\$140 million at a distribution rate of 7.0% per annum and S\$120 million at a distribution rate of 6.6% per annum in September 2016 and June 2017 respectively.
- 6 The return of capital comprises the amounts received by LMIR Trust from the redemption of its investment in the redeemable preference shares in the Singapore SPCs.

1 (b) (i) Statement of Financial Position

	Group		Trust	
	30-Jun-18 S\$'000	31-Dec-17 S\$'000	30-Jun-18 S\$'000	31-Dec-17 S\$'000
Current Assets				
Cash and cash equivalents	96,672	64,900	30,728	9,560
Trade and other receivables ¹	31,952	38,990	232,724	231,924
Derivative financial instrument, current ²	336	-	336	-
Other assets	23,208	29,613	234	198
Total Current Assets	152,168	133,503	264,022	241,682
Non-current Assets				
Investment properties ³	1,856,635	1,908,141	-	-
Investments in subsidiaries	-	-	1,698,763	1,712,880
Intangible assets ⁴	10,145	11,906	-	-
Plant and equipment	10,181	9,931	-	-
Derivative financial instrument, non-current ²	-	394	-	394
Total Non-current Assets	1,876,961	1,930,372	1,698,763	1,713,274
Total Assets	2,029,129	2,063,875	1,962,785	1,954,956
Current Liabilities				
Unsecured borrowings	303,991	179,251	204,655	80,000
Secured borrowing	-	89,209	-	89,209
Trade and other payables	40,892	45,337	280,861	287,262
Current tax payable	7,072	5,715	-	-
Security deposits	33,825	34,415	-	-
Derivative financial instrument, current ²	1,846	909	1,846	909
Other financial liabilities, current	9	9	-	-
Total Current Liabilities	387,635	354,845	487,362	457,380
Non-current Liabilities				
Unsecured borrowings	420,663	419,810	346,409	345,732
Deferred tax liabilities	23,364	23,364	-	-
Deferred income	83,181	94,688	-	-
Derivative financial instrument, non-current ²	-	1,954	-	1,954
Other financial liabilities, non-current	1,184	1,281	-	-
Total non-current liabilities	528,392	541,097	346,409	347,686
Total Liabilities	916,027	895,942	833,771	805,066
Net Assets	1,113,102	1,167,933	1,129,014	1,149,890
Represented by:				
Unitholders' funds	853,450	908,286	869,362	890,243
Perpetual securities	259,652	259,647	259,652	259,647
Net assets attributable to unitholders and perpetual securities holders	1,113,102	1,167,933	1,129,014	1,149,890

Footnote:

- 1 Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$29.5 million (31 December 2017: S\$27.0 million), and other receivables of S\$2.5 million (31 December 2017: S\$12.0 million).
Trade receivables (before taking into account of allowance for doubtful debts) are S\$32.6 million (31 December 2017: S\$28.3 million), of which S\$14.5 million (31 December 2017: S\$16.7 million) are due from related party tenants and S\$18.1 million (31 December 2017: S\$11.6 million) are due from non-related party tenants. After taking into account of allowance for doubtful debts, the trade receivables as at 30 June 2018 are S\$29.5 million (31 December 2017: S\$27.0 million).
Subsequent to the financial period end, approximately S\$8.3 million trade receivables have been collected, of which S\$2.4 million are from related party tenants and S\$5.9 million are from non-related party tenants.
The Manager wishes to state that as at the date of this announcement, it has no reason to believe that LMIR Trust's tenants from the Lippo group of companies will not be able to fulfil their payment obligations to LMIR Trust in the future and is confident that it is able to manage any credit risk that may arise. Since the listing of LMIR Trust, there is no incidence of non-payment or default from any rental payments from the Lippo group of companies.
- 2 The movements in derivative financial assets and liabilities (current and non-current) are mainly as a result of unrealised gains/losses in the value of derivatives, principally being currency options contracts and interest rate swap.
- 3 The carrying values of the properties are stated based on the independent valuation as at 31 December 2017 and adjusted for property enhancements to-date. The valuations and property enhancements figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollars using the respective exchange rate as at the end of each period.
- 4 Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in Lippo Plaza Batu ("LPB"), Palembang Icon ("PICON") and Lippo Mall Kuta ("Kuta"), Lippo Plaza Kendari ("Kendari") and Lippo Plaza Jogja ("Jogja"). The rentals are for a period of 3 to 25 years (FY 2017: 3 to 25 years).

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1 (b) (ii) **Borrowings and Debt Securities**

Secured borrowings:

Amount payable within one year	-	90,000
Less: Unamortised transaction costs for secured borrowings	-	(791)
Total secured borrowings	-	89,209

Unsecured borrowings:

Amount payable within one year	305,000	180,000
Less: Unamortised transaction costs for secured borrowings	(1,009)	(749)
Amount payable after one year	425,000	425,000
Less: Unamortised transaction costs for unsecured borrowings	(4,337)	(5,190)
Total unsecured borrowings	724,654	599,061

Total borrowings

Group	
30-Jun-18 S\$'000	31-Dec-17 S\$'000
-	90,000
-	(791)
-	89,209
305,000	180,000
(1,009)	(749)
425,000	425,000
(4,337)	(5,190)
724,654	599,061
724,654	688,270

Unsecured borrowings (previously secured):

LMIR Trust has an unsecured term loan facility of S\$90 million (Fy 2017: secured term loan facility of S\$90 million) maturing in December 2018 at an interest rate of 3.0% per annum plus SGD Swap Offer Rate. On 7 March 2018, all the security including mortgages on properties granted for the facility was discharged other than a charge over interest escrow account and sale account.

Unsecured borrowings

LMIR Trust has S\$75 million 4.1% Bond due in June 2020, S\$100 million 4.5% Bond due in November 2018 (collectively, the Bonds), established by its wholly owned subsidiary, LMIRT Capital Pte Ltd ("LMIRT Capital").

LMIR Trust has a 4-year term loan of S\$175 million (Fy 2017: S\$175 million) maturing in August 2020 at an interest rate of 2.95% per annum plus SGD Swap Offer Rate and a 5-year term loan of S\$175 million (Fy 2017: S\$175 million) maturing in August 2021 at an interest rate of 3.15% per annum plus SGD Swap Offer Rate.

LMIR Trust has drawdown S\$115 million from its revolving credit facilities at an interest margin plus SGD Swap Offer Rate.

1 (c) **Statement of Cash Flows**

	Group		Group	
	2Q 2018 S\$'000	2Q 2017 S\$'000	1H 2018 S\$'000	1H 2017 S\$'000
Operating activities				
Total return for the period before tax	28,552	31,615	57,892	62,012
Adjustments for				
- Manager's fee payable in units	2,991	1,873	5,992	3,716
- Interest income	(46)	(55)	(93)	(111)
- Amortisation of borrowing costs	578	1,048	1,384	1,962
- Interest expense	7,711	7,257	14,944	14,454
- Depreciation of plant and equipment	770	591	1,355	1,020
- Amortisation of intangible assets	746	3,259	1,508	6,560
- Unrealised foreign exchange gain	(921)	(1,126)	(1,306)	(969)
- Unrealised (gain)/loss on hedging contracts	(614)	409	(959)	15
Operating income before working capital changes	39,767	44,871	80,717	88,659
Changes in working capital				
Trade and other receivables	4,454	(6,425)	12,261	(12,922)
Trade and other payables	(3,221)	(891)	5,965	5,269
Security deposits	(748)	1,247	(1,319)	2,046
Net cash from operating activities before income tax	40,252	38,802	97,624	83,052
Income tax paid	(10,314)	(6,728)	(18,477)	(17,191)
Cash flows from operating activities	29,938	32,074	79,147	65,861
Investing activities				
Acquisition of investment properties	-	(32,972)	-	(32,972)
Capital expenditures on investment properties	(226)	(4,577)	(4,765)	(8,391)
Purchase of plant and equipment	(913)	(1,046)	(1,815)	(1,848)
Interest received	46	55	93	111
Cash flows used in investing activities	(1,093)	(38,540)	(6,487)	(43,100)
Financing activities				
Proceeds from borrowings	25,000	-	35,000	-
Increase/(decrease) in other financial liabilities	841	(77)	(97)	(206)
Deferred income	(6,174)	2,075	(9,707)	(1,076)
Interest paid	(7,711)	(7,257)	(14,944)	(14,454)
Distribution to unitholders	(19,018)	(25,120)	(41,304)	(49,454)
Distribution to perpetual securities holders	(3,949)	-	(8,809)	(4,860)
Proceeds from issue of perpetual securities, net of transaction costs	-	118,498	-	118,498
Cash restricted in use for bank facilities	(175)	-	(491)	(63)
Cash flows (used in)/from financing activities	(11,186)	88,119	(40,352)	48,385
Net increase in cash and cash equivalents	17,659	81,653	32,308	71,146
Cash and cash equivalents at beginning of the period	72,857	64,302	59,787	74,271
Effect of exchange rate changes on cash and cash equivalents	552	115	(1,027)	653
Cash and cash equivalents at end of the period	91,068	146,070	91,068	146,070
Cash and cash equivalents in Statement of Cash Flows:				
Cash and cash equivalents per Statement of Cash Flows	91,068	146,070	91,068	146,070
Add: Cash restricted in use for bank facilities	5,604	3,546	5,604	3,546
Cash and cash equivalents in Statement of Financial Position	96,672	149,616	96,672	149,616

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1 (d) (i) **Statements of Changes in Unitholders' Funds**

Total Unitholders' Funds at beginning of the period

Operations

Total return for the period

Less: Amount reserved for distribution to perpetual securities holders

Net increase in net assets resulting from operations attributed to unitholders

Unitholders' contributions

Manager's management fees settled in units

Manager's acquisition fees settled in units

Distribution to unitholders

Foreign currency translation reserve

Translation differences relating to financial statements of foreign subsidiaries¹

Total Unitholders' Funds

Perpetual securities

Balance at the beginning of the period

Issue of perpetual securities, net of transaction costs

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

Total

Group		Trust	
2Q 2018 S\$'000	2Q 2017 S\$'000	2Q 2018 S\$'000	2Q 2017 S\$'000
853,879	1,054,805	875,489	1,059,789
18,289	23,101	8,723	14,425
(4,445)	(2,704)	(4,445)	(2,704)
13,844	20,397	4,278	11,721
8,613	-	8,613	-
-	-	-	-
(19,018)	(25,120)	(19,018)	(25,120)
(3,868)	(12,298)	-	-
853,450	1,037,784	869,362	1,046,390
259,156	138,423	259,156	138,423
-	118,498	-	118,498
4,445	2,704	4,445	2,704
(3,949)	-	(3,949)	-
259,652	259,625	259,652	259,625
1,113,102	1,297,409	1,129,014	1,306,015

Total Unitholders' Funds at beginning of the period

Operations

Total return for the period

Less: Amount reserved for distribution to perpetual securities holders

Net increase in net assets resulting from operations attributed to unitholders

Unitholders' contributions

Manager's management fees settled in units

Manager's acquisition fees settled in units

Distribution to unitholders

Foreign currency translation reserve

Translation differences relating to financial statements of foreign subsidiaries¹

Total Unitholders' Funds

Perpetual securities

Balance at the beginning of the period

Issue of perpetual securities, net of transaction costs

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

Total

Group		Trust	
1H 2018 S\$'000	1H 2017 S\$'000	1H 2018 S\$'000	1H 2017 S\$'000
908,286	1,091,688	890,243	1,065,807
38,058	45,301	18,409	27,419
(8,814)	(5,120)	(8,814)	(5,120)
29,244	40,181	9,595	22,299
9,914	6,874	9,914	6,874
914	864	914	864
(41,304)	(49,454)	(41,304)	(49,454)
(53,604)	(52,369)	-	-
853,450	1,037,784	869,362	1,046,390
259,647	140,867	259,647	140,867
-	118,498	-	118,498
8,814	5,120	8,814	5,120
(8,809)	(4,860)	(8,809)	(4,860)
259,652	259,625	259,652	259,625
1,113,102	1,297,409	1,129,014	1,306,015

Footnote:

1 The "Translation differences relating to financial statements of foreign subsidiaries" relate to exchange differences arising from translating items denominated in Indonesian Rupiah in the balance sheet of the respective Indonesia subsidiaries, principally the investment properties, into Singapore Dollar using period end exchange rate.

A translation loss of S\$53.6 million was recorded in 1H 2018 due to weakening of Indonesian Rupiah against Singapore Dollar since the end of the last financial period of FY 2017.

The "Translation differences relating to financial statements of foreign subsidiaries" are recorded in the Statements of Changes in Unitholders' Funds and do not affect the calculation of the quarterly Distributable Income and Distribution Per Unit ("DPU").

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1 (d) (ii) Details of Any Change in the Issued and Issuable Units

Issued units at the beginning of the period
 Issuance of new units for management fees
 Issued units at the end of the period

2Q 2018	2Q 2017
2,829,566,490	2,823,987,723
21,665,626	-
2,851,232,116	2,823,987,723

The Trust does not hold any treasury units and there is no subsidiary holding as at end of current financial period and as at end of the corresponding period of the immediately preceding financial year.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

Issued units at the end of the period

30-Jun-18	31-Dec-17
2,851,232,116	2,823,987,723

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

1 (d) (v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6 Earnings Per Unit ('EPU') and Distribution Per Unit ('DPU') for the Financial Period

	Group			
	2Q 2018	2Q 2017	1H 2018	1H 2017
Weighted average number of units in issue	2,836,947,087	2,823,987,723	2,831,520,328	2,814,883,036
Earnings per unit in cents (EPU) ⁽¹⁾	0.49	0.72	1.03	1.43
Number of units in issue	2,851,232,116	2,823,987,723	2,851,232,116	2,823,987,723
Distribution per unit in cents (DPU) ⁽²⁾	0.59	0.90	1.26	1.79

Footnote:

- In computing the quarterly EPU, the weighted average number of units for the end of the period is used.
- In computing the quarterly DPU, the number of units in issue as at the end of the period is used.

7 Net Asset Value Per Unit and Net Tangible Assets Per Unit Based on Units Issued at the End of the Period

	Group		Trust	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Net Assets Value per unit in cents (NAV)	29.93	36.75	30.49	37.05
Net Tangible Assets per unit in cents (NTA)	29.58	36.27	30.49	37.05

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8 Review of the Performance

	Group			
	2Q 2018 S\$'000	2Q 2017 S\$'000	1H 2018 S\$'000	1H 2017 S\$'000
Statement of Total Return				
Gross rental income	41,380	41,896	81,659	82,867
Other revenue	11,270	7,990	20,114	15,606
Total gross revenue	52,650	49,886	101,773	98,473
Property operating expenses	(9,497)	(3,063)	(14,672)	(5,571)
Net Property Income	43,153	46,823	87,101	92,902
Interest income	46	55	93	111
Financial expenses	(8,289)	(8,305)	(16,328)	(16,416)
Administrative expenses	(4,079)	(4,196)	(7,530)	(7,623)
Other losses (net)	(2,279)	(2,762)	(5,444)	(6,962)
Total Return For The Period Before Tax	28,552	31,615	57,892	62,012
Income tax	(7,615)	(5,226)	(14,316)	(10,347)
Withholding tax	(2,648)	(3,288)	(5,518)	(6,364)
Total Return For The Period After Tax	18,289	23,101	38,058	45,301
Attributable to:				
- Unitholders	16,816	25,403	35,834	50,523
- Perpetual securities holders	4,445	2,704	8,814	5,120
Total attributable to unitholders/perpetual securities holders	21,261	28,107	44,648	55,643
Unitholders' distribution:				
- as distributions from operations	9,244	15,739	17,964	37,019
- as return of capital	7,572	9,664	17,870	13,504
Total Unitholders' distribution	16,816	25,403	35,834	50,523
Distribution per Unit (cents)	0.59	0.90	1.26	1.79

2Q 2018 vs 2Q 2017

Gross rental income is S\$0.5 million lower than 2Q 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar, and lower rental income as a result of expiry of the master leases over the 7 Retail Spaces. The impact from weakening of Indonesian Rupiah and expiry of the master leases over the 7 Retail Spaces is partly offset by additional rental income due to acquisition of Lippo Plaza Kendari in June 2017, Lippo Plaza Jogya and Kediri Town Square in December 2017 respectively.

Other revenue is S\$3.3 million higher than 2Q 2017, mainly due to collection of service charge and utilities recovery charges directly from tenants of the malls and Retail Spaces.

Property operating expenses are S\$6.4 million higher than 2Q 2017, mainly due to:

- i) costs incurred of S\$4.2 million (2Q 2017: Nil) for maintenance and operations of the malls and Retail Spaces; and
- ii) net allowance for doubtful debts made in 2Q 2018 of S\$1.2 million (as opposed to a net reversal of allowance of doubtful debts in 2Q 2017 of S\$0.4 million).

Income tax expense is S\$2.4 million higher than 1H 2017 mainly due to the new tax regulations in Indonesia which came into effect on 2 January 2018. Refer to item 1 (a)

(i) Statement of Total Return on page 3 of the results announcement for details on the new tax regulations.

Other losses (net) comprise realised and unrealised foreign currency gains/(losses) and realised and unrealised hedging contracts gains/(losses). It also includes amortisation of intangible assets in relation to LPB, PICON, Kuta, Kendari and Jogja.

Distribution to perpetual securities holders is S\$1.7 million higher than 2Q 2017, due to issuance of S\$120 million of perpetual securities at a distribution rate of 6.6% per annum in June 2017.

The Trust has foreign currency options contracts to mitigate its exposure on currency movement as the majority of the Trust's income is in Indonesian Rupiah. The unrealised gain/ loss on foreign currency options contracts is a non-cash item and does not affect the amount of distribution to unitholders.

1H 2018 vs 1H 2017

Gross rental income is S\$1.2 million lower than 1H 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar, and lower rental income as a result of expiry of the master leases over the Retail Spaces. The impact from weakening of Indonesian Rupiah and expiry of the master leases over the 7 Retail Spaces is partly offset by additional rental income due to acquisition of Lippo Plaza Kendari in June 2017, Lippo Plaza Jogya and Kediri Town Square in December 2017 respectively.

Other revenue is S\$4.5 million higher than 1H 2017, mainly due to collection of service charge and utilities recovery charges directly from tenants of the malls and Retail Spaces.

Property operating expenses are S\$9.1 million higher than 1H 2017, mainly due to:

- i) costs incurred of S\$4.8 million (1H 2017: Nil) for maintenance and operations of the malls and the Retail Spaces; and
- ii) net allowance for doubtful debts made in 1H 2018 of S\$1.9 million (as opposed to a net reversal of allowance of doubtful debts in 1H 2017 of S\$0.8 million).

Income tax expense is S\$4.0 million higher than 1H 2017 mainly due to the new tax regulations in Indonesia which came into effect on 2 January 2018. Refer to item 1 (a)

(i) Statement of Total Return on page 3 of the results announcement for details on the new tax regulations.

Other losses (net) comprise realised and unrealised foreign currency gains/(losses) and realised and unrealised hedging contracts gains/(losses). It also includes amortisation of intangible assets in relation to LPB, PICON, Kuta, Kendari and Jogja.

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9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Not applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Indonesia's economy grew 5.06% in the first quarter of 2018, down from 5.19% in the previous quarter, weighed down by weakness in consumption and lower exports. Bank Indonesia's growth outlook for 2018 remained at 5.1% - 5.5%, against growth of 5.07% in 2017.

Indonesia's annual inflation rate came in at 3.12% in June, compared to 3.23% in May. The consumer price index rose 0.59% on a monthly basis in June, due to rising demand for food and transportation during the Muslim fasting month of Ramadan. Year-to-date, Indonesian inflation has accumulated to 1.90% in the first six months of 2018 and the year-end figure is expected to fall well within the central bank's full-year 2018 inflation target range of 2.5-4.5%.

On the retail front, retail sales in Indonesia rose 8.3% in May, compared to 4.1% in April. The more vigorous pace of growth was contributed by the expansion in sale of clothes, food and tobacco sales during the month.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2018 to 30 June 2018.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.32 cents per unit and capital distribution of 0.27 cents per unit.
Par value of units:	NA
Tax rate:	NA

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2017 to 30 June 2017.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.56 cents per unit and capital distribution of 0.34 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 29 August 2018

(d) Book closure date: 13 August 2018

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13 Interested Person Transactions Mandate

LMIR Trust is not required to obtain a general mandate from the Unitholders for Interested Party Transactions.

14 Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of LMIRT Management Ltd do hereby confirm that, to the best of their knowledge, nothing has come to their attention in which may render these interim financial results to be false or misleading in any material aspect.

15 Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD OF
LMIRT MANAGEMENT LIMITED
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Ms Chan Lie Leng
Executive Director and Chief Executive Officer
2 August 2018