

**LIPPO MALLS INDONESIA RETAIL TRUST
2018 THIRD 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 LMIR 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 September 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						
	3Q 2018 S\$'000	3Q 2017 S\$'000	Variance	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance
Gross rental income (Note A)	36,996	40,830	(9.4%)	118,655	123,697	(4.1%)
Carpark income (Note A)	4,574	5,395	(15.2%)	14,724	15,566	(5.4%)
Other rental income (Note A)	432	3,380	(87.2%)	3,953	8,815	(55.2%)
Service charge and utilities recovery (Note A)	22,829	-	NM	29,272	-	NM
Total Gross Revenue (Note A)	64,831	49,605	30.7%	166,604	148,078	12.5%
Net Property Income (Note A)	39,464	46,419	(15.0%)	126,565	139,321	(9.2%)
Amount distributable :						
- Unitholders	13,896	24,151	(42.5%)	49,730	74,674	(33.4%)
- Perpetual securities holders	4,440	4,467	(0.6%)	13,254	9,587	38.2%
Distributable Amount	18,336	28,618	(35.9%)	62,984	84,261	(25.3%)
Available Distribution per Unit (cents)	0.49	0.86	(43.0%)	1.75	2.64	(33.7%)

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

Group Performance						
	3Q 2018 IDR'million	3Q 2017 IDR'million	Variance	YTD 2018 IDR'million	YTD 2017 IDR'million	Variance
Gross rental income	394,545	396,460	(0.5%)	1,241,114	1,180,911	5.1%
Carpark income	48,785	52,316	(6.7%)	154,011	148,605	3.6%
Other rental income	4,843	32,648	(85.2%)	41,347	84,155	(50.9%)
Service charge and utilities recovery	239,386	-	NM	306,181	-	NM
Total Gross Revenue	687,559	481,424	42.8%	1,742,653	1,413,671	23.3%
Net Property Income	420,864	450,609	(6.6%)	1,323,851	1,330,070	(0.5%)
Exchange rate	10,629.51	9,717.04	9.4%	10,459.85	9,546.80	9.6%

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

	Group					
	3Q 2018 S\$'000	3Q 2017 S\$'000	Variance	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance
Gross rental income	36,996	40,830	(9.4%)	118,655	123,697	(4.1%)
Carpark income	4,574	5,395	(15.2%)	14,724	15,566	(5.4%)
Other rental income ¹	432	3,380	(87.2%)	3,953	8,815	(55.2%)
Service charge and utilities recovery ^{1,2}	22,829	-	NM	29,272	-	NM
Total Gross Revenue	64,831	49,605	30.7%	166,604	148,078	12.5%
Property Operating Expenses						
Land rental	(391)	(524)	25.4%	(1,232)	(1,543)	20.2%
Property management fee	(1,603)	(1,828)	12.3%	(5,758)	(4,619)	(24.7%)
Property operating and maintenance expenses ^{1,2}	(19,535)	-	NM	(24,372)	-	NM
Other property operating expenses ³	(3,838)	(834)	NM	(8,677)	(2,595)	NM
Total Property Operating Expenses	(25,367)	(3,186)	NM	(40,039)	(8,757)	NM
Net Property Income	39,464	46,419	(15.0%)	126,565	139,321	(9.2%)
Interest income	46	56	(17.9%)	139	167	(16.8%)
Financial expenses	(9,026)	(7,609)	(18.6%)	(25,354)	(24,025)	(5.5%)
Administrative Expenses						
Manager's management fees	(2,828)	(3,133)	9.7%	(8,820)	(9,420)	6.4%
Trustee's fee	(116)	(117)	0.9%	(346)	(306)	(13.1%)
Other trust operating expenses	(314)	(980)	68.0%	(1,622)	(2,127)	23.7%
Total Administrative Expenses	(3,258)	(4,230)	23.0%	(10,788)	(11,853)	9.0%
Other losses (net) (See Note A)	(3,142)	(5,423)	42.1%	(8,586)	(12,385)	30.7%
Total Return For The Period Before Tax	24,084	29,213	(17.6%)	81,976	91,225	(10.1%)
Income tax ¹	(7,793)	(5,169)	(50.8%)	(22,109)	(15,516)	(42.5%)
Withholding tax	(2,331)	(2,981)	21.8%	(7,849)	(9,345)	16.0%
Total Return For The Period After Tax	13,960	21,063	(33.7%)	52,018	66,364	(21.6%)
Total Return For The Period After Tax attributable:						
Unitholders	9,520	16,596	(42.6%)	38,764	56,777	(31.7%)
Perpetual securities holders	4,440	4,467	(0.6%)	13,254	9,587	38.2%
	13,960	21,063	(33.7%)	52,018	66,364	(21.6%)

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

Total return for the period after tax before distribution	13,960	21,063	(33.7%)	52,018	66,364	(21.6%)
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units ⁴	2,828	1,857	52.3%	8,820	5,573	58.3%
- Amount reserved for distribution to perpetual securities holders ⁵	(4,440)	(4,467)	(0.6%)	(13,254)	(9,587)	38.2%
- Depreciation of plant and equipment	745	699	6.6%	2,100	1,719	22.2%
- Amortisation of intangible assets	560	3,268	(82.9%)	2,068	9,828	(79.0%)
- Unrealised (gain)/loss on hedging contracts	(454)	239	NM	(1,413)	254	NM
- Unrealised foreign exchange loss/(gain)	697	1,492	(53.3%)	(609)	523	NM
Total Unitholders' Distribution	13,896	24,151	(42.5%)	49,730	74,674	(33.4%)
Unitholders' distribution:						
- as distributions from operations	8,990	13,391	(32.9%)	26,954	50,410	(46.5%)
- as return of capital ⁶	4,906	10,760	(54.4%)	22,776	24,264	(6.1%)
Total Unitholders' Distribution	13,896	24,151	(42.5%)	49,730	74,674	(33.4%)

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

Realised (loss)/gain on hedging contracts, net of premium	(736)	792	NM	(2,236)	1,270	NM
Realised loss on foreign exchange	(1,747)	(1,402)	24.6%	(6,268)	(3,534)	77.4%
Miscellaneous income/(loss)	144	186	(22.6%)	(36)	484	NM
Unrealised gain/(loss) on hedging contracts	454	(239)	NM	1,413	(254)	NM
Unrealised foreign exchange (loss)/gain	(697)	(1,492)	(53.3%)	609	(523)	NM
Amortisation of intangible assets	(560)	(3,268)	(82.9%)	(2,068)	(9,828)	(79.0%)
	(3,142)	(5,423)	(42.1%)	(8,586)	(12,385)	(30.7%)

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 retail 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 YTD 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 3Q 2018 of S\$2.1 million (YTD 2018: net allowance for doubtful debts of S\$4.1 million), as opposed to a net reversal of allowance of doubtful debts in 3Q 2017 of S\$0.7 million (YTD 2017: net reversal of allowance of doubtful debts of S\$1.5 million).
 - 4 Manager's fee payable in the form of units in YTD 2018 of S\$8.8 million includes performance fee of S\$5.0 million and base fee of S\$3.8 million respectively (YTD 2017: performance fee of S\$5.6 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-Sep-18 S\$'000	31-Dec-17 S\$'000	30-Sep-18 S\$'000	31-Dec-17 S\$'000
Current Assets				
Cash and cash equivalents	99,240	64,900	39,097	9,560
Trade and other receivables ¹	44,337	38,990	230,193	231,924
Derivative financial instrument, current ²	236	-	236	-
Other assets	25,502	29,613	321	198
Total Current Assets	169,315	133,503	269,847	241,682
Non-current Assets				
Investment properties ³	1,794,452	1,908,141	-	-
Investments in subsidiaries	-	-	1,689,287	1,712,880
Intangible assets ⁴	9,134	11,906	-	-
Plant and equipment	10,226	9,931	-	-
Derivative financial instrument, non-current ²	-	394	-	394
Total Non-current Assets	1,813,812	1,930,372	1,689,287	1,713,274
Total Assets	1,983,127	2,063,875	1,959,134	1,954,956
Current Liabilities				
Unsecured borrowings	309,337	179,251	209,885	80,000
Secured borrowing	-	89,209	-	89,209
Trade and other payables	51,783	45,337	288,165	287,262
Current tax payable	7,835	5,715	-	-
Security deposits	39,665	34,415	-	-
Derivative financial instrument, current ²	1,293	909	1,293	909
Other financial liabilities, current	9	9	-	-
Total Current Liabilities	409,922	354,845	499,343	457,380
Non-current Liabilities				
Unsecured borrowings	421,100	419,810	346,754	345,732
Deferred tax liabilities	23,364	23,364	-	-
Deferred income	82,936	94,688	-	-
Derivative financial instrument, non-current ²	-	1,954	-	1,954
Other financial liabilities, non-current	1,220	1,281	-	-
Total non-current liabilities	528,620	541,097	346,754	347,686
Total Liabilities	938,542	895,942	846,097	805,066
Net Assets	1,044,585	1,167,933	1,113,037	1,149,890
Represented by:				
Unitholders' funds	785,433	908,286	853,885	890,243
Perpetual securities	259,152	259,647	259,152	259,647
Net assets attributable to unitholders and perpetual securities holders	1,044,585	1,167,933	1,113,037	1,149,890

- Footnote:**
- 1 Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$36.1 million (31 December 2017: S\$27.0 million), and other receivables of S\$8.2 million (31 December 2017: S\$12.0 million).
Following the termination of all outsourced agreements with a third party service provider by end June 2018, the malls collect service charge and utilities recovery charges directly from the tenants. The additional source of income from billing of service charge and utilities recovery charges has contributed to higher trade receivables by S\$6.8 million as compared with 31 December 2017 (S\$ Nil).
Trade receivables (before taking into account of allowance for doubtful debts) are S\$40.1 million (31 December 2017: S\$28.3 million), of which S\$20.3 million (31 December 2017: S\$16.7 million) are due from related party tenants and S\$19.8 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 September 2018 are S\$36.1 million (31 December 2017: S\$27.0 million).
Subsequent to the financial period end, approximately S\$10.8 million trade receivables have been collected, of which S\$3.8 million are from related party tenants and S\$7.0 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 Palembang Icon ("PICON") and Lippo Mall Kuta ("Kuta"), Lippo Plaza Kendari ("Kendari") and Lippo Plaza Jogja ("Jogja"). The rentals are for a period of 5 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
Less: Unamortised transaction costs for secured borrowings
Total secured borrowings

Unsecured borrowings:

Amount payable within one year
Less: Unamortised transaction costs for secured borrowings
Amount payable after one year
Less: Unamortised transaction costs for unsecured borrowings
Total unsecured borrowings

Total borrowings

Group	
30-Sep-18 S\$'000	31-Dec-17 S\$'000
-	90,000
-	(791)
-	89,209
310,000	180,000
(663)	(749)
425,000	425,000
(3,900)	(5,190)
730,437	599,061
730,437	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\$120 million from its revolving credit facilities at an interest margin plus SGD Swap Offer Rate.

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

Operating activities

Total return for the period before tax

Adjustments for

- Manager's fee payable in units
- Interest income
- Amortisation of borrowing costs
- Interest expense
- Depreciation of plant and equipment
- Amortisation of intangible assets
- Unrealised foreign exchange loss/(gain)
- Unrealised (gain)/loss on hedging contracts

Operating income before working capital changes

Changes in working capital

Trade and other receivables
Trade and other payables
Security deposits
Net cash from operating activities before income tax
Income tax paid

Cash flows from operating activities

Investing activities

Acquisition of investment properties
Capital expenditures on investment properties
Purchase of plant and equipment
Interest received

Cash flows used in investing activities

Financing activities

Repayment of bank borrowings
Repayment of Bond issued under EMTN
Proceeds from borrowings
Increase/(decrease) in other financial liabilities
Deferred income
Interest paid
Distribution to unitholders
Distribution to perpetual securities holders
Proceeds from issue of perpetual securities,
net of transaction costs
Cash restricted in use for bank facilities

Cash flows used in financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Effect of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period

Cash and cash equivalents in Statement of Cash Flows:

Cash and cash equivalents per Statement of Cash Flows

Add: Cash restricted in use for bank facilities

Cash and cash equivalents in Statement of Financial Position

Group	
3Q 2018 S\$'000	3Q 2017 S\$'000
24,084	29,213
2,828	1,857
(46)	(56)
783	961
8,243	6,648
745	699
560	3,268
697	1,492
(454)	239
37,440	44,321
(8,481)	5,324
4,825	3,271
4,307	244
38,091	53,160
(9,361)	(8,382)
28,730	44,778
-	-
(1,597)	(8,576)
(1,279)	(1,891)
46	56
(2,830)	(10,411)
-	(55,000)
-	(50,000)
5,000	35,000
36	(16)
3,788	845
(8,243)	(6,648)
(16,816)	(25,403)
(4,940)	(4,940)
-	-
(50)	(370)
(21,225)	(106,532)
4,675	(72,165)
91,068	146,070
(2,157)	(2,902)
93,586	71,003
93,586	71,003
5,654	3,916
99,240	74,919

Group	
YTD 2018 S\$'000	YTD 2017 S\$'000
81,976	91,225
8,820	5,573
(139)	(167)
2,167	2,923
23,187	21,102
2,100	1,719
2,068	9,828
(609)	523
(1,413)	254
118,157	132,980
3,780	(7,598)
10,790	8,541
2,988	2,290
135,715	136,213
(27,838)	(25,573)
107,877	110,640
-	(32,972)
(6,362)	(16,967)
(3,094)	(3,739)
139	167
(9,317)	(53,511)
-	(55,000)
-	(50,000)
40,000	35,000
(61)	(222)
(5,919)	(231)
(23,187)	(21,102)
(58,120)	(74,858)
(13,749)	(9,800)
-	118,498
(541)	(433)
(61,577)	(58,148)
36,983	(1,019)
59,787	74,271
(3,184)	(2,249)
93,586	71,003
93,586	71,003
5,654	3,916
99,240	74,919

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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

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

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

Total

Group		Trust	
3Q 2018 S\$'000	3Q 2017 S\$'000	3Q 2018 S\$'000	3Q 2017 S\$'000
853,450	1,037,784	869,362	1,046,390
13,960	21,063	5,779	11,334
(4,440)	(4,467)	(4,440)	(4,467)
9,520	16,596	1,339	6,867
(16,816)	(25,403)	(16,816)	(25,403)
(60,721)	(29,976)	-	-
785,433	999,001	853,885	1,027,854
259,652	259,625	259,652	259,625
4,440	4,467	4,440	4,467
(4,940)	(4,940)	(4,940)	(4,940)
259,152	259,152	259,152	259,152
1,044,585	1,258,153	1,113,037	1,287,006

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	
YTD 2018 S\$'000	YTD 2017 S\$'000	YTD 2018 S\$'000	YTD 2017 S\$'000
908,286	1,091,688	890,243	1,065,807
52,018	66,364	24,188	38,754
(13,254)	(9,587)	(13,254)	(9,587)
38,764	56,777	10,934	29,167
9,914	6,874	9,914	6,874
914	864	914	864
(58,120)	(74,858)	(58,120)	(74,858)
(114,325)	(82,344)	-	-
785,433	999,001	853,885	1,027,854
259,647	140,867	259,647	140,867
-	118,498	-	118,498
13,254	9,587	13,254	9,587
(13,749)	(9,800)	(13,749)	(9,800)
259,152	259,152	259,152	259,152
1,044,585	1,258,153	1,113,037	1,287,006

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\$114.3 million was recorded in YTD 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

3Q 2018	3Q 2017
2,851,232,116	2,823,987,723
-	-
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-Sep-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

The adoption of the new/ revised accounting policies has not resulted in any substantial changes to the LMIR Trust's accounting policies nor any significant impact on these financial statement.

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

	Group			
	3Q 2018	3Q 2017	YTD 2018	YTD 2017
Weighted average number of units in issue	2,851,232,116	2,823,987,723	2,838,163,128	2,817,951,282
Earnings per unit in cents (EPU) ⁽¹⁾	0.33	0.59	1.37	2.01
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⁾	0.49	0.86	1.75	2.64

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-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
Net Assets Value per unit in cents (NAV)	27.55	35.38	29.95	36.40
Net Tangible Assets per unit in cents (NTA)	27.23	35.02	29.95	36.40

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8 Review of the Performance

Statement of Total Return

	Group			
	3Q 2018 S\$'000	3Q 2017 S\$'000	YTD 2018 S\$'000	YTD 2017 S\$'000
Gross rental income	36,996	40,830	118,655	123,697
Other revenue	27,835	8,775	47,949	24,381
Total gross revenue	64,831	49,605	166,604	148,078
Property operating expenses	(25,367)	(3,186)	(40,039)	(8,757)
Net Property Income	39,464	46,419	126,565	139,321
Interest income	46	56	139	167
Financial expenses	(9,026)	(7,609)	(25,354)	(24,025)
Administrative expenses	(3,258)	(4,230)	(10,788)	(11,853)
Other losses (net)	(3,142)	(5,423)	(8,586)	(12,385)
Total Return For The Period Before Tax	24,084	29,213	81,976	91,225
Income tax	(7,793)	(5,169)	(22,109)	(15,516)
Withholding tax	(2,331)	(2,981)	(7,849)	(9,345)
Total Return For The Period After Tax	13,960	21,063	52,018	66,364
Attributable to:				
- Unitholders	13,896	24,151	49,730	74,674
- Perpetual securities holders	4,440	4,467	13,254	9,587
Total attributable to unitholders/perpetual securities holders	18,336	28,618	62,984	84,261
Unitholders' distribution:				
- as distributions from operations	8,990	13,391	26,954	50,410
- as return of capital	4,906	10,760	22,776	24,264
Total Unitholders' distribution	13,896	24,151	49,730	74,674
Distribution per Unit (cents)	0.49	0.86	1.75	2.64

3Q 2018 vs 3Q 2017

Gross rental income is S\$3.8 million lower than 3Q 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar by 9.4% as compared to 3Q 2017, and lower rental income for retail spaces due to the 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 Jogja and Kediri Town Square in December 2017 respectively.

Other revenue is S\$19.1 million higher than 3Q 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\$22.2 million higher than 3Q 2017, mainly due to:

- i) costs incurred of S\$19.5 million (3Q 2017: Nil) for maintenance and operations of the malls and Retail Spaces; and
- ii) net allowance for doubtful debts made in 3Q 2018 of S\$2.1 million (as opposed to a net reversal of allowance of doubtful debts in 3Q 2017 of S\$0.7 million).

Finance expenses are S\$1.4 million higher than 3Q 2017 mainly due to additional borrowings for acquisition of Jogja and Kediri in December 2017.

Administrative expenses are S\$1.0 million lower than 3Q 2017 mainly due to lower value of deposited property and net property income.

Income tax expense is S\$2.6 million higher than 3Q 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 PICON, Kuta, Kendari and Jogja.

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.

YTD 2018 vs YTD 2017

Gross rental income is S\$5.0 million lower than YTD 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar by 9.6% as compared to YTD 2017, and lower rental income for retail spaces due to the 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 Jogja and Kediri Town Square in December 2017 respectively.

Other revenue is S\$23.6 million higher than YTD 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\$31.2 million higher than YTD 2017, mainly due to:

- i) costs incurred of S\$24.4 million (YTD 2017: Nil) for maintenance and operations of the malls and the Retail Spaces; and
- ii) net allowance for doubtful debts made in YTD 2018 of S\$4.1 million (as opposed to a net reversal of allowance of doubtful debts in YTD 2017 of S\$1.5 million).

Finance expenses are S\$1.3 million higher than YTD 2017, mainly due to additional borrowings for acquisition of Jogja and Kediri in December 2017.

Administrative expenses are S\$1.1 million lower than YTD 2017 mainly due to lower value of deposited property and net property income.

Income tax expense is S\$6.6 million higher than YTD 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 Lippo Plaza Batu, PICON, Kuta, Kendari and Jogja.

Distribution to perpetual securities holders is S\$3.7 million higher than YTD 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.

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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

The Indonesian economy grew 5.17% y-o-y in the third quarter of 2018, compared with 5.27% in the preceding quarter on the back of capital outflows, as well as weaker exports and consumer spending during the third quarter. President Joko Widodo has announced Indonesia's growth forecast for 2019 to be 5.3%, driven by stronger domestic consumption, investment and exports, and supported by a stronger spending push planned for 2019.

Inflation in Indonesia was 3.2% in October compared to 2.9% in September as most index components saw sequentially faster growth, with health and education the main exceptions. Consumer prices were impacted by higher fuel prices, following hikes to non-subsidised fuel prices in October. However, full-year inflation remains on track to be comfortably within the Central Bank's target of 2.5-4.5% for 2018, despite the weakening of the Rupiah amidst rising US interest rates. To counter the falling Rupiah value, Bank Indonesia intervened in the foreign exchange markets, raised import taxes and also increased interest rates several times during the year, with the latest on 27 September 2018, bringing interest rate to 5.75%.

Retail sales grew 4.8% y-o-y in September, ticking down slightly from the 6.1% growth in the preceding month. Growth in September was mainly driven by an increase in clothing sales as well as higher demand for automotive fuels, which was offset by lower sales of information and communications equipment.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Third quarter distribution for the period from 1 July 2018 to 30 September 2018.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.32 cents per unit and capital distribution of 0.17 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:	Third quarter distribution for the period from 1 July 2017 to 30 September 2017.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.48 cents per unit and capital distribution of 0.38 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 30 November 2018

(d) Book closure date: 19 November 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 LMIR 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
LMIR MANAGEMENT LIMITED
(AS MANAGER OF LIPPO MALLS INDONESIA RETAIL TRUST)

Ms Gouw Vi Ven
Executive Director and Chief Executive Officer
9 November 2018