



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

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
-	Summary of Lippo Malls Indonesia Retail Trust Group Results	2
1 (a) (i)	Statement of Total Return	3
1 (a) (ii)	Statement of Distribution	3
1 (b) (i)	Statement of Financial Position	4
1 (b) (ii)	Borrowings and Debt Securities	5
1 (c)	Statement of Cash Flows	5
1 (d) (i)	Statements of Changes in Unitholders' Funds	6
1 (d) (ii), (iii), (iv), (v)	Details of Any Change in the Issued and Issuable Units	7
2 & 3	Audit Statement	7
4 & 5	Changes in Accounting Policies	7
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the Financial Period	7
7	Net Assets Value ("NAV") and Net Tangible Assets ("NTA") Per Unit Based on Units Issued at the End of the Period	7
8	Review of the Performance	8
9	Variance from Forecast Statement	9
10	Outlook and Prospects	9
11 & 12	Distributions	9
13	Interested Person Transactions Mandate	9
14	Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual	9
15	Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)	9

LIPPO MALLS INDONESIA RETAIL TRUST

2018 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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 31 March 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

Gross rental income
Other revenue
Total Gross Revenue (Note A)
Net Property Income (Note A)
Amount distributable :
- Unitholders
- Perpetual securities holders
Distributable Amount

Available Distribution per Unit (cents)

Group Performance		
1Q 2018 S\$'000	1Q 2017 S\$'000	Variance
40,279	40,971	(1.7%)
8,844	7,616	16.1%
49,123	48,587	1.1%
43,948	46,079	(4.6%)
19,018	25,120	(24.3%)
4,369	2,416	80.8%
23,387	27,536	(15.1%)
0.67	0.89	(24.7%)

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

Total Gross Revenue
Net Property Income
Exchange rate

Group Performance		
1Q 2018 IDR'million	1Q 2017 IDR'million	Variance
504,048	456,951	10.3%
450,948	433,358	4.1%
10,260.94	9,404.67	9.1%

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

1 (a) (i) Statement of Total Return

Gross rental income
Carpark income
Other rental income ¹
Service charge and utilities recovery ²
Total Gross Revenue
Property Operating Expenses
Land rental
Property management fee
Property operating and maintenance expenses ³
Total Property Operating Expenses
Net Property Income
Interest income
Financial expenses
Administrative Expenses
Manager's management fees
Trustee's fee
Other trust operating expenses
Total Administrative Expenses
Other losses (net) (See Note A)
Total Return For The Period Before Tax
Income tax ¹
Withholding tax
Total Return For The Period After Tax
Total Return For The Period After Tax attributable:
Unitholders
Perpetual securities holders

Group		
1Q 2018 S\$'000	1Q 2017 S\$'000	Variance
40,279	40,971	(1.7%)
5,137	5,225	(1.7%)
2,985	2,391	24.8%
722	-	NM
49,123	48,587	1.1%
(416)	(510)	18.4%
(2,050)	(1,083)	(89.3%)
(2,709)	(915)	NM
(5,175)	(2,508)	NM
43,948	46,079	(4.6%)
47	56	(16.1%)
(8,039)	(8,111)	0.9%
(3,001)	(3,088)	2.8%
(115)	(83)	(38.6%)
(335)	(256)	(30.9%)
(3,451)	(3,427)	(0.7%)
(3,165)	(4,200)	24.6%
29,340	30,397	(3.5%)
(6,701)	(5,121)	(30.9%)
(2,870)	(3,076)	6.7%
19,769	22,200	(11.0%)
15,400	19,784	(22.2%)
4,369	2,416	80.8%
19,769	22,200	(11.0%)

1 (a) (ii) Statement of Distribution

Total return for the period after tax before distribution
Add back/(less) non-cash items and other adjustments:
- Manager's fee payable in the form of units ⁴
- Amount reserved for distribution to perpetual securities holders ⁵
- Depreciation of plant and equipment
- Amortisation of intangible assets
- Unrealised gain on hedging contracts
- Unrealised foreign exchange (gain)/ loss
Total Unitholders' Distribution
Unitholders' distribution:
- as distributions from operations
- as return of capital ⁶
Total Unitholders' Distribution

19,769	22,200	(11.0%)
3,001	1,843	62.8%
(4,369)	(2,416)	80.8%
585	429	36.4%
762	3,301	(76.9%)
(345)	(394)	(12.4%)
(385)	157	NM
19,018	25,120	(24.3%)
8,720	21,280	(59.0%)
10,298	3,840	NM
19,018	25,120	(24.3%)

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

Realised (loss)/ gain on hedging contracts, net of premium
Realised loss on foreign exchange
Miscellaneous income
Unrealised gain on hedging contracts
Unrealised foreign exchange gain/ (loss)
Amortisation of intangible assets

(765)	7	NM
(2,389)	(1,193)	NM
21	50	(58.0%)
345	394	(12.4%)
385	(157)	NM
(762)	(3,301)	(76.9%)
(3,165)	(4,200)	24.6%

Footnote:

- 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 1Q 2018 resulting from this change. For the avoidance of doubt, the outsourced agreements with a 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.
- Relate to service charge and utilities recovery charges collected from tenants of Kediri Town Square and the 7 Retail Spaces. Following the expiry of the master leases over the 7 Retail Spaces in November 2017, LMIR Trust is responsible for all costs relating to maintenance and operation of the 7 Retail Spaces.

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

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

Footnote:

- 3 Increase in property maintenance and operating expenses is mainly due to costs incurred for maintenance and operating of the Retail Spaces and Kediri Town Square of S\$405,000 (1Q 2017: Nil), as well as an allowance for doubtful debts made of S\$738,000 (as opposed to a reversal of allowance of doubtful debts in 1Q 2017 of S\$370,000).
- 4 Manager's fee payable in the form of units in 1Q 2018 of S\$3,001,000 includes performance fee of S\$1,758,000 and base fee of S\$1,243,000 respectively (Q1 2017: performance fee of S\$1,843,000).
- 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	
	31-Mar-18 S\$'000	31-Dec-17 S\$'000	31-Mar-18 S\$'000	31-Dec-17 S\$'000
Current Assets				
Cash and cash equivalents	78,286	64,900	13,373	9,560
Trade and other receivables ¹	36,274	38,990	234,501	231,924
Other assets	22,723	29,613	211	198
Total Current Assets	137,283	133,503	248,085	241,682
Non-current Assets				
Investment properties ²	1,858,297	1,908,141	-	-
Investments in subsidiaries	-	-	1,704,369	1,712,880
Intangible assets ³	10,818	11,906	-	-
Plant and equipment	9,959	9,931	-	-
Derivative financial instrument, non-current ⁴	445	394	445	394
Total Non-current Assets	1,879,519	1,930,372	1,704,814	1,713,274
Total Assets	2,016,802	2,063,875	1,952,899	1,954,956
Current Liabilities				
Unsecured borrowings	278,681	179,251	179,350	80,000
Secured borrowing	-	89,209	-	89,209
Trade and other payables	49,248	45,337	290,266	287,262
Current tax payable	7,123	5,715	-	-
Security deposits	32,873	34,415	-	-
Derivative financial instrument, current ⁴	346	909	346	909
Other financial liabilities, current	9	9	-	-
Total Current Liabilities	368,280	354,845	469,962	457,380
Non-current Liabilities				
Unsecured borrowings	420,233	419,810	346,068	345,732
Deferred tax liabilities	23,364	23,364	-	-
Deferred income	88,517	94,688	-	-
Derivative financial instrument, non-current ⁴	2,224	1,954	2,224	1,954
Other financial liabilities, non-current	1,149	1,281	-	-
Total non-current liabilities	535,487	541,097	348,292	347,686
Total Liabilities	903,767	895,942	818,254	805,066
Net Assets	1,113,035	1,167,933	1,134,645	1,149,890
Represented by:				
Unitholders' funds	853,879	908,286	875,489	890,243
Perpetual securities	259,156	259,647	259,156	259,647
Net assets attributable to unitholders and perpetual securities holders	1,113,035	1,167,933	1,134,645	1,149,890

Footnote:

- 1 Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$26.6 million (31 December 2017: S\$27.0 million), and other receivables of S\$9.7 million (31 December 2017: S\$12.0 million).
Trade receivables (before taking into account of allowance for doubtful debts) are S\$28.5 million (31 December 2017: S\$28.3 million), of which S\$15.2 million (31 December 2017: S\$16.7 million) are due from related party tenants and S\$13.3 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 31 March 2018 are S\$26.6 million (31 December 2017: S\$27.0 million).
Subsequent to the financial period end, approximately S\$8.1 million trade receivables have been collected, of which S\$3.9 million are from related party tenants and S\$4.2 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 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.
- 3 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).
- 4 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.

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

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	
31-Mar-18 S\$'000	31-Dec-17 S\$'000
-	90,000
-	(791)
-	89,209
280,000	180,000
(1,319)	(749)
425,000	425,000
(4,767)	(5,190)
698,914	599,061
698,914	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\$90 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 (gain)/ loss

- Unrealised gain 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

Capital expenditures on investment properties

Purchase of plant and equipment

Interest received

Cash flows used in investing activities

Financing activities

Proceeds from borrowings

Decrease in other financial liabilities

Deferred income

Interest paid

Distribution to unitholders

Distribution to perpetual securities holders

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	
1Q 2018 S\$'000	1Q 2017 S\$'000
29,340	30,397
3,001	1,843
(47)	(56)
806	914
7,233	7,197
585	429
762	3,301
(385)	157
(345)	(394)
40,950	43,788
7,807	(6,497)
9,186	6,160
(571)	799
57,372	44,250
(8,163)	(10,463)
49,209	33,787
(4,539)	(3,814)
(902)	(802)
47	56
(5,394)	(4,560)
10,000	-
(938)	(129)
(3,533)	(3,151)
(7,233)	(7,197)
(22,286)	(24,334)
(4,860)	(4,860)
(316)	(63)
(29,166)	(39,734)
14,649	(10,507)
59,787	74,271
(1,579)	538
72,857	64,302
72,857	64,302
5,429	3,546
78,286	67,848

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

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

Issued equity

Manager's management fees settled in units

Manager's acquisition fees settled in units

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	
1Q 2018 S\$'000	1Q 2017 S\$'000	1Q 2018 S\$'000	1Q 2017 S\$'000
908,286	1,091,688	890,243	1,065,807
19,769	22,200	9,686	12,994
(4,369)	(2,416)	(4,369)	(2,416)
15,400	19,784	5,317	10,578
(22,286)	(24,334)	(22,286)	(24,334)
1,301	6,874	1,301	6,874
914	864	914	864
(49,736)	(40,071)	-	-
853,879	1,054,805	875,489	1,059,789
259,647	140,867	259,647	140,867
4,369	2,416	4,369	2,416
(4,860)	(4,860)	(4,860)	(4,860)
259,156	138,423	259,156	138,423
1,113,035	1,193,228	1,134,645	1,198,212

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\$49.7 million was recorded in 1Q 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").

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

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
 Issuance of new units for acquisition fees
Issued units at the end of the period

1Q 2018	1Q 2017
2,823,987,723	2,802,992,873
3,252,120	18,675,322
2,326,647	2,319,528
2,829,566,490	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

31-Mar-18	31-Dec-17
2,829,566,490	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	
	1Q 2018	1Q 2017
Weighted average number of units in issue	2,826,033,271	2,805,677,186
Earnings per unit in cents (EPU) ⁽¹⁾	0.54	0.71
Number of units in issue	2,829,566,490	2,823,987,723
Distribution per unit in cents (DPU) ⁽²⁾	0.67	0.89

Footnote:

- 1 In computing the quarterly EPU, the weighted average number of units for the end of the period is used.
- 2 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 Based on Units Issued at the End of the Period

	Group		Trust	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Net Assets Value per unit in cents (NAV)	30.18	37.35	30.94	37.53
Net Tangible Assets per unit in cents (NTA)	29.79	36.80	30.94	37.53

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

8 Review of the Performance

Statement of Total Return

Gross rental income
Other revenue
Total gross revenue
Property operating expenses
Net Property Income

Interest income
Financial expenses
Administrative expenses
Other losses (net)

Total Return For The Period Before Tax

Income tax
Withholding tax

Total Return For The Period After Tax

Attributable to:

- Unitholders
- Perpetual securities holders

Total attributable to unitholders/perpetual securities holders

Unitholders' distribution:

- as distributions from operations
- as return of capital

Total Unitholders' distribution

Distribution per Unit (cents)

Group	
1Q 2018 S\$'000	1Q 2017 S\$'000
40,279	40,971
8,844	7,616
49,123	48,587
(5,175)	(2,508)
43,948	46,079
47	56
(8,039)	(8,111)
(3,451)	(3,427)
(3,165)	(4,200)
29,340	30,397
(6,701)	(5,121)
(2,870)	(3,076)
19,769	22,200
19,018	25,120
4,369	2,416
23,387	27,536
8,720	21,280
10,298	3,840
19,018	25,120
0.67	0.89

1Q 2018 vs 1Q 2017

Gross rental income is S\$0.7 million lower than 1Q 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar, and lower rental income as a result of non-renewal of the master leases over the 7 Retail Spaces. The impact from weakening of Indonesian Rupiah and non-renewal 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.

Property operating expenses are S\$2.7 million higher than 1Q 2017, mainly due to costs incurred for maintenance and operations of Retail Spaces and Kediri Town Square, as well as a net allowance for doubtful debts made of S\$738,000 (as opposed to a net reversal of allowance for doubtful debts in 1Q 2017 of S\$370,000).

Income tax expense is S\$1.6 million higher than 1Q 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\$2.0 million higher than 1Q 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.

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

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

Growth prospects for the Indonesian economy remain strong, with the World Bank projecting GDP growth of 5.3% in 2018, driven by more robust investment and exports, while private consumption is expected to receive a boost from continued moderate inflation and lower consumer lending rates.

While Indonesia's inflation edged up slightly to 3.4% in March from 3.2% in February, it remained well in the range of the Central Bank's target range of approximately 2.5%-4.5%. Full-year inflation is expected to come in at 3.5%.

On the retail front, Indonesia's retail sales grew 1.5% in February 2018 from a year ago, reversing a contraction of 1.8% y-o-y in January 2018. The survey of 700 retailers in 10 major cities also projected that March retail sales would rise by 1.7% on an annual basis.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	First quarter distribution for the period from 1 January 2018 to 31 March 2018.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.31 cents per unit and capital distribution of 0.36 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:	First quarter distribution for the period from 1 January 2017 to 31 March 2017.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.75 cents per unit and capital distribution of 0.14 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 30 May 2018

(d) Book closure date: 11 May 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
3 May 2018