

**LIPPO MALLS INDONESIA RETAIL TRUST
2018 FULL YEAR 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 31 December 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						
	4Q 2018 S\$'000	4Q 2017 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rental income (Note A)	36,560	40,506	(9.7%)	155,215	164,203	(5.5%)
Carpark income (Note A)	4,417	5,342	(17.3%)	19,141	20,908	(8.5%)
Other rental income (Note A)	367	3,450	(89.4%)	4,320	12,265	(64.8%)
Service charge and utilities recovery (Note A)	22,351	-	NM	51,623	-	NM
Total Gross Revenue (Note A)	63,695	49,298	29.2%	230,299	197,376	16.7%
Net Property Income (Note A)	38,402	44,930	(14.5%)	164,967	184,251	(10.5%)
Amount distributable :						
- Unitholders	8,685	22,286	(61.0%)	58,415	96,960	(39.8%)
- Perpetual securities holders	4,466	4,466	NM	17,720	14,053	26.1%
Distributable Amount	13,151	26,752	(50.8%)	76,135	111,013	(31.4%)
Available Distribution per Unit (cents)	0.30	0.79	(62.0%)	2.05	3.44	(40.4%)

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

Group Performance						
	4Q 2018 IDR'million	4Q 2017 IDR'million	Variance % Favourable/ (Unfavourable)	YTD 2018 IDR'million	YTD 2017 IDR'million	Variance % Favourable/ (Unfavourable)
Gross rental income	400,525	405,513	(1.2%)	1,641,639	1,586,424	3.5%
Carpark income	48,435	53,395	(9.3%)	202,446	202,000	0.2%
Other rental income	4,344	34,342	(87.4%)	45,691	118,497	(61.4%)
Service charge and utilities recovery	239,812	-	NM	545,993	-	NM
Total Gross Revenue	693,116	493,250	40.5%	2,435,769	1,906,921	27.7%
Net Property Income	420,931	450,045	(6.5%)	1,744,782	1,780,115	(2.0%)
Exchange rate (IDR to SGD)				10,576.55	9,661.36	(9.5%)

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

	Group					
	4Q 2018 S\$'000	4Q 2017 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rental income	36,560	40,506	(9.7%)	155,215	164,203	(5.5%)
Carpark income	4,417	5,342	(17.3%)	19,141	20,908	(8.5%)
Other rental income ¹	367	3,450	(89.4%)	4,320	12,265	(64.8%)
Service charge and utilities recovery ^{1,2}	22,351	-	NM	51,623	-	NM
Total Gross Revenue	63,695	49,298	29.2%	230,299	197,376	16.7%
Property Operating Expenses						
Land rental	(382)	(431)	11.4%	(1,614)	(1,974)	18.2%
Property management fee	(1,956)	(2,072)	5.6%	(7,714)	(6,691)	(15.3%)
Property operating and maintenance expenses ^{1,2}	(20,931)	-	NM	(45,303)	-	NM
Other property operating expenses ³	(2,024)	(1,865)	(8.5%)	(10,701)	(4,460)	NM
Total Property Operating Expenses	(25,293)	(4,368)	NM	(65,332)	(13,125)	NM
Net Property Income	38,402	44,930	(14.5%)	164,967	184,251	(10.5%)
Interest income	7	110	(93.6%)	146	277	(47.3%)
Financial expenses	(9,299)	(7,563)	(23.0%)	(34,653)	(31,588)	(9.7%)
Administrative Expenses						
Manager's management fees	(2,775)	(3,098)	10.4%	(11,595)	(12,518)	7.4%
Trustee's fee	(115)	(117)	1.7%	(461)	(423)	(9.0%)
Other trust operating expenses	15	(1,069)	NM	(1,607)	(3,196)	49.7%
Total Administrative Expenses	(2,875)	(4,284)	32.9%	(13,663)	(16,137)	15.3%
Other net loss (See Note A)	(7,116)	(5,917)	(20.3%)	(15,702)	(18,302)	14.2%
Total Return For The Period/Year Before Revaluation and Tax	19,119	27,276	(29.9%)	101,095	118,501	(14.7%)
Decrease in fair value of investment properties	(1,495)	(30,399)	95.1%	(1,495)	(30,399)	95.1%
Total Return/ (Loss) For The Period/Year Before Tax	17,624	(3,123)	NM	99,600	88,102	13.1%
Income tax ¹	(6,207)	(5,716)	(8.6%)	(28,316)	(21,232)	(33.4%)
Withholding tax	(2,626)	(3,113)	15.6%	(10,475)	(12,458)	15.9%
Deferred tax	123	8,298	(98.5%)	123	8,298	(98.5%)
Total Return/ (Loss) For The Period/Year After Tax	8,914	(3,654)	NM	60,932	62,710	(2.8%)
Total Return/ (Loss) For The Period/Year After Tax attributable:						
Unitholders	4,448	(8,120)	NM	43,212	48,657	(11.2%)
Perpetual securities holders ⁵	4,466	4,466	0.0%	17,720	14,053	26.1%
	8,914	(3,654)	NM	60,932	62,710	(2.8%)

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

Total return for the period/year after tax before distribution	8,914	(3,654)	NM	60,932	62,710	(2.8%)
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units ⁴	1,536	3,098	(50.4%)	10,356	8,671	19.4%
- Amount reserved for distribution to perpetual securities holders ⁵	(4,466)	(4,466)	0.0%	(17,720)	(14,053)	(26.1%)
- Depreciation of plant and equipment	915	738	24.0%	3,015	2,457	22.7%
- Decrease in fair value of investment properties net of deferred tax	1,372	22,102	(93.8%)	1,372	22,102	(93.8%)
- Amortisation of intangible assets	545	3,168	(82.8%)	2,613	12,996	(79.9%)
- Unrealised loss on hedging contracts	1,548	314	NM	135	568	(76.2%)
- Unrealised foreign exchange (gain)/loss	(1,679)	986	NM	(2,288)	1,509	NM
Total Unitholders' Distribution	8,685	22,286	(61.0%)	58,415	96,960	(39.8%)
Unitholders' distribution:						
- as distributions from operations	2,571	13,227	(80.6%)	29,525	63,637	(53.6%)
- as return of capital ⁶	6,114	9,059	(32.5%)	28,890	33,323	(13.3%)
Total Unitholders' Distribution	8,685	22,286	(61.0%)	58,415	96,960	(39.8%)

(Note A) **Other net loss comprises:**

Realised (loss)/gain on hedging contracts	(720)	181	NM	(2,956)	1,451	NM
Realised loss on foreign exchange ⁷	(5,985)	(1,987)	NM	(12,253)	(5,521)	NM
Miscellaneous income/(loss)	3	357	(99.2%)	(33)	841	NM
Unrealised loss on hedging contracts	(1,548)	(314)	NM	(135)	(568)	76.2%
Unrealised foreign exchange gain/(loss)	1,679	(986)	NM	2,288	(1,509)	NM
Amortisation of intangible assets	(545)	(3,168)	82.8%	(2,613)	(12,996)	79.9%
	(7,116)	(5,917)	(20.3%)	(15,702)	(18,302)	14.2%

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

Footnote:

1 Other rental income consists of the following:

Income from rental of signage, billboard, antenna and other miscellaneous income
 Income from rental of mechanical, electrical and mall operating equipment (arising from outsourced agreements with third party service provider) (Note (a))

4Q 2018 S\$'000	4Q 2017 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance % Favourable/ (Unfavourable)
1,007	397	NM	2,613	1,975	32.3%
(640)	3,053	NM	1,707	10,290	(83.4%)
367	3,450	(89.4%)	4,320	12,265	(64.8%)

Note (a)

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 service charges 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 charges 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 Jogja (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.

The negative income from rental of mechanical, electrical and mall operating equipment of \$0.6 million in 4Q 2018 is due to adjustment following the termination of the outsourced agreements.

- 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 YTD 2018 of S\$4.8 million (as opposed to a net reversal of allowance for doubtful debts made in YTD 2017 of S\$2.0 million).
- 4 Manager's fee payable in the form of units in YTD 2018 of S\$10.4 million includes performance fee of S\$6.6 million and base fee of S\$3.8 million respectively (YTD 2017: performance fee of S\$7.4 million and base fee of S\$1.3 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.
- 7 The realised loss on foreign exchange is mainly due to the following:

Realised exchange loss arising from redemption of Redeemable Preference Shares ("RPS") (Note (a))

Realised exchange loss arising from dividend payment from Indonesia subsidiaries to the Trust (Note (b))

4Q 2018 S\$'000	4Q 2017 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance % Favourable/ (Unfavourable)
(4,931)	(1,295)	NM	(9,170)	(4,501)	NM
(1,054)	(692)	(52.3%)	(3,083)	(1,020)	NM
(5,985)	(1,987)	NM	(12,253)	(5,521)	NM

Note (a)

This relates to realised foreign exchange loss arising from redemption of RPS issued by the wholly owned Singapore SPCs to LMIR Trust.

Based on Indonesian accounting standards, depreciation of real estate is a mandatory expense of the Indonesia subsidiaries when determining the net profit from operations of an Indonesian subsidiary that would be available for payment as dividends. This effectively traps cash in Indonesia subsidiaries as depreciation is not a cash expense. However, the properties of LMIR Trust are treated as real properties carried at valuation and hence are not depreciated. Accordingly, such depreciation of real properties is not treated as an expense item when computing Distributable Amount of LMIR Trust for distribution to Unitholders.

To distribute this portion, there is a need to extract the cash that is trapped in the Indonesia subsidiaries in the form of depreciation expense. As such, since IPO, a structure has been put in place principally to repatriate the cash trapped or excess cash held by the Indonesia subsidiaries, whereby LMIR Trust subscribes the RPS issued by the respective Singapore SPCs (the parent companies of the Indonesia subsidiaries), which then extends a corresponding shareholder's loan to the Indonesia subsidiaries at an amount equal to the RPS.

To repatriate the cash trapped, the Indonesia subsidiaries will make quarterly principal repayment of the shareholder's loan to the Singapore SPCs mainly at an amount equivalent to the depreciation charge. Upon receiving the proceeds from repayment of shareholder's loan, the Singapore SPCs will upstream such amount to LMIR Trust by redeeming the RPS issued to LMIR Trust. Please refer to page 91 of LMIR Trust's Prospectus for details of Distributions structure.

The RPS are mainly denominated in Indonesian Rupiah ("IDR") and recognised in the financial statements of LMIR Trust at historical SGD/IDR exchange rates when the RPS were issued, and some of the RPS were issued since the listing of LMIR Trust in 2007. As Indonesian Rupiah has weakened since the RPS were issued, the redemption of RPS at current SGD/IDR exchange rate has resulted in realised foreign exchange loss.

In 4Q 2018, LMIR Trust used S\$55.0 million internal cash resources and S\$135.0 million unsecured term loan obtained from 5 banks (total: S\$190.0 million) to refinance the maturing S\$90.0 million term loan and S\$100.0 million Bond issued under the EMTN programme ("Maturing Debts"), and such internal cash resources are partially from excess cash held by the Indonesia subsidiaries, which were repatriated to LMIR Trust in 4Q 2018 by way of redemption of RPS for its partial refinancing of the Maturing Debts. The higher RPS redemption amount in 4Q 2018 of approximately S\$29.3 million (4Q 2017: S\$7.4 million), coupled with weakening of IDR by 9.5% against SGD since the end of 2017, have resulted in higher realised foreign exchange loss in 4Q 2018 by S\$3.6 million, which translates into a lower DPU by 0.13 cents as compared to 4Q 2017. Please see below the amount of RPS redemption for the respective financial periods:

Amount of RPS redemption (SGD equivalent)

4Q 2018 S\$'000	4Q 2017 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2018 S\$'000	YTD 2017 S\$'000	Variance % Favourable/ (Unfavourable)
29,273	7,351	NM	50,476	23,767	NM

Note (b)

Realised exchange loss incurred due to weakened IDR upon payment of dividends from Indonesia subsidiaries to the Trust.

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1 (b) (i) **Statement of Financial Position**

	Group		Trust	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000	31-Dec-18 S\$'000	31-Dec-17 S\$'000
Current Assets				
Cash and cash equivalents ¹	52,676	64,900	17,524	9,560
Trade and other receivables ²	40,486	38,989	203,806	231,924
Other assets	21,964	29,613	6	198
Total Current Assets	115,126	133,502	221,336	241,682
Non-current Assets				
Investment properties ³	1,831,646	1,908,141	-	-
Investments in subsidiaries ⁷	-	-	1,521,282	1,712,880
Intangible assets ⁴	8,790	11,906	-	-
Plant and equipment	10,595	9,931	-	-
Derivative financial instrument, non-current ⁵	-	394	-	394
Total Non-current Assets	1,851,031	1,930,372	1,521,282	1,713,274
Total Assets	1,966,157	2,063,874	1,742,618	1,954,956
Current Liabilities				
Unsecured borrowings	120,000	179,251	120,000	80,000
Secured borrowing	-	89,209	-	89,209
Trade and other payables	50,192	45,337	171,387	287,262
Current tax payable	3,882	5,715	-	-
Security deposits ⁶	42,279	34,415	-	-
Derivative financial instrument, current ⁵	719	909	719	909
Other financial liabilities, current	9	9	-	-
Total Current Liabilities	217,081	354,845	292,106	457,380
Non-current Liabilities				
Unsecured borrowings	553,984	419,810	479,545	345,732
Deferred tax liabilities	23,240	23,364	-	-
Deferred income	89,499	94,688	-	-
Derivative financial instrument, non-current ⁵	1,885	1,954	1,885	1,954
Other financial liabilities, non-current	1,257	1,280	-	-
Total non-current liabilities	669,865	541,096	481,430	347,686
Total Liabilities	886,946	895,941	773,536	805,066
Net Assets	1,079,211	1,167,933	969,082	1,149,890
Represented by:				
Unitholders' funds	819,564	908,286	709,435	890,243
Perpetual securities	259,647	259,647	259,647	259,647
Net assets attributable to unitholders and perpetual securities holders	1,079,211	1,167,933	969,082	1,149,890

Footnote:

- Decrease in cash and cash equivalents is mainly due to the partial repayment of borrowings due in 4Q 2018 using internal cash resources. The decrease is partly offset by proceeds received from the new borrowings in FY 2018.
- Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$25.5 million (31 December 2017: S\$27.0 million), and other receivables of S\$15.0 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 net trade receivables by S\$5.9 million as compared with 31 December 2017 (S\$ Nil).
Trade receivables (before taking into account of allowance for doubtful debts) are S\$29.9 million (31 December 2017: S\$28.3 million), of which S\$13.2 million (31 December 2017: S\$16.7 million) are due from related party tenants and S\$16.7 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 December 2018 are S\$25.5 million (31 December 2017: S\$27.0 million).
Subsequent to the financial period end, approximately S\$8.4 million trade receivables have been collected, of which S\$1.5 million are from related party tenants and S\$6.9 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.
- The carrying values of the properties are stated based on the independent valuation as at 31 December 2018. The valuations 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. Decrease in investment properties is mainly due to depreciation of Indonesian Rupiah against Singapore Dollar from the IDR/SGD exchange rate of 10,143.21 to 10,602.97 as at 31 December 2018.
- Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in Palembang Icon ("PICON"), 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). The master leases are for 5 years apart from the sport centre at PICON, which is under a master lease of 25 years.
- 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.
- Increase in security deposit is mainly due to collection of security deposit on the service charge and utilities from a third party service provider after the termination of outsourced agreement relating to maintenance and operation of the retail malls in FY2018 following the implementation of 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 and 4 of the results announcement for details on the new tax regulations.
- The management has assessed that there are indicators of impairment for those subsidiaries with shortfalls between the cost of investment in subsidiaries and the recoverable amount of the investments. Based on the above assessment, the management had made allowance for impairment loss of \$133,017,000 (2017: \$122,076,000) in the Trust's financial statements as at 31 December 2018.

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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	
31-Dec-18 S\$'000	31-Dec-17 S\$'000
-	90,000
-	(791)
-	89,209
120,000	180,000
-	(749)
560,000	425,000
(6,016)	(5,190)
673,984	599,061
673,984	688,270

Unsecured borrowings

LMIR Trust has S\$75 million 4.1% Bond due in June 2020 (the Bond), 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.

On 9 November 2018, LMIR Trust obtained 4-year term loan of S\$67.5 million maturing in November 2022 at an interest rate of 3.05% per annum plus SGD Swap Offer Rate and 5-year term loan of S\$67.5 million maturing in November 2023 at an interest rate of 3.25% per annum plus SGD Swap Offer Rate (Total: S\$135 million). The proceeds from drawing down of the term loans of S\$135 million, together with internal cash resources of S\$55 million, were used to repay the S\$100 million Bond and S\$90 million term loan due in November and December 2018 respectively.

LMIR Trust has drawdown S\$120 million (FY2017: S\$80 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/(loss) for the period/year before tax

Adjustments for

- Manager's fee payable in units
- Interest income
- Amortisation of borrowing costs
- Interest expense
- Decrease in fair value of investment properties
- Depreciation of plant and equipment
- Amortisation of intangible assets
- Unrealised foreign exchange (gain)/loss
- Unrealised 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 bank 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)/from financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period/year

Effect of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period/year

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	
4Q 2018 S\$'000	4Q 2017 S\$'000
17,624	(3,123)
1,536	3,098
(7)	(110)
1,179	1,625
8,120	8,040
1,495	30,399
915	738
545	3,168
(1,679)	986
1,548	314
31,276	45,135
5,020	(25,848)
280	21,332
6,366	2,144
42,942	42,763
(12,586)	(8,555)
30,356	34,208
-	(100,428)
(1,342)	(28,671)
(1,018)	(1,891)
7	110
(2,353)	(130,880)
(90,000)	-
(100,000)	(75,000)
135,000	189,290
37	(4,344)
4,787	14,828
(8,120)	(8,040)
(13,896)	(24,151)
(3,971)	(3,971)
-	-
(1,723)	(1,197)
(77,886)	87,415
(49,883)	(9,257)
93,586	71,003
1,596	(1,959)
45,299	59,787
45,299	59,787
7,377	5,113
52,676	64,900

Group	
YTD 2018 S\$'000	YTD 2017 S\$'000
99,600	88,102
10,356	8,671
(146)	(277)
3,346	4,548
31,307	27,040
1,495	30,399
3,015	2,457
2,613	12,996
(2,288)	1,509
135	568
149,433	176,013
8,800	(33,446)
11,070	29,873
9,354	4,434
178,657	176,874
(40,424)	(34,128)
138,233	142,746
-	(133,400)
(7,704)	(45,638)
(4,112)	(5,630)
146	277
(11,670)	(184,391)
(90,000)	(55,000)
(100,000)	(125,000)
175,000	224,290
(24)	(4,566)
(1,132)	14,597
(31,307)	(27,040)
(72,016)	(99,009)
(17,720)	(13,771)
-	118,498
(2,264)	(1,630)
(139,463)	31,369
(12,900)	(10,276)
59,787	74,271
(1,588)	(4,208)
45,299	59,787
45,299	59,787
7,377	5,113
52,676	64,900

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

	Group		Trust	
	4Q 2018 S\$'000	4Q 2017 S\$'000	4Q 2018 S\$'000	4Q 2017 S\$'000
Total Unitholders' Funds at beginning of the period	785,433	999,001	853,885	1,027,854
Operations				
Total return for the period	8,914	(3,654)	(128,602)	(108,994)
Less: Amount reserved for distribution to perpetual securities holders	(4,466)	(4,466)	(4,466)	(4,466)
Net increase/(decrease) in net assets resulting from operations attributed to unitholders	4,448	(8,120)	(133,068)	(113,460)
Unitholders' contributions				
Manager's management fees settled in units	2,514	-	2,514	-
Distribution to unitholders	(13,896)	(24,151)	(13,896)	(24,151)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries ¹	41,065	(58,444)	-	-
Total Unitholders' Funds	819,564	908,286	709,435	890,243
Perpetual securities				
Balance at the beginning of the period	259,152	259,152	259,152	259,152
Amount reserved for distribution to perpetual securities holders	4,466	4,466	4,466	4,466
Distribution to perpetual securities holders	(3,971)	(3,971)	(3,971)	(3,971)
Balance at the end of the period	259,647	259,647	259,647	259,647
Total	1,079,211	1,167,933	969,082	1,149,890

	Group		Trust	
	YTD 2018 S\$'000	YTD 2017 S\$'000	YTD 2018 S\$'000	YTD 2017 S\$'000
Total Unitholders' Funds at beginning of the year	908,286	1,091,688	890,243	1,065,807
Operations				
Total return for the year	60,932	62,710	(104,414)	(70,240)
Less: Amount reserved for distribution to perpetual securities holders	(17,720)	(14,053)	(17,720)	(14,053)
Net increase/(decrease) in net assets resulting from operations attributed to unitholders	43,212	48,657	(122,134)	(84,293)
Unitholders' contributions				
Manager's management fees settled in units	12,428	6,874	12,428	6,874
Manager's acquisition fees settled in units	914	864	914	864
Distribution to unitholders	(72,016)	(99,009)	(72,016)	(99,009)
Foreign currency translation reserve				
Translation differences relating to financial statements of foreign subsidiaries ¹	(73,260)	(140,788)	-	-
Total Unitholders' Funds	819,564	908,286	709,435	890,243
Perpetual securities				
Balance at the beginning of the year	259,647	140,867	259,647	140,867
Issue of perpetual securities, net of transaction costs	-	118,498	-	118,498
Amount reserved for distribution to perpetual securities holders	17,720	14,053	17,720	14,053
Distribution to perpetual securities holders	(17,720)	(13,771)	(17,720)	(13,771)
Balance at the end of the year	259,647	259,647	259,647	259,647
Total	1,079,211	1,167,933	969,082	1,149,890

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 year end exchange rate. A translation loss of S\$73.3 million was recorded in YTD 2018 due to weakening of Indonesian Rupiah against Singapore Dollar since the end of the last financial year 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 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

4Q 2018	4Q 2017
2,851,232,116	2,823,987,723
8,701,469	-
2,859,933,585	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 year

31-Dec-18	31-Dec-17
2,859,933,585	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 year 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 statements.

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

	Group			
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
Weighted average number of units in issue	2,856,756,589	2,823,987,723	2,842,849,699	2,819,472,796
Earnings per unit in cents (EPU) ⁽¹⁾	0.16	(0.29)	1.52	1.73
Adjusted Earnings per unit in cents (Adjusted EPU) (Note A)	0.20	0.50	1.57	2.51
Number of units in issue	2,859,933,585	2,823,987,723	2,859,933,585	2,823,987,723
Distribution per unit in cents (DPU) ⁽²⁾	0.30	0.79	2.05	3.44

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.

Note A: Adjusted earnings exclude changes in the fair value of investment properties (net of deferred tax).

7 Net Assets Value ("NAV") and Net Tangible Assets ("NTA") Per Unit Based on Units Issued at the End of the Period

	Group		Trust	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net Assets Value per unit in cents (NAV)	28.66	32.16	24.81	31.52
Net Tangible Assets per unit in cents (NTA)	28.35	31.74	24.81	31.52

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8 **Review of the Performance**

	Group			
	4Q 2018 S\$'000	4Q 2017 S\$'000	YTD 2018 S\$'000	YTD 2017 S\$'000
Statement of Total Return				
Gross rental income	36,560	40,506	155,215	164,203
Other revenue	27,135	8,792	75,084	33,173
Total gross revenue	63,695	49,298	230,299	197,376
Property operating expenses	(25,293)	(4,368)	(65,332)	(13,125)
Net Property Income	38,402	44,930	164,967	184,251
Interest income	7	110	146	277
Financial expenses	(9,299)	(7,563)	(34,653)	(31,588)
Administrative expenses	(2,875)	(4,284)	(13,663)	(16,137)
Other (losses) (net)	(7,116)	(5,917)	(15,702)	(18,302)
Total Return For The Period/Year Before Tax	19,119	27,276	101,095	118,501
Decrease in fair value of investment properties	(1,495)	(30,399)	(1,495)	(30,399)
Total Return/(Loss) For The Period/Year Before Tax	17,624	(3,123)	99,600	88,102
Income tax	(6,207)	(5,716)	(28,316)	(21,232)
Withholding tax	(2,626)	(3,113)	(10,475)	(12,458)
Deferred tax	123	8,298	123	8,298
Total Return/(Loss) For The Period/Year After Tax	8,914	(3,654)	60,932	62,710
Amount distributable to:				
- Unitholders	8,685	22,286	58,415	96,960
- Perpetual securities holders	4,466	4,466	17,720	14,053
Total distributable to unitholders/ perpetual securities holders	13,151	26,752	76,135	111,013
Unitholders' distribution:				
- as distributions from operations	2,571	13,227	29,525	63,637
- as return of capital	6,114	9,059	28,890	33,323
Total Unitholders' distribution	8,685	22,286	58,415	96,960
Distribution per Unit (cents)	0.30	0.79	2.05	3.44

4Q 2018 vs 4Q 2017

Gross rental income is S\$3.9 million lower than 4Q 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar as compared to 4Q 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\$18.3 million higher than 4Q 2017, mainly due to collection of service charge and utilities recovery charges directly from tenants of the malls and Retail Spaces, while as in 4Q 2017, it was outsourced to a service provider.

Property operating expenses are S\$20.9 million higher than 4Q 2017, mainly due to costs incurred of S\$20.9 million (4Q 2017: Nil) for maintenance and operations of the malls and Retail Spaces.

Finance expenses are S\$1.7 million higher than 4Q 2017 mainly due to additional borrowings for acquisition of Lippo Plaza Jogja and Kediri Town Square in December 2017. The effect is partially offset by partial repayment of Bond and term loan due in November and December 2018 respectively by using internal cash resources.

Administrative expenses are S\$1.4 million lower than 4Q 2017 mainly due to lower management fees as a result of lower value of deposited property and net property income as well as reversal of over accrued expenses.

Income tax expense is S\$0.5 million higher than 4Q 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 and 4 of the results announcement for details on the new tax regulations.

Other losses (net) comprise realised and unrealised foreign exchange 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\$9.0 million lower than YTD 2017, mainly due to weakening of Indonesian Rupiah against Singapore Dollar by 9.5% 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\$41.9 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\$52.2 million higher than YTD 2017, mainly due to:

- i) costs incurred of S\$45.3 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\$4.8 million (as opposed to a net reversal of allowance for doubtful debts made in YTD 2017 of S\$2.0 million).

Finance expenses are S\$3.1 million higher than YTD 2017, mainly due to additional borrowings for acquisition of Lippo Plaza Jogja and Kediri Town Square in December 2017. The effect is partially offset by partial repayment of Bond and term loan due in November and December 2018 respectively by using internal cash resources.

Administrative expenses are S\$2.5 million lower than YTD 2017 mainly due to lower management fees as a result of lower value of deposited property and net property income as well as reversal of over accrued expenses.

Income tax expense is S\$7.1 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 and 4 of the results announcement for details on the new tax regulations.

Other losses (net) comprise realised and unrealised foreign exchange 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

Since the beginning of 2019, the Indonesian Rupiah has strengthened 2.2% to Rp10,345 against the Singapore Dollar on the back of improvements in the Indonesian economic indicators, which has been perceived favourably by investors compared to its other emerging market peers. Indonesia's economy expanded at a faster year-on-year ("y-o-y") pace in 2018, with gross domestic product growth at 5.17% as compared with growth of 5.07% in 2017. Indonesia's growth forecast for 2019 has been set at 5.30% , on expectations of a stronger spending push planned for 2019, as announced by President Joko Widodo. The Rupiah's appreciation was also accompanied by a build-up in foreign exchange reserves which has been consistently improving since September 2018.

In 2018, price levels in Indonesia were muted with a decrease in annual inflation rate to 3.13% , from 3.61% in 2017, and this was also at a level below the 3.50% target set in the national budget. Inflationary pressures were mainly moderated by the government's decision to cap the prices of subsidised commodities such as fuel and electricity throughout the year, while the main inflationary pressure originated from the price increase of raw food. In a bid to defend the depreciating Rupiah, Bank Indonesia has raised its interest rate a total of 175 basis points in 2018 to its current level of 6.0%.

Stronger retail sales were reported in November 2018 with growth in the Real Sales Index (RSI) accelerating to 3.40% y-o-y from 2.95% y-o-y in October 2018. This was mainly driven by growth in sale of clothing, automotive fuels as well as cultural and recreational goods. With the Christmas and New Year holiday season, retail sales are expected to surge in December 2018, pushing up both retail sales in 4Q 2018 as well as for the entire year.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Fourth quarter distribution for the period from 1 October 2018 to 31 December 2018.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.09 cents per unit and capital distribution of 0.21 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:	Fourth quarter distribution for the period from 1 October 2017 to 31 December 2017.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.47 cents per unit and capital distribution of 0.32 cents per unit.
Par value of units:	NA
Tax rate:	NA

(c) Date payable: 26 March 2019

(d) Book closure date: 4 March 2019

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 A breakdown of sales as follows

	31-Dec-18 S\$'000	31-Dec-17 S\$'000	Changes %
Gross revenue reported for first half year	101,773	98,473	3.4%
Total return after income tax for first half year	38,058	45,301	(16.0%)
Total return after income tax but before changes in fair values of investment properties net of deferred tax for first half year	38,058	45,301	(16.0%)
Gross revenue reported for second half year	128,526	98,903	30.0%
Total return after income tax for second half year	22,874	17,409	31.4%
Total return after income tax but before changes in fair values of investment properties net of deferred tax for second half year	24,246	39,510	(38.6%)

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- 15 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

In respect of period:

1 January to 31 March 2017 (paid)
 1 April to 30 June 2017 (paid)
 1 July to 30 September 2017 (paid)
 1 October to 31 December 2017 (paid)
 1 January to 31 March 2018 (paid)
 1 April to 30 June 2018 (paid)
 1 July to 30 September 2018 (paid)
 1 October to 31 December 2018 (to be paid)

Total distribution to Unitholders

31-Dec-18 S\$'000	31-Dec-17 S\$'000
-	25,120
-	25,403
-	24,151
-	22,286
19,018	-
16,816	-
13,896	-
8,685	-
58,415	96,960

- 16 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative

Pursuant to Rule 704(13) of the Listing Manual, LMIRT Management Limited (the "Company"), as manager of Lippo Malls Indonesia Retail Trust ("LMIR Trust"), wishes to confirm that there was no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company or Substantial Unitholder of LMIR Trust for the financial year ended 31 December 2018.

- 17 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.

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

Ms Gouw Vi Ven
 Executive Director and Chief Executive Officer
 22 February 2019