

**LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD 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	6
1 (d) (i)	Statements of Changes in Unitholders' Funds	7
1 (d) (ii), (iii), (iv), (v)	Details of Any Change in the Issued and Issuable Units	8
2 & 3	Audit Statement	8
4 & 5	Changes in Accounting Policies	8
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the Financial Period	8
7	Net Assets Value ("NAV") and Net Tangible Assets ("NTA") Per Unit Based on Units Issued at the End of the Period	8
8	Review of the Performance	9
9	Variance from Forecast Statement	10
10	Outlook and Prospects	10
11 & 12	Distributions	10
13	Interested Person Transactions Mandate	10
14	Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual	10
15	Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)	10

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD 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 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 2019, 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 2019	3Q 2018	Variance %	YTD 2019	YTD 2018	Variance %
	S\$'000	S\$'000	Favourable/ (Unfavourable)	S\$'000	S\$'000	Favourable/ (Unfavourable)
Gross rental income (Note A)	39,308	36,996	6.2%	115,732	118,655	(2.5%)
Carpark income (Note A)	4,485	4,574	(1.9%)	13,896	14,724	(5.6%)
Other rental income (Note A)	955	432	NM	2,407	3,953	(39.1%)
Service charge and utilities recovery (Note A)	24,500	22,829	7.3%	71,393	29,272	NM
Total Gross Revenue (Note A)	69,248	64,831	6.8%	203,428	166,604	22.1%
Net Property Income (Note A)	44,122	39,464	11.8%	128,609	126,565	1.6%
Amount distributable :						
- Unitholders	17,996	13,896	29.5%	51,556	49,730	3.7%
- Perpetual securities holders	4,467	4,440	0.6%	13,254	13,254	-
Income available for distribution	22,463	18,336	22.5%	64,810	62,984	2.9%
Distribution to Unitholders	16,196	13,896	16.6%	49,756	49,730	0.1%
Distribution per Unit (cents)	0.56	0.49	14.3%	1.71	1.75	(2.3%)

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

Group Performance						
	3Q 2019	3Q 2018	Variance %	YTD 2019	YTD 2018	Variance %
	IDR'million	IDR'million	Favourable/ (Unfavourable)	IDR'million	IDR'million	Favourable/ (Unfavourable)
Gross rental income	404,082	394,545	2.4%	1,201,416	1,241,114	(3.2%)
Carpark income	46,061	48,785	(5.6%)	144,255	154,011	(6.3%)
Other rental income	9,838	4,843	NM	24,987	41,347	(39.6%)
Service charge and utilities recovery	251,886	239,386	5.2%	741,132	306,181	NM
Total Gross Revenue	711,867	687,559	3.5%	2,111,790	1,742,653	21.2%
Net Property Income	453,614	420,864	7.8%	1,335,093	1,323,851	0.8%
Exchange rate (IDR to SGD)				10,381.02	10,459.85	0.8%

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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

	Group					
	3Q 2019 S\$'000	3Q 2018 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2019 S\$'000	YTD 2018 S\$'000	Variance % Favourable/ (Unfavourable)
Gross rental income	39,308	36,996	6.2%	115,732	118,655	(2.5%)
Carpark income	4,485	4,574	(1.9%)	13,896	14,724	(5.6%)
Other rental income ¹	955	432	NM	2,407	3,953	(39.1%)
Service charge and utilities recovery ^{1,2}	24,500	22,829	7.3%	71,393	29,272	NM
Total Gross Revenue	69,248	64,831	6.8%	203,428	166,604	22.1%
Property Operating Expenses						
Land rental	(434)	(391)	(11.0%)	(1,286)	(1,232)	(4.4%)
Property management fee	(2,058)	(1,603)	(28.4%)	(5,938)	(5,758)	(3.1%)
Property operating and maintenance expenses ^{1,2}	(20,586)	(19,535)	(5.4%)	(61,001)	(24,372)	NM
Other property operating expenses ³	(2,048)	(3,838)	46.6%	(6,594)	(8,677)	24.0%
Total Property Operating Expenses	(25,126)	(25,367)	(1.0%)	(74,819)	(40,039)	86.9%
Net Property Income	44,122	39,464	11.8%	128,609	126,565	1.6%
Interest income	385	46	NM	394	139	NM
Financial expenses ⁴	(11,264)	(9,026)	(24.8%)	(29,928)	(25,354)	(18.0%)
Administrative Expenses						
Manager's management fees	(3,088)	(2,828)	(9.2%)	(8,984)	(8,820)	(1.9%)
Trustee's fee	(120)	(116)	(3.4%)	(350)	(346)	(1.2%)
Other trust operating expenses	(617)	(314)	(96.5%)	(2,152)	(1,622)	(32.7%)
Total Administrative Expenses	(3,825)	(3,258)	(17.4%)	(11,486)	(10,788)	(6.5%)
Other gains/(losses) (net) (See Note A)	5,564	(3,142)	NM	(1,647)	(8,586)	80.8%
Total Return For The Period Before Tax	34,982	24,084	45.2%	85,942	81,976	4.8%
Income tax ¹	(6,949)	(7,793)	10.8%	(20,452)	(22,109)	7.5%
Withholding tax	(2,572)	(2,331)	(10.3%)	(7,377)	(7,849)	6.0%
Total Return For The Period After Tax	25,461	13,960	82.4%	58,113	52,018	11.7%
Total Return For The Period After Tax attributable:						
Unitholders	20,994	9,520	NM	44,859	38,764	15.7%
Perpetual securities holders ⁶	4,467	4,440	0.6%	13,254	13,254	-
	25,461	13,960	82.4%	58,113	52,018	11.7%

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

Total return for the period after tax before distribution	25,461	13,960	82.4%	58,113	52,018	11.7%
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units ⁵	1,764	2,828	(37.6%)	5,144	8,820	(41.7%)
- Amount reserved for distribution to perpetual securities holders ⁶	(4,467)	(4,440)	0.6%	(13,254)	(13,254)	-
- Depreciation of plant and equipment	837	745	12.3%	2,468	2,100	17.5%
- Amortisation of intangible assets	580	560	3.6%	1,724	2,068	(16.6%)
- Unrealised gain on hedging contracts	(10,233)	(454)	NM	(2,884)	(1,413)	NM
- Unrealised foreign exchange loss/(gain)	4,054	697	NM	245	(609)	NM
Total income available for distribution	17,996	13,896	29.5%	51,556	49,730	3.7%
Distribution to Unitholders⁸						
- as distributions from operations	11,000	8,990	22.4%	31,787	26,954	17.9%
- as return of capital ⁷	5,196	4,906	5.9%	17,969	22,776	(21.1%)
Total distribution to Unitholders	16,196	13,896	16.6%	49,756	49,730	0.1%

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

Realised loss on hedging contracts, net of premium	(7)	(736)	99.0%	(1,242)	(2,236)	44.5%
Realised loss on foreign exchange	(446)	(1,747)	74.5%	(2,268)	(6,268)	63.8%
Miscellaneous income	418	144	NM	948	(36)	NM
Unrealised gain on hedging contracts	10,233	454	NM	2,884	1,413	NM
Unrealised foreign exchange (loss)/gain	(4,054)	(697)	NM	(245)	609	NM
Amortisation of intangible assets	(580)	(560)	(3.6%)	(1,724)	(2,068)	16.6%
	5,564	(3,142)	NM	(1,647)	(8,586)	80.8%

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1 (a) (i) **Statement of Total Return (cont'd)**

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))

3Q 2019 S\$'000	3Q 2018 S\$'000	Variance % Favourable/ (Unfavourable)	YTD 2019 S\$'000	YTD 2018 S\$'000	Variance % Favourable/ (Unfavourable)
955	432	NM	2,407	1,176	NM
-	-	NM	-	2,777	NM
955	432	NM	2,407	3,953	(39.1%)

Note (a)

Since May 2012, certain maintenance services for LMIR Trust's properties, such as cleaning and maintenance of utilities, were 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 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

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.

- 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
- Decrease in other property operating expenses is mainly due to net reversal of allowance for doubtful debts of S\$1.9 million in 3Q 2019 as opposed to net allowance for doubtful debts of S\$2.1 million in 3Q 2018. This is also partly offset by the higher expenses for renewing of certain licenses.
- Increase in finance expenses is mainly due to higher all in cost of US\$250.0 million bond issued in June 2019, which the proceeds were mainly used to refinance the S\$175.0 million 4-year term loan and the S\$120.0 million revolving credit facilities.
- Manager's fee payable in the form of units in YTD 2019 only includes performance fee of S\$5.1 million whilst in YTD 2018, it included performance fee of S\$5.0 million and base fee of S\$3.8 million.
- The Trust issued perpetual securities of S\$140.0 million at a distribution rate of 7.0% per annum and S\$120.0 million at a distribution rate of 6.6% per annum in September 2016 and June 2017 respectively.
- 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.
- S\$1.8 million was retained from the amount available for distribution for capital management and ensuring overall stability of distributions.

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

	Group		Trust	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
Current Assets				
Cash and cash equivalents ¹	116,284	52,676	15,333	17,524
Trade and other receivables ²	38,934	40,486	223,356	203,806
Other assets	18,288	21,964	1,411	6
Total Current Assets	173,506	115,126	240,100	221,336
Non-current Assets				
Investment properties ³	1,905,321	1,831,646	-	-
Investments in subsidiaries	-	-	1,505,211	1,521,282
Intangible assets ⁴	7,366	8,790	-	-
Plant and equipment	9,850	10,595	-	-
Derivative financial instrument, non-current ⁶	3,602	-	3,602	-
Total Non-current Assets	1,926,139	1,851,031	1,508,813	1,521,282
Total Assets	2,099,645	1,966,157	1,748,913	1,742,618
Current Liabilities				
Unsecured borrowings ⁵	74,718	120,000	-	120,000
Trade and other payables	43,658	50,192	500,421	171,387
Current tax payable	6,776	3,881	-	-
Security deposits	47,104	42,279	-	-
Derivative financial instrument, current ⁶	-	719	-	719
Other financial liabilities, current	34	34	-	-
Total Current Liabilities	172,290	217,105	500,421	292,106
Non-current Liabilities				
Unsecured borrowings ⁵	641,311	553,983	306,670	479,545
Deferred tax liabilities	23,241	23,241	-	-
Deferred income	95,842	89,499	-	-
Derivative financial instrument, non-current ⁶	3,322	1,885	3,322	1,885
Other financial liabilities, non-current	1,307	1,233	-	-
Total non-current liabilities	765,023	669,841	309,992	481,430
Total Liabilities	937,313	886,946	810,413	773,536
Net Assets	1,162,332	1,079,211	938,500	969,082
Represented by:				
Unitholders' funds	903,180	819,564	679,348	709,435
Perpetual securities	259,152	259,647	259,152	259,647
Net assets attributable to unitholders and perpetual securities holders	1,162,332	1,079,211	938,500	969,082

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1 (b) (i) **Statement of Financial Position (cont'd)**

Footnote:

- 1 Increase in cash and cash equivalents are mainly due to remaining proceeds from the issuance of US\$250.0 million bond subsequent to the repayment of the S\$175.0 million term loan and the S\$120.0 million revolving credit facilities as well as cash generated from day to day operations of the malls as opposed to lower cash and cash equivalents as at 31 December 2018.
- 2 Trade and other receivables consist of trade receivables (net of allowance for doubtful debts) of S\$25.8 million (31 December 2018: S\$25.5 million), and other receivables of S\$13.1 million (31 December 2018: S\$15.0 million).
Trade receivables (before taking into account of allowance for doubtful debts) are S\$29.6 million (31 December 2018: S\$29.9 million), of which S\$13.2 million (31 December 2018: S\$13.2 million) are due from related party tenants and S\$16.4 million (31 December 2018: S\$16.7 million) are due from non-related party tenants. After taking into account of allowance for doubtful debts, the trade receivables as at 30 September 2019 are S\$25.8 million (31 December 2018: S\$25.5 million).
Subsequent to the financial period end, approximately S\$7.6 million trade receivables have been collected, of which S\$2.2 million are from related party tenants and S\$5.4 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 fulfill their payment obligations to LMIR Trust in the future and it 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.
- 3 The carrying values of the properties are stated based on the independent valuation as at 31 December 2018 and adjusted for property enhancements to-date. The valuations figures are recorded in the financial statements in Indonesian Rupiah and translated into Singapore Dollar using the respective exchange rate as at the end of each period. Increase in investment properties is mainly due to appreciation of Indonesian Rupiah against Singapore Dollar.
- 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"), 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 2018: 5 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.
- 5 On 19 June 2019, LMIR Trust, through its wholly owned subsidiary, LMIRT Capital, issued US\$250.0 million (approximately S\$344.1 million) 7.25% Guarantee Senior Notes due in 2024. The proceeds from the Notes issuance were mainly used to repay the S\$120.0 million revolving credit facilities and the S\$175.0 million term loan due in August 2020. The Trust has also entered into a few cross currency swap contracts to swap the USD Notes and the corresponding interest coupon payments into Singapore Dollars obligations with a fixed interest rate of approximately 6.71% per annum payable semi-annually in arrears.
- 6 The movements in derivative financial assets and liabilities (current and non-current) are mainly due to the fair value changes in the new cross currency swap contracts as well as the existing hedging contracts, namely, currency options and interest rate swap contracts.

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

Unsecured borrowings:

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

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

Total unsecured borrowings

Total borrowings

Group	
30-Sep-19 S\$'000	31-Dec-18 S\$'000
75,000	120,000
(282)	-
654,146	560,000
(12,835)	(6,017)
716,029	673,983
716,029	673,983

Unsecured borrowings

LMIR Trust has S\$75.0 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 5-year term loan of S\$175.0 million maturing in August 2021 at an interest rate of 3.15% per annum plus SGD Swap Offer Rate. In 2018, LMIR Trust has a 4-year term loan of S\$175.0 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\$175.0 million maturing in August 2021 at an interest rate of 3.15% per annum plus SGD Swap Offer Rate. In 2Q 2019, the Trust repaid the 4-year term loan of S\$175.0 million maturing in August 2020.

LMIR Trust has a 4-year term loan of S\$67.5 million (FY2018: S\$67.5 million) maturing in November 2022 at an interest rate of 3.05% per annum plus SGD Swap Offer Rate and a 5-year term loan of S\$67.5 million (FY2018: S\$67.5 million) maturing in November 2023 at an interest rate of 3.25% per annum plus SGD Swap Offer Rate.

On 19 June 2019, LMIR Trust, through its wholly owned subsidiary, LMIRT Capital, issued US\$250.0 million (approximately S\$344.1 million) 7.25% Guarantee Senior Notes due in 2024. The proceeds from the Notes issuance were mainly used to repay S\$120.0 million revolving credit facilities and the S\$175.0 million 4-year term loan due in August 2020.

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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

	Group		Group	
	3Q 2019 S\$'000	3Q 2018 S\$'000	YTD 2019 S\$'000	YTD 2018 S\$'000
Operating activities				
Total return for the period before tax	34,982	24,084	85,942	81,976
Adjustments for				
- Manager's fee payable in units	1,764	2,828	5,144	8,820
- Interest income	(385)	(46)	(394)	(139)
- Amortisation of borrowing costs	825	783	3,198	2,167
- Interest expense	10,439	8,243	26,730	23,187
- Depreciation of plant and equipment	837	745	2,468	2,100
- Amortisation of intangible assets	580	560	1,724	2,068
- Unrealised foreign exchange (loss)/gain	4,054	697	245	(609)
- Unrealised gain on hedging contracts	(10,233)	(454)	(2,884)	(1,413)
Operating income before working capital changes	42,863	37,440	122,173	118,157
Changes in working capital				
Trade and other receivables	2,159	(2,573)	2,922	3,780
Other assets	36	(5,908)	4,269	-
Trade and other payables	881	4,825	(2,744)	10,790
Security deposits	2,539	4,307	6,519	2,988
Net cash from operating activities before income tax	48,478	38,091	133,139	135,715
Income tax paid	(10,830)	(9,361)	(24,934)	(27,838)
Cash flows from operating activities	37,648	28,730	108,205	107,877
Investing activities				
Capital expenditures on investment properties	(4,646)	(1,597)	(8,501)	(6,362)
Purchase of plant and equipment	(543)	(1,279)	(1,346)	(3,094)
Interest received	385	46	394	139
Cash flows used in investing activities	(4,804)	(2,830)	(9,453)	(9,317)
Financing activities				
Repayment of bank borrowings	-	-	(295,000)	-
Proceeds from bond issuance	-	-	338,192	-
Proceeds from bank borrowings	-	5,000	-	40,000
(Decrease)/increase in other financial liabilities	33	36	74	(61)
Deferred income	(542)	3,788	3,006	(5,919)
Interest paid	(10,439)	(8,243)	(26,730)	(23,187)
Distribution to unitholders	(17,481)	(16,816)	(42,245)	(58,120)
Distribution to perpetual securities holders	(4,940)	(4,940)	(13,749)	(13,749)
Cash restricted in use for bank facilities	-	(50)	3,416	(541)
Cash flows used in financing activities	(33,369)	(21,225)	(33,036)	(61,577)
Net increase in cash and cash equivalents	(525)	4,675	65,716	36,983
Cash and cash equivalents at beginning of the period	112,108	91,068	45,299	59,787
Effect of exchange rate changes on cash and cash equivalents	740	(2,157)	1,308	(3,184)
Cash and cash equivalents at end of the period	112,323	93,586	112,323	93,586
Cash and cash equivalents in Statement of Cash Flows:				
Cash and cash equivalents per Statement of Cash Flows	112,323	93,586	112,323	93,586
Add: Cash restricted in use for bank facilities	3,961	5,654	3,961	5,654
Cash and cash equivalents in Statement of Financial Position	116,284	99,240	116,284	99,240

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD 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

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 2019 S\$'000	3Q 2018 S\$'000	3Q 2019 S\$'000	3Q 2018 S\$'000
865,905	853,450	687,750	869,362
25,461	13,960	13,546	5,779
(4,467)	(4,440)	(4,467)	(4,440)
20,994	9,520	9,079	1,339
(17,481)	(16,816)	(17,481)	(16,816)
33,762	(60,721)	-	-
903,180	785,433	679,348	853,885
259,625	259,652	259,625	259,652
4,467	4,440	4,467	4,440
(4,940)	(4,940)	(4,940)	(4,940)
259,152	259,152	259,152	259,152
1,162,332	1,044,585	938,500	1,113,037

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

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

Total

Group		Trust	
YTD 2019 S\$'000	YTD 2018 S\$'000	YTD 2019 S\$'000	YTD 2018 S\$'000
819,564	908,286	709,435	890,243
58,113	52,018	18,813	24,188
(13,254)	(13,254)	(13,254)	(13,254)
44,859	38,764	5,559	10,934
6,599	9,914	6,599	9,914
-	914	-	914
(42,245)	(58,120)	(42,245)	(58,120)
74,403	(114,325)	-	-
903,180	785,433	679,348	853,885
259,647	259,647	259,647	259,647
13,254	13,254	13,254	13,254
(13,749)	(13,749)	(13,749)	(13,749)
259,152	259,152	259,152	259,152
1,162,332	1,044,585	938,500	1,113,037

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 gain of S\$74.4 million was recorded in YTD 2019 due to strengthening of Indonesian Rupiah against Singapore Dollar since the end of the last financial period of FY 2018.

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").

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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

3Q 2019	3Q 2018
2,894,902,627	2,851,232,116

Issued units at the beginning and at the end of the period

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

30-Sep-19	31-Dec-18
2,894,902,627	2,859,933,585

Issued units at the end of the period

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 2018.

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			
	3Q 2019	3Q 2018	YTD 2019	YTD 2018
Weighted average number of units in issue	2,894,902,627	2,851,232,116	2,883,886,738	2,838,163,128
Earnings per unit in cents (EPU) ⁽¹⁾	0.73	0.33	1.56	1.37
Number of units in issue	2,894,902,627	2,851,232,116	2,894,902,627	2,851,232,116
Distribution per unit in cents (DPU) ^{(2),(3)}	0.56	0.49	1.71	1.75

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.
- As shown in 1(a)(ii) Statement of Distribution.

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

	Group		Trust	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Net Assets Value per unit in cents (NAV)	31.20	27.55	23.47	29.95
Net Tangible Assets per unit in cents (NTA)	30.94	27.23	23.47	29.95

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD 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 gains/(losses) (net)

Total Return For The Period Before Tax

Income tax
 Withholding tax

Total Return For The Period After Tax

Income distributable to:

- Unitholders
 - Perpetual securities holders

Total Income distributable to unitholders/ perpetual securities holders

Distribution to Unitholders

- as distributions from operations
 - as return of capital

Total distribution to Unitholders

Distribution per Unit (cents)

Group			
3Q 2019 S\$'000	3Q 2018 S\$'000	YTD 2019 S\$'000	YTD 2018 S\$'000
39,308	36,996	115,732	118,655
29,940	27,835	87,696	47,949
69,248	64,831	203,428	166,604
(25,126)	(25,367)	(74,819)	(40,039)
44,122	39,464	128,609	126,565
385	46	394	139
(11,264)	(9,026)	(29,928)	(25,354)
(3,825)	(3,258)	(11,486)	(10,788)
5,564	(3,142)	(1,647)	(8,586)
34,982	24,084	85,942	81,976
(6,949)	(7,793)	(20,452)	(22,109)
(2,572)	(2,331)	(7,377)	(7,849)
25,461	13,960	58,113	52,018
17,996	13,896	51,556	49,730
4,467	4,440	13,254	13,254
22,463	18,336	64,810	62,984
11,000	8,990	31,787	26,954
5,196	4,906	17,969	22,776
16,196	13,896	49,756	49,730
0.56	0.49	1.71	1.75

3Q 2019 vs 3Q 2018

Gross rental income is S\$2.3 million higher than 3Q 2018, mainly due to positive rental reversion and improved exchange rate from Rupiah against Singapore dollars. Other revenue is S\$2.1 million higher than 3Q 2018, mainly due to higher income from service charge and utilities recovery charges as a result of better reversion. Property operating expenses are S\$0.2 million lower than 3Q 2018, mainly due to net reversal of allowance for doubtful debts of S\$1.9 million in 3Q 2019 as opposed to net allowance for doubtful debts of S\$2.1 million in 3Q 2018. This is also partly offset by the higher expenses for renewing of certain licenses.

Finance expenses are S\$2.2 million higher than 3Q 2018 mainly due to higher all in cost of US\$250.0 million bond issued in June 2019, which the proceeds were mainly used to refinance the S\$175.0 million 4-year term loan and the S\$120.0 million revolving credit facilities.

Other gains/(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 various hedging contracts to mitigate its exposure on foreign currencies and interest rates movements. The unrealised gain/(loss) on various hedging instruments is non-cash item and does not affect the amount of distribution to unitholders.

YTD 2019 vs YTD 2018

Gross rental income is S\$2.9 million lower than YTD 2018, mainly due to lower rental income from Lippo Plaza Batu and Palembang Icon due to the expiry of the master leases in July 2018 and lower casual leasing income.

Other revenue is S\$39.7 million higher than YTD 2018, 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\$34.8 million higher than YTD 2018, mainly due to costs incurred of S\$61.0 million (YTD 2018: S\$24.4 million) for maintenance and operations of the malls and the Retail Spaces.

Finance expenses are S\$4.6 million higher than YTD 2018, mainly due to higher all in cost of US\$250.0 million bond issued in June 2019, which the proceeds were mainly used to refinance the S\$175.0 million 4-year term loan and the S\$120.0 million revolving credit facilities.

Other gain/(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.

The Trust has various hedging contracts to mitigate its exposure on foreign currencies and interest rates movements. The unrealised gain/(loss) on various hedging instruments is non-cash item and does not affect the amount of distribution to unitholders.

LIPPO MALLS INDONESIA RETAIL TRUST
2019 THIRD 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

Bank Indonesia cut its key interest rate for a third straight month to 5.25% in September, in a bid to drive economic growth in an increasingly uncertain macroeconomic environment and a slowing global economy. This goes in tandem with the recent rate-cutting moves by the US Federal Reserve. In his annual budget speech, President Jokowi announced that the Indonesian government plans to raise spending by 8.5% to Rp2,540 trillion in 2020 with an economic growth target set at 5.3% .

Inflation dipped to 3.39% in September from 3.49% in August, close to Bank Indonesia's mid-point target of 3.5%. Driven largely by lower prices for foodstuff, consumer prices dipped 0.27% month-on-month as compared with a 0.12% increase in August. Also weaker were prices for housing, utilities, education, recreation and sports and healthcare, offset by higher prices in transportation, communication and financial services, as well as clothing. Core inflation in September registered at 3.32%, above forecasts of 3.29%, the highest since February 2017 .

Retail sales increased 1.1% year-on-year in August, a reduction from the 2.5% increase in the previous month. The slowdown was mainly driven by lower sales in food, beverages, tobacco, clothing, fuel, communication equipment & information, as well as cultural and recreational goods, offset by an increase in sales of household equipment. Month-on-month, retail sales dipped 2.1% in August, following a 5.3% reduction in July .

Expiry of Master Leases at Lippo Mall Kemang on 16 December 2019

PT Kemang Mall Terpadu, a wholly owned Indonesian subsidiary of LMIR Trust, had on 17 December 2014 acquired Lippo Mall Kemang. PT Kemang Mall Terpadu (the "Lessor") had granted master leases over certain areas of Lippo Mall Kemang in relation to the car park space, the casual leasing space and the area known as the Avenue of the Stars to the Sponsor Lessees for a period of three years from 17 December 2014 to 16 December 2017 (the "LMK Master Leases"), with an option to require the Sponsor Lessees to extend the term of the LMK Master Leases for an additional period of up to 24 months. The Lessor has exercised its option to extend the term of the LMK Master Leases, with the extended term expiring on 16 December 2019.

With the LMK Master Leases expiring on 16 December 2019, LMIRT Management Ltd, the Manager of LMIR Trust, wishes to provide an update on the latest development and business conditions of Lippo Mall Kemang, well as the pro forma financial effects on the expiry of Kemang Master Leases. Please refer to LMIR Trust's Q3 2019 Results Presentation (slides 9 to 14) for further details.

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 2019 to 30 September 2019.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.38 cents per unit and capital distribution of 0.18 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 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

(c) Date payable: 29 November 2019

(d) Book closure date: 15 November 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 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)

Mr Liew Chee Seng James
Chief Executive Officer
7 November 2019