

**LIPPO MALLS INDONESIA RETAIL TRUST  
2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

**TABLE OF CONTENTS**

<b>Item No.</b>	<b>Description</b>	<b>Page No.</b>
-	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 Asset Value 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**  
**2017 SECOND 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.

LMIR Trust was established with the principal investment objective of owning and investing on a long-term basis in a diversified portfolio of income-producing real estate in Indonesia that is primarily used for retail and / or retail-related purposes, and real estate related assets in connection with the foregoing purposes. As at 30 June 2017, LMIR Trust's property portfolio comprises 21 retail mall properties and seven retail spaces located within other retail malls, all of which are located in Indonesia.

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

**Summary of Lippo Malls Indonesia Retail Trust Group Results**

Group Performance						
	2Q 2017 S\$'000	2Q 2016 S\$'000	Variance	1H 2017 S\$'000	1H 2016 S\$'000	Variance
Gross rental income (Note A)	41,896	37,926	10.5%	82,867	75,067	10.4%
Other revenue	7,990	8,880	(10.0%)	15,606	17,263	(9.6%)
Total Gross Revenue	49,886	46,806	6.6%	98,473	92,330	6.7%
Net Property Income (Note A)	46,823	43,124	8.6%	92,902	83,956	10.7%
Amount distributable :						
- Unitholders	25,403	23,802	6.7%	50,523	46,980	7.5%
- Perpetual securities holders	2,704	-	NM	5,120	-	NM
Distributable Amount	28,107	23,802	18.1%	55,643	46,980	18.4%
<b>Available Distribution per Unit (cents)</b>	0.90	0.85	5.9%	1.79	1.68	6.5%

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

Group Performance						
	2Q 2017 IDR'million	2Q 2016 IDR'million	Variance	1H 2017 IDR'million	1H 2016 IDR'million	Variance
Gross rental income	399,132	370,842	7.6%	784,448	726,605	8.0%
Net Property Income	446,103	421,667	5.8%	879,443	812,645	8.2%

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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

	Group					
	2Q 2017 S\$'000	2Q 2016 S\$'000	Variance	1H 2017 S\$'000	1H 2016 S\$'000	Variance
Gross rental income	41,896	37,926	10.5%	82,867	75,067	10.4%
Carpark income <sup>1</sup>	4,946	6,596	(25.0%)	10,171	12,975	(21.6%)
Other rental income <sup>2</sup>	3,044	2,284	33.3%	5,435	4,288	26.7%
<b>Total Gross Revenue</b>	<b>49,886</b>	<b>46,806</b>	<b>6.6%</b>	<b>98,473</b>	<b>92,330</b>	<b>6.7%</b>
<b>Property Operating Expenses</b>						
Land rental	(509)	(453)	(12.4%)	(1,019)	(926)	(10.0%)
Property management fee	(1,708)	(1,138)	(50.1%)	(2,791)	(2,200)	(26.9%)
Property operating and maintenance expenses <sup>1</sup>	(846)	(2,091)	59.5%	(1,761)	(5,248)	66.4%
<b>Total Property Operating Expenses</b>	<b>(3,063)</b>	<b>(3,682)</b>	<b>16.8%</b>	<b>(5,571)</b>	<b>(8,374)</b>	<b>33.5%</b>
<b>Net Property Income</b>	<b>46,823</b>	<b>43,124</b>	<b>8.6%</b>	<b>92,902</b>	<b>83,956</b>	<b>10.7%</b>
Interest income	55	76	(27.6%)	111	145	(23.4%)
Financial expenses <sup>3</sup>	(10,450)	(10,966)	4.7%	(21,018)	(22,144)	5.1%
<b>Administrative Expenses</b>						
Manager's management fees	(3,199)	(2,936)	(9.0%)	(6,287)	(5,782)	(8.7%)
Trustee's fee	(106)	(81)	(30.9%)	(189)	(164)	(15.2%)
Other trust operating expenses	(891)	(446)	(99.8%)	(1,147)	(730)	(57.1%)
<b>Total Administrative Expenses</b>	<b>(4,196)</b>	<b>(3,463)</b>	<b>(21.2%)</b>	<b>(7,623)</b>	<b>(6,676)</b>	<b>(14.2%)</b>
Other (losses)/gains(net) (See Note A)	(617)	5	NM	(2,360)	(4,224)	44.1%
<b>Total Return For The Period Before Tax</b>	<b>31,615</b>	<b>28,776</b>	<b>9.9%</b>	<b>62,012</b>	<b>51,057</b>	<b>21.5%</b>
Income tax	(5,226)	(5,000)	(4.5%)	(10,347)	(9,846)	(5.1%)
Withholding tax	(3,288)	(2,968)	(10.8%)	(6,364)	(5,866)	(8.5%)
<b>Total Return For The Period After Tax</b>	<b>23,101</b>	<b>20,808</b>	<b>11.0%</b>	<b>45,301</b>	<b>35,345</b>	<b>28.2%</b>
<b>Other Comprehensive Income:</b>						
<b>Exchange Differences On Translating Foreign Operations</b>	(12,298)	1,541	NM	(52,369)	(4,950)	NM
<b>Total Comprehensive Income/(Loss) For The Period</b>	<b>10,803</b>	<b>22,349</b>	<b>(51.7%)</b>	<b>(7,068)</b>	<b>30,395</b>	<b>NM</b>
<b>Total Return For The Period After Tax attributable:</b>						
Unitholders	20,397	20,808	(2.0%)	40,181	35,345	13.7%
Perpetual securities holders	2,704	-	NM	5,120	-	NM
	<b>23,101</b>	<b>20,808</b>	<b>11.0%</b>	<b>45,301</b>	<b>35,345</b>	<b>28.2%</b>

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

Total return for the period after tax before distribution	23,101	20,808	11.0%	45,301	35,345	28.2%
Add back/(less) non-cash items and other adjustments:						
- Manager's fee payable in the form of units	1,873	1,725	8.6%	3,716	3,358	10.7%
- Amount reserved for distribution to perpetual securities holders <sup>4</sup>	(2,704)	-	NM	(5,120)	-	NM
- Depreciation of plant and equipment	591	402	47.0%	1,020	765	33.3%
- Amortisation of intangible assets	3,259	2,919	11.6%	6,560	5,901	11.2%
- Unrealised loss on hedging contracts	409	312	31.1%	15	3,324	(99.5%)
- Unrealised foreign exchange gain	(1,126)	(2,364)	52.4%	(969)	(1,713)	43.4%
<b>Total Unitholders' Distribution</b>	<b>25,403</b>	<b>23,802</b>	<b>6.7%</b>	<b>50,523</b>	<b>46,980</b>	<b>7.5%</b>
Unitholders' distribution:						
- as distributions from operations	15,739	16,584	(5.1%)	37,019	31,533	17.4%
- as return of capital <sup>5</sup>	9,664	7,218	33.9%	13,504	15,447	(12.6%)
<b>Total Unitholders' Distribution</b>	<b>25,403</b>	<b>23,802</b>	<b>6.7%</b>	<b>50,523</b>	<b>46,980</b>	<b>7.5%</b>

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

Realised gain on hedging contracts	2,616	3,558	(26.5%)	5,080	7,015	(27.6%)
Realised loss on foreign exchange	(939)	(2,904)	67.7%	(2,132)	(4,181)	49.0%
Miscellaneous income	248	218	13.8%	298	454	(34.4%)
Unrealised loss on hedging contracts	(409)	(312)	(31.1%)	(15)	(3,324)	99.5%
Unrealised foreign exchange gain	1,126	2,364	(52.4%)	969	1,713	(43.4%)
Amortisation of intangible assets	(3,259)	(2,919)	(11.6%)	(6,560)	(5,901)	(11.2%)
	(617)	5	NM	(2,360)	(4,224)	44.1%

**Footnote:**

- For FY 2017, most of the carpark income are reported under a new contract arrangement, whereby the outsourced carpark operator absorbs all the carpark operating costs and is entitled to a portion of the parking revenues. Correspondingly, the carpark expenses as recorded in the property operating and maintenance expenses have reduced.
- The 1H 2017 other rental income includes S\$4,674,000 (1H 2016: S\$3,214,000) from rental of electrical, mechanical and mall operating equipment.
- Finance expenses in 2017 are lower as the S\$150 million Bond due in October 2016 has been mostly refinanced by S\$140 million perpetual securities.
- In September 2016, the Trust issued perpetual securities of S\$140 million, which confer a right to receive distribution payments at a rate of 7.0% per annum with the first reset date falling on 27 September 2021 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities are payable semi-annually in arrears on 27 March and 27 September in each year on a discretionary basis.  
In June 2017, the Trust issued additional perpetual securities of S\$120 million, which confer a right to receive distribution payments at a rate of 6.6% per annum with the first reset date falling on 19 December 2022 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities are payable semi-annually in arrears on 19 June and 19 December in each year on a discretionary basis.  
Any distribution unpaid will be non-cumulative in accordance with the terms and conditions of the perpetual securities.
- 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.

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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

	Group		Trust	
	30-Jun-17 S\$'000	31-Dec-16 S\$'000	30-Jun-17 S\$'000	31-Dec-16 S\$'000
<b>Current Assets</b>				
Cash and cash equivalents <sup>1</sup>	149,616	77,754	96,234	7,053
Trade and other receivables	52,655	38,123	216,656	219,236
<b>Total Current Assets</b>	<b>202,271</b>	<b>115,877</b>	<b>312,890</b>	<b>226,289</b>
<b>Non-current Assets</b>				
Investment properties <sup>2</sup>	1,904,542	1,922,642	-	-
Investments in subsidiaries	-	-	1,723,198	1,709,440
Intangible assets <sup>3</sup>	13,594	19,206	-	-
Plant and equipment	8,095	7,508	-	-
<b>Total Non-current Assets</b>	<b>1,926,231</b>	<b>1,949,356</b>	<b>1,723,198</b>	<b>1,709,440</b>
<b>Total Assets</b>	<b>2,128,502</b>	<b>2,065,233</b>	<b>2,036,088</b>	<b>1,935,729</b>
<b>Current Liabilities</b>				
Unsecured borrowings	124,762	124,269	-	-
Trade and other payables	31,011	31,180	383,682	383,774
Current tax payable	5,674	6,154	-	-
Security deposits	33,582	32,582	-	-
Other financial liabilities, current <sup>4</sup>	22	112	-	90
<b>Total Current Liabilities</b>	<b>195,051</b>	<b>194,297</b>	<b>383,682</b>	<b>383,864</b>
<b>Non-current Liabilities</b>				
Unsecured borrowings	374,205	373,288	200,740	200,084
Secured borrowing	143,735	143,296	143,735	143,296
Deferred tax liabilities	31,662	31,662	-	-
Deferred income	83,332	87,039	-	-
Other financial liabilities, non-current <sup>4</sup>	3,108	3,096	1,916	1,811
<b>Total non-current liabilities</b>	<b>636,042</b>	<b>638,381</b>	<b>346,391</b>	<b>345,191</b>
<b>Total Liabilities</b>	<b>831,093</b>	<b>832,678</b>	<b>730,073</b>	<b>729,055</b>
<b>Net Assets</b>	<b>1,297,409</b>	<b>1,232,555</b>	<b>1,306,015</b>	<b>1,206,674</b>
<b>Represented by:</b>				
Unitholders' funds	1,037,784	1,091,688	1,046,390	1,065,807
Perpetual securities <sup>5</sup>	259,625	140,867	259,625	140,867
<b>Net assets attributable to unitholders and perpetual securities holders</b>	<b>1,297,409</b>	<b>1,232,555</b>	<b>1,306,015</b>	<b>1,206,674</b>

**Footnote:**

- The increase in cash and cash equivalents is mainly due to the issuance of perpetual securities of S\$120 million in June 2017. The proceeds from issuance of the perpetual securities are used mainly to finance the acquisition of Lippo Plaza Kendari ("Kendari") in June 2017 and refinance the \$50 million Bond due in July 2017.
- The carrying values of the properties are stated based on the independent valuation as at 31 December 2016 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.
- Intangible assets represent the unamortised aggregate rentals receivable by the Group from certain master lease agreements for its 100% interest in Lippo Mall Kemang ("LMK"), Lippo Plaza Batu ("LPB"), Palembang Icon ("PICON"), Lippo Mall Kuta ("Kuta") and Kendari. The rentals are for a period of 3 to 25 years (FY 2016: 3 to 25 years).
- The movements in other financial 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.
- In September 2016, the Trust issued perpetual securities of S\$140 million at a distribution rate of 7.0% per annum. In June 2017, the Trust issued additional perpetual securities of S\$120 million at a distribution rate of 6.6% per annum.

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

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

Secured borrowings:

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

Unsecured borrowings:

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

**Total borrowings**

Group	
30-Jun-17 S\$'000	31-Dec-16 S\$'000
145,000	145,000
(1,265)	(1,704)
143,735	143,296
125,000	125,000
(238)	(731)
380,710	380,710
(6,505)	(7,422)
498,967	497,557
<b>642,702</b>	<b>640,853</b>

Secured borrowings

LMIR Trust has a secured term loan facility of S\$145 million maturing in December 2018 at an interest rate of 3.0% per annum plus SGD Swap Offer Rate. On 7 July 2017, LMIR Trust made a voluntary partial prepayment of S\$55 million of the secured term loan by utilising S\$20 million proceeds from issuance of perpetual securities in June 2017 and additional drawdown of S\$35 million from the unsecured term loan facility obtained in August 2016. Pursuant to the partial prepayment, certain properties mortgaged for the facility will be discharged in due course.

The term loan facility is secured mainly on the following:

- Pledge over the shares in 7 retail mall Singapore SPCs and 7 retail space Singapore SPCs ("Restricted Singapore Subsidiaries")
- Pledge over the shares in 3 retail mall Indonesia SPCs and 6 retail space Indonesia SPCs ("Restricted Indonesia Subsidiaries")
- First fixed mortgage charge over 3 retail malls and 6 retail spaces and first fixed and/ or floating charges over all the other assets of 9 Indonesia SPCs
- First legal assignment of earnings of Restricted Singapore Subsidiaries and Indonesia Subsidiaries
- Legal assignment of rights under each lease agreement, lease guarantee, all insurance policies associated with the 3 retail malls and 6 retail spaces

Unsecured borrowings

LMIR Trust has S\$50 million 5.875% Bond due in July 2017 (fully repaid in July 2017), S\$75 million 4.48% Bond due in November 2017, 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).

As at 30 June 2017, LMIR Trust has a 4-year term loan of S\$103 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\$103 million maturing in August 2021 at an interest rate of 3.15% per annum plus SGD Swap Offer Rate.

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

	Group		Group	
	2Q 2017 S\$'000	2Q 2016 S\$'000	1H 2017 S\$'000	1H 2016 S\$'000
<b>Operating activities</b>				
Total return for the period before tax	31,615	28,776	62,012	51,057
<b>Adjustments for</b>				
- Manager's fee payable in units	1,873	1,725	3,716	3,358
- Interest income	(55)	(76)	(111)	(145)
- Amortisation of borrowing costs	1,048	1,084	1,962	2,125
- Interest expense	9,402	9,882	19,056	20,019
- Depreciation of plant and equipment	591	402	1,020	765
- Amortisation of intangible assets	3,259	2,919	6,560	5,901
- Unrealised foreign exchange gain	(1,126)	(2,364)	(969)	(1,713)
- Unrealised loss on hedging contracts	409	312	15	3,324
<b>Operating income before working capital changes</b>	47,016	42,660	93,261	84,691
Changes in working capital				
Trade and other receivables	(6,425)	(7,797)	(12,922)	25,019
Trade and other payables	(891)	(192)	5,269	(27,656)
Security deposits	1,247	51	2,046	(3,388)
Net cash from operating activities before income tax	40,947	34,722	87,654	78,666
Income tax paid	(6,728)	(7,685)	(17,191)	(14,785)
<b>Cash flows from operating activities</b>	34,219	27,037	70,463	63,881
<b>Investing activities</b>				
Acquisition of investment properties	(32,972)	-	(32,972)	-
Capital expenditures on investment properties	(4,577)	(2,721)	(8,391)	(3,856)
Purchase of plant and equipment	(1,046)	(594)	(1,848)	(1,049)
Interest received	55	76	111	145
<b>Cash flows used in investing activities</b>	(38,540)	(3,239)	(43,100)	(4,760)
<b>Financing activities</b>				
Repayment of bank borrowings	-	-	-	(100,000)
Proceeds from borrowings	-	-	-	100,000
Decrease in other financial liabilities	(77)	(528)	(206)	(2,583)
Deferred income	2,075	677	(1,076)	1,006
Interest paid	(9,402)	(9,882)	(19,056)	(20,019)
Distribution to unitholders	(25,120)	(23,178)	(49,454)	(45,868)
Distribution to perpetual securities holders	-	-	(4,860)	-
Proceeds from issue of perpetual securities, net of transaction costs	118,498	-	118,498	-
Cash restricted in use for bank facilities	-	-	(63)	-
<b>Cash flows from/(used in) financing activities</b>	85,974	(32,911)	43,783	(67,464)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>81,653</b>	<b>(9,113)</b>	<b>71,146</b>	<b>(8,343)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>64,302</b>	<b>80,646</b>	<b>74,271</b>	<b>79,090</b>
Effect of exchange rate changes on cash and cash equivalents	115	2,123	653	2,909
<b>Cash and cash equivalents at end of the period</b>	<b>146,070</b>	<b>73,656</b>	<b>146,070</b>	<b>73,656</b>
<b>Cash and cash equivalents in Statement of Cash Flows:</b>				
Cash and cash equivalents per Statement of Cash Flows	146,070	73,656	146,070	73,656
Add: Cash restricted in use for bank facilities	3,546	1,500	3,546	1,500
<b>Cash and cash equivalents in Statement of Financial Position</b>	<b>149,616</b>	<b>75,156</b>	<b>149,616</b>	<b>75,156</b>

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND 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**

Net movement in other comprehensive income

**Total Unitholders' Funds**

**Perpetual securities**

Balance at the beginning of the period

Issue of perpetual securities, net of transaction costs

Amount reserved for distribution to perpetual securities holders

Balance at the end of the period

**Total**

	Group		Trust	
	2Q 2017 S\$'000	2Q 2016 S\$'000	2Q 2017 S\$'000	2Q 2016 S\$'000
Total Unitholders' Funds at beginning of the period	1,054,805	1,062,079	1,059,789	1,106,096
<b>Operations</b>				
Total return for the period	23,101	20,808	14,425	10,580
Less: Amount reserved for distribution to perpetual securities holders	(2,704)	-	(2,704)	-
<b>Net increase in net assets resulting from operations attributed to unitholders</b>	20,397	20,808	11,721	10,580
<b>Unitholders' contributions</b>				
Distribution to unitholders	(25,120)	(23,178)	(25,120)	(23,178)
<b>Foreign currency translation reserve</b>				
Net movement in other comprehensive income	(12,298)	1,541	-	-
<b>Total Unitholders' Funds</b>	1,037,784	1,061,250	1,046,390	1,093,498
<b>Perpetual securities</b>				
Balance at the beginning of the period	138,423	-	138,423	-
Issue of perpetual securities, net of transaction costs	118,498	-	118,498	-
Amount reserved for distribution to perpetual securities holders	2,704	-	2,704	-
Balance at the end of the period	259,625	-	259,625	-
<b>Total</b>	<b>1,297,409</b>	<b>1,061,250</b>	<b>1,306,015</b>	<b>1,093,498</b>

**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**

Net movement in other comprehensive income

**Total Unitholders' Funds**

**Perpetual securities**

Balance at the beginning of the period

Issue of perpetual securities, net of transaction costs

Amount reserved for distribution to perpetual securities holders

Distribution to perpetual securities holders

Balance at the end of the period

**Total**

	Group		Trust	
	1H 2017 S\$'000	1H 2016 S\$'000	1H 2017 S\$'000	1H 2016 S\$'000
Total Unitholders' Funds at beginning of the period	1,091,688	1,075,115	1,065,807	1,118,724
<b>Operations</b>				
Total return for the period	45,301	35,345	27,419	19,034
Less: Amount reserved for distribution to perpetual securities holders	(5,120)	-	(5,120)	-
<b>Net increase in net assets resulting from operations attributed to unitholders</b>	40,181	35,345	22,299	19,034
<b>Unitholders' contributions</b>				
Manager's management fees settled in units	6,874	1,608	6,874	1,608
Manager's acquisition fees settled in units	864	-	864	-
Distribution to unitholders	(49,454)	(45,868)	(49,454)	(45,868)
<b>Foreign currency translation reserve</b>				
Net movement in other comprehensive income	(52,369)	(4,950)	-	-
<b>Total Unitholders' Funds</b>	1,037,784	1,061,250	1,046,390	1,093,498
<b>Perpetual securities</b>				
Balance at the beginning of the period	140,867	-	140,867	-
Issue of perpetual securities, net of transaction costs	118,498	-	118,498	-
Amount reserved for distribution to perpetual securities holders	5,120	-	5,120	-
Distribution to perpetual securities holders	(4,860)	-	(4,860)	-
Balance at the end of the period	259,625	-	259,625	-
<b>Total</b>	<b>1,297,409</b>	<b>1,061,250</b>	<b>1,306,015</b>	<b>1,093,498</b>

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND 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**

2Q 2017	2Q 2016
2,823,987,723	2,802,992,873
-	-
-	-
<b>2,823,987,723</b>	<b>2,802,992,873</b>

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/year

30-Jun-17	31-Dec-16
2,823,987,723	2,802,992,873

**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 2016.

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

Not applicable

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

	Group			
	2Q 2017	2Q 2016	1H 2017	1H 2016
Weighted average number of units in issue	2,823,987,723	2,802,992,873	2,814,883,036	2,801,228,708
<b>Earnings per unit in cents (EPU) <sup>(1)</sup></b>	0.72	0.74	1.43	1.26
Number of units in issue	2,823,987,723	2,802,992,873	2,823,987,723	2,802,992,873
<b>Distribution per unit in cents (DPU) <sup>(2)</sup></b>	0.90	0.85	1.79	1.68

**Footnote:**

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

**7 Net Asset Value Per Unit Based on Units Issued at the End of the Period**

	Group		Trust	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Net assets attributable to unitholders (cents)	36.75	37.86	37.05	39.01

**LIPPO MALLS INDONESIA RETAIL TRUST**  
**2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

8 Review of the Performance

	Group			
	2Q 2017 S\$'000	2Q 2016 S\$'000	1H 2017 S\$'000	1H 2016 S\$'000
<b>Statement of Total Return</b>				
Gross rental income	41,896	37,926	82,867	75,067
Other revenue	7,990	8,880	15,606	17,263
Total gross revenue	49,886	46,806	98,473	92,330
Property operating expenses	(3,063)	(3,682)	(5,571)	(8,374)
<b>Net Property Income</b>	<b>46,823</b>	<b>43,124</b>	<b>92,902</b>	<b>83,956</b>
Interest income	55	76	111	145
Financial expenses	(10,450)	(10,966)	(21,018)	(22,144)
Administrative expenses	(4,196)	(3,463)	(7,623)	(6,676)
Other (losses)/gains (net)	(617)	5	(2,360)	(4,224)
<b>Total Return For The Period Before Tax</b>	<b>31,615</b>	<b>28,776</b>	<b>62,012</b>	<b>51,057</b>
Income tax	(5,226)	(5,000)	(10,347)	(9,846)
Withholding tax	(3,288)	(2,968)	(6,364)	(5,866)
<b>Total Return For The Period After Tax</b>	<b>23,101</b>	<b>20,808</b>	<b>45,301</b>	<b>35,345</b>
<b>Amount distributable to:</b>				
- Unitholders	25,403	23,802	50,523	46,980
- Perpetual securities holders	2,704	-	5,120	-
<b>Total distributable to unitholders'/perpetual securities holders</b>	<b>28,107</b>	<b>23,802</b>	<b>55,643</b>	<b>46,980</b>
<b>Unitholders' distribution:</b>				
- as distributions from operations	15,739	16,584	37,019	31,533
- as return of capital	9,664	7,218	13,504	15,447
<b>Total Unitholders' distribution</b>	<b>25,403</b>	<b>23,802</b>	<b>50,523</b>	<b>46,980</b>
<b>Distribution per Unit (cents)</b>	<b>0.90</b>	<b>0.85</b>	<b>1.79</b>	<b>1.68</b>

**2Q 2017 vs 2Q 2016**

Gross rental income is S\$4.0 million higher than 2Q 2016, mainly due to the acquisition of Kuta and positive rental reversions.

Other revenue is S\$0.9 million lower than 2Q 2016, mainly due to the new carpark contract arrangement, whereby the outsourced carpark operator absorbs all the carpark operating costs and is entitled to a portion of the parking revenues.

The decrease in financial expenses of S\$0.5 million is due to S\$150 million Bond repaid in October 2016, which was replaced by perpetual securities and accounted for in the Statement of Changes in Unitholders' Funds.

Other losses (net) mainly comprise of realised and unrealised foreign currency gains/ (losses), realised and unrealised hedging contracts gains/ (losses), as well as amortisation of intangible assets in relation to LMK, LPB, PICON, Kuta and Kendari.

**1H 2017 vs 1H 2016**

Gross rental income is S\$7.8 million higher than 1H 2016, mainly due to the acquisition of Kuta and positive rental reversions.

Other revenue is S\$1.7 million lower than 1H 2016, mainly due to the new carpark contract arrangement, whereby the outsourced carpark operator absorbs all the carpark operating costs and is entitled to a portion of the parking revenues.

Other losses (net) mainly comprise of realised and unrealised foreign currency gains/ (losses), realised and unrealised hedging contracts gains/ (losses), as well as amortisation of intangible assets in relation to LMK, LPB, PICON, Kuta and Kendari.

The Trust has foreign currency options contracts to mitigate its exposure on currency movement as the majority of the Trust's income is in IDR. 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**  
**2017 SECOND 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**

Indonesia's economy continued to strengthen with gross domestic product growing 5.01% in the first quarter of 2017, up 4.94% from preceding quarter, mainly due to recovery in commodity prices and higher exports over the past year.

Indonesia's annual inflation rate accelerated slightly in June 2017 to 4.37% from 4.17% in April 2017, due to the Aidilfitri celebrations driving up demand towards the end of June. The inflation rate is in line with market forecast.

Based on preliminary figures from Bank Indonesia, retail sales in Indonesia rose 6.7% in June 2017, due to the seasonal surge in public demand during the Ramadan and Aidilfitri season.

**11 Distributions**

**(a) Current financial period**

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

**(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period:	Yes
Name of distribution:	Second quarter distribution for the period from 1 April 2016 to 30 June 2016.
Distribution Type:	Tax-exempt and capital distribution.
Distribution Rate:	Tax-exempt distribution of 0.50 cents per unit and capital distribution of 0.35 cents per unit.
Par value of units:	NA
Tax rate:	NA

**(c) Date payable:** 29 August 2017

**(d) Book closure date:** 14 August 2017

**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 August 2017