

**AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER
2021 (CONT'D)**

Luxury Ace Sdn. Bhd.
(Registration No. 200901012022 (855058 - W))
(Incorporated in Malaysia)

**Financial statements for the financial
year ended 31 December 2021**

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KPMG PLT

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))
(Incorporated in Malaysia)

**Directors' report for the financial year ended
31 December 2021**

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2021.

Principal activities

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

Holding corporations

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

Results

	RM'000
Loss for the year	<u>7</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors

Directors who served during the financial year until the date of this report are:

Ng Kuan Yee (appointed on 1 July 2021)
Edward Bin Chung Yiu (appointed on 2 August 2021)
Lee Wan Hoon (appointed on 2 August 2021)
Lim Boon Hwee (resigned on 1 July 2021)
Tang Gan Yuen (Deng Jianyuan) (resigned on 2 August 2021)
Tng Wei Chien (appointed on 19 February 2021 and resigned on 2 August 2021)
Low Peck Chen (resigned on 19 February 2021)

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)

Directors' interests in shares

The interest and deemed interest in the ordinary shares and options over shares of the penultimate holding corporation of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not the Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Holdings in the name of the Director, spouse and/or children			
	At date of appointment	Bought/ Granted	Sold/ Vested/ Lapsed	At 31.12.2021
<u>Penultimate holding corporation, CapitaLand Group Pte Ltd</u>				
<i>Ordinary shares</i>				
Ng Kuan Yee	66,529	-	(66,529)	-
Edward Bin Chung Yiu	26,888	-	(26,888)	-
Lee Wan Hoon	232,875	-	(232,875)	-
<i>Unvested Restricted shares^{2a,7} to be delivered after 2019</i>				
Edward Bin Chung Yiu	2,249 ⁴	-	(2,249)	-
Lee Wan Hoon	4,500 ⁴	-	(4,500)	-
<i>Unvested Restricted shares^{2b,7} to be delivered after 2020</i>				
Edward Bin Chung Yiu	3,059 ^{4,5}	-	(3,059)	-
Lee Wan Hoon	6,118 ^{4,5}	-	(6,118)	-
<i>Contingent award of Restricted Shares^{2b,7} to be delivered after 2021</i>				
Edward Bin Chung Yiu	18,446 ^{3,4}	-	(18,446)	-
Lee Wan Hoon	18,445 ^{3,4}	-	(18,445)	-
<u>Antepenultimate holding corporation, CapitaLand Investment Limited (CLI)</u>				
<i>Ordinary shares</i>				
Ng Kuan Yee	-	66,529	-	66,529
Edward Bin Chung Yiu	-	26,888	-	26,888
Lee Wan Hoon	-	232,875	-	232,875
<i>Contingent award of CLI Performance shares^{1a,6} Founder Share Award to be delivered after 2025</i>				
Lee Wan Hoon (35,423 shares)	-	0 to 106,269	-	0 to 106,269

Footnotes:

^{1a} Awards made pursuant to the CapitaLand Investment Performance Share Plan 2021.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Directors' interests in shares (continued)

Footnotes:

- ^{2a} *Awards made pursuant to the CapitaLand Restricted Share Plan 2010 (RSP 2010).*
- ^{2b} *Awards made pursuant to the CapitaLand Restricted Share Plan 2020 (RSP 2020).*
- ³ *The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The Executive Resource and Compensation Committee (ERCC) has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.*
- ⁴ *An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the RSP 2010 and RSP 2020, will also be released on the final vesting.*
- ⁵ *Being the unvested one-third of the award.*
- ⁶ *This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the Executive Resource and Compensation Committee of the Company. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released.*
- ⁷ *Termination of RSPs and shares being the unvested remaining shares under the awards granted under the RSPs has been released in the form of cash in lieu of shares. Cash payment will be released to eligible participants according to the original vesting schedule of each respective RSP award.*

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Performance Share Plan and Restricted Share Plan in CapitaLand Group Pte. Ltd. and CapitaLand Investment Limited.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity given and insurance effected

During the financial year, no indemnity was given to, and no insurance was effected for, any officer or auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts to be written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2021 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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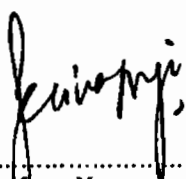
Registration No. 200901012022 (855058 - W)
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Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 10 to the financial statements.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Kuan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date: 07 JUN 2022

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))

(Incorporated in Malaysia)

Statement of financial position as at 31 December 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Investment property	3	1,000	1,000
Total non-current asset		<u>1,000</u>	<u>1,000</u>
Trade and other receivables	4	18	17
Current tax assets		7	7
Bank balance		198	205
Total current assets		<u>223</u>	<u>229</u>
Total assets		<u>1,223</u>	<u>1,229</u>
Equity			
Share capital	5	*	*
Retained earnings		615	622
Total equity		<u>615</u>	<u>622</u>
Liabilities			
Amount due to immediate holding corporation	6	500	500
Trade and other payables	7	-	21
Deferred tax liability	8	71	71
Total non-current liabilities		<u>571</u>	<u>592</u>
Trade and other payables	7	37	15
Total current liabilities		<u>37</u>	<u>15</u>
Total liabilities		<u>608</u>	<u>607</u>
Total equity and liabilities		<u>1,223</u>	<u>1,229</u>

* Denotes RM2

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))

(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	9	55	60
Cost of sales		<u>(11)</u>	<u>(11)</u>
Gross profit		44	49
Other operating income		-	*
Other operating expenses		(*)	(90)
Administrative expenses		<u>(38)</u>	<u>(11)</u>
Profit/(Loss) before tax	10	6	(52)
Tax expense	11	<u>(13)</u>	<u>(2)</u>
Loss and total comprehensive expense for the year		<u>(7)</u>	<u>(54)</u>

* Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))
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**Statement of changes in equity for the financial year ended
31 December 2021**

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2020	*	676	676
Loss and total comprehensive expense for the year	-	(54)	(54)
At 31 December 2020/1 January 2021	*	622	622
Loss and total comprehensive expense for the year	-	(7)	(7)
At 31 December 2021	*	615	615

Note 5

* Denotes RM2

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))

(Incorporated in Malaysia)

Statement of cash flows for the financial year ended 31 December 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	6	(52)
Adjustments for:		
Net loss on impairment of trade receivables	28	*
Fair value loss of investment property	-	90
Interest income	-	(*)
	<u>34</u>	<u>38</u>
Operating profit before changes in working capital		
Changes in working capital:		
Trade and other receivables	(29)	(17)
Trade and other payables	1	3
	<u>6</u>	<u>24</u>
Cash generated from operations		
Interest received	*	*
Tax paid	(13)	(13)
	<u>(7)</u>	<u>11</u>
Net cash (used in)/from operating activities(7).....11.....
Net (decrease)/increase in bank balance	(7)	11
Bank balance at 1 January	<u>205</u>	<u>194</u>
Bank balance at 31 December	<u>198</u>	<u>205</u>

* Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))
(Incorporated in Malaysia)

Notes to the financial statements

Luxury Ace Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office is as follows:

Principal place of business/Registered office

Unit No.1-27, Level 27, Naza Tower
No.10, Persiaran KLCC
50088 Kuala Lumpur

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 7 June 2022.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)**
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework**
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (continued)

- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)**

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for *** which are not applicable to the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Company.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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1. Basis of preparation (continued)**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for investment property as disclosed in Note 2(a) and financial instruments as disclosed in Note 2(c) to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - valuation of investment property
- Note 8 - deferred tax liability

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Investment property

Investment property is property held under freehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the year in which they arise. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment property is stated at fair value based on valuations performed by an independent professional valuer. In determining the fair value, the valuer used valuation techniques which involve certain estimates. In relying on the valuation reports, the Directors have exercised their judgements and are satisfied that the valuation methods and estimates reflect the current market conditions. The fair value is determined once every six months based on internal valuation or independent professional valuation.

When an investment property is disposed of, the resulting gain or loss is recognised in profit or loss in the year in which the item is derecognised.

Investment property is not depreciated. The property is subject to continued maintenance and is regularly revalued on the basis mentioned above. For taxation purposes, the Company may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, 1967.

(b) Leases**As a lessor**

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company leases out its investment property. The Company has classified these leases as operating leases.

The Company recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of revenue.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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2. Significant accounting policies (continued)**(c) Financial Instruments****(i) Recognition and initial measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, in the case for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement***Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(d)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(d)).

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial liabilities***

The financial liabilities at initial recognition of the Company are classified as amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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2. Significant accounting policies (continued)**(d) Impairment****Financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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2. Significant accounting policies (continued)**(e) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(g) Revenue recognition**Rental income**

Rental income from leasing out of retail lots and space is recognised in profit or loss on a straight-line basis over the term of the lease and such revenue includes base rent, service charges and advertising and promotion fee. Contingent rents, which include gross turnover rent, are recognised as income in the financial year in which they are earned. No contingent rents are recognised if there are uncertainties due to the possible return of amounts received.

(h) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable or receivable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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2. Significant accounting policies (continued)**(h) Tax expense (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Where investment properties are carried at fair value in accordance with the accounting policy set out in Note 2(a), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

(i) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)

3. Investment property

	2021 RM'000	2020 RM'000
At 1 January	1,000	1,090
Fair value loss	<u>-</u>	<u>(90)</u>
At 31 December	<u>1,000</u>	<u>1,000</u>

Investment property refers to a parcel of retail lot in Queensbay Mall, Penang which primarily generates rental income from leasing out the space to a third party via lease agreement. The Company's lease agreement generally contain an initial non-cancellable period of three years and subsequent renewals are negotiated with the lessee. The rental rate is negotiated based on prevailing market rates and are pre-agreed over the lease tenure. Gross turnover rent of RM379 (2020: RM1,167), which represents the contingent rent, was recognised as income in the financial year.

The following is recognised in profit or loss in respect of the investment property:

	2021 RM'000	2020 RM'000
Revenue	55	60
Less: Direct operating expenses	<u>(11)</u>	<u>(11)</u>
	44	49
Add: Other operating income	-	*
Less: Other operating expenses	<u>(30)</u>	<u>(2)</u>
Net property income	<u>14</u>	<u>47</u>

* Denotes amount less than RM1,000

(a) Operating lease payments receivable

The operating lease payments to be received are as follows:

	2021 RM'000	2020 RM'000
Less than one year	55	72
One to two years	<u>-</u>	<u>30</u>
Total undiscounted lease payments	<u>55</u>	<u>102</u>

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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3. Investment property (continued)
(b) Fair value information

The fair value of investment property of the Company is categorised as Level 3. The property is valued by an independent external valuer using the income capitalisation approach, also known as investment approach. This valuation approach takes into account of the gross revenue and outgoings to estimate the net income for the property. Capitalisation rates are then applied to the net income of the investment property to determine the market value of the investment property.

The significant assumptions and unobservable inputs underlying the estimation of fair value of investment properties are those related to term capitalisation and reversionary capitalisation rates, outgoings expenses and allowance for void. Term capitalisation and reversionary capitalisation rate for the investment properties is at 6.50% (2020: 6.50%) and 7.00% (2020: 7.0%) respectively. The estimated fair value would increase/(decrease) if the capitalisation rates, outgoings expenses and allowance for void were lower/(higher).

(c) Valuation processes applied to the Company for Level 3 fair value

The fair value of investment property is determined by independent external valuer having appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued. The external valuer provides the fair value of the Company's investment property every twelve months to be in line with industry practices and CapitaLand Investment Limited Group's policies. The resultant fair value gain or loss arising from the change in valuation is assessed by the Directors after obtaining the valuation report from the external valuer.

(d) Highest and best use

The Company's investment property is currently valued at its highest and best use. The investment property is situated within sizeable catchment populations with strong demand for shopping mall space.

4. Trade and other receivables

	2021 RM'000	2020 RM'000
Trade		
Trade receivables	46	17
Less: Allowance for impairment losses	(28)	(*)
	<u>18</u>	<u>17</u>
Non-trade		
Other receivables and deposits	*	-
Prepayments	*	-
	<u>18</u>	<u>17</u>

* Denotes amount less than RM1,000

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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4. Trade and other receivables (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	Gross carrying amount RM'000	Allowance for impairment losses RM'000	Net balance RM'000
2021			
Past due 1-30 days	6	(6)	-
Past due 31-90 days	12	(12)	-
Past due more than 90 days	28	(10)	18
	<u>46</u>	<u>(28)</u>	<u>18</u>
2020			
Past due 1-30 days	6	(*)	6
Past due 31-90 days	11	-	11
Past due more than 90 days	*	-	*
	<u>17</u>	<u>(*)</u>	<u>17</u>

The movement in allowance for impairment losses of trade receivables during the financial year is as follows:

	2021 RM'000	2020 RM'000
Balance at 1 January	*	-
Net loss on impairment of trade receivables	28	*
Balance at 31 December	<u>28</u>	<u>*</u>

* Denotes amount less than RM1,000

The Directors believe that no additional allowance for impairment losses is necessary in respect of past due receivables as these receivables are mainly arising from tenant that has good payment records and sufficient security deposit is held as collateral.

5. Share capital

	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid:				
Ordinary shares	<u>*</u>	<u>**</u>	<u>*</u>	<u>**</u>

* Denotes RM2

** Denotes 2 shares

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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6. Amount due to immediate holding corporation

The amount due to immediate holding corporation is non-trade, interest-free and is not expected to be repaid within the next twelve months.

7. Trade and other payables

	2021 RM'000	2020 RM'000
Non-current		
Trade		
Tenant's deposits	-	21
	-----	-----
Current		
Trade		
Tenant's deposits	21	-
	-----	-----
Non-trade		
Accrued expenses	16	15
	-----	-----
	37	15
	-----	-----
	37	36
	-----	-----

8. Deferred tax liability

With effect from 1 January 2019, the applicable Real Property Gains Tax ("RPGT") rate under the Finance Act 2019 for disposal of real properties or shares in real properties companies which have been held for more than 5 years is 10%.

It is the business model of the Company to hold investment property to earn rental income and for long-term capital growth. Hence, there is no expected disposal of investment property held for less than 5 years.

During the financial year ended 31 December 2020, the Company reversed RM9,000 of deferred tax liabilities to the profit or loss, this being the net changes on the RPGT exposure subsequent to the reassessment of fair value on freehold investment properties.

9. Revenue

Revenue represents rental income from leasing out of retail lot.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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10. Profit/(Loss) before tax

	2021 RM'000	2020 RM'000
Profit/(Loss) before tax is arrived at after charging:		
Auditors' remuneration	4	4
Material expense		
Fair value loss of investment property	-	90
Net loss on impairment of financial instruments		
Net loss on impairment of trade receivables	<u>28</u>	<u>*</u>

* Denotes amount less than RM1,000

11. Tax expense

	2021 RM'000	2020 RM'000
Current tax expense		
- current year	13	11
- underprovision in prior year	*	*
	<u>13</u>	<u>11</u>
Deferred tax expense		
- Effect of fair value loss on investment property subject to RPGT	-	(9)
Tax expense for the financial year	<u>13</u>	<u>2</u>
Reconciliation of tax expense		
Profit/(Loss) before tax	<u>6</u>	<u>(52)</u>
Income tax using Malaysian statutory tax rate of 24% (2020: 24%)	2	(12)
Expenses not deductible for tax purpose	11	1
Effect of fair value loss of investment property not subject to tax	-	22
Underprovision in prior year	*	*
	<u>13</u>	<u>11</u>
Effect of fair value loss on investment property subject to RPGT	-	(9)
Tax expense for the financial year	<u>13</u>	<u>2</u>

* Denotes amount less than RM1,000

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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12. Financial instruments

(a) Categories of financial instruments

The financial instruments of the Company are categorised as follows:

	Carrying amount	
	2021 RM'000	2020 RM'000
Financial asset categorised as amortised cost:		
Trade and other receivables	18	17
Bank balance	198	205
	<u>216</u>	<u>222</u>
Financial liabilities categorised as amortised cost:		
Amount due to immediate holding corporation	500	500
Trade and other payables	37	36
	<u>537</u>	<u>536</u>

(b) Net gains and losses arising from financial instruments

	2021 RM'000	2020 RM'000
Net gains/(losses) on:		
Financial assets at amortised cost		
- Net loss on impairment of trade receivables	(28)	(*)
- Interest income	-	*
	<u>(28)</u>	<u>*</u>

* Denotes amount less than RM1,000

(c) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

(d) Credit risk

Credit risk is defined as the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from trade and other receivables and bank balance.

Credit risk is controlled by an ongoing balance monitoring to ensure minimum credit risk exposure. The Company minimises credit risk by dealing with restricted counterparties that meet the appropriate credit criteria and are of high credit standing.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)

12. Financial instruments (continued)

(d) Credit risk (continued)

Bank balance is placed with a licensed bank which is regulated. At the end of the financial year, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

(e) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's exposure to liquidity risk arises primarily from its various payables. The Company maintains a level of bank balance deemed adequate by the Directors to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

(f) Fair value information

The carrying amounts of bank balance and trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of the non-derivative financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Carrying amount 2021 RM'000	Fair value 2021 RM'000	Carrying amount 2020 RM'000	Fair value 2020 RM'000
Tenant's deposits	-	-	21	21
Amount due to immediate holding corporation	<u>500</u>	<u>485</u>	<u>500</u>	<u>485</u>

The fair values of tenant's deposits and amount due to immediate holding corporation are categorised as Level 2.

The above fair values, which are determined for disclosure purposes, are calculated based on the present value of future cash flows discounted at the market rate of interest at the end of the financial year. Interest rates used to determine fair values are as follows:

	2021	2020
Tenant's deposits	-	1.85%
Amount due to immediate holding corporation	<u>3.19%</u>	<u>3.15%</u>

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200901012022 (855058 - W)
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13. Capital management

The Company's objectives when managing capital are to maintain a strong capital base and to maintain shareholder, creditor and market confidence and to sustain future development of the business. There was no change in the Company's approach to capital management during the financial year.

14. Related parties**Identity of and transaction with the related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporations and key management personnel.

Save for the amount due to immediate holding corporation, there was no other related party transaction pertaining to the Company during the financial year.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Luxury Ace Sdn. Bhd.

(Registration No. 200901012022 (855058 - W))

(Incorporated in Malaysia)

**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 6 to 26 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2021 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Guan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date : 10.7 JUN. 2022

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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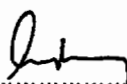
Luxury Ace Sdn. Bhd.

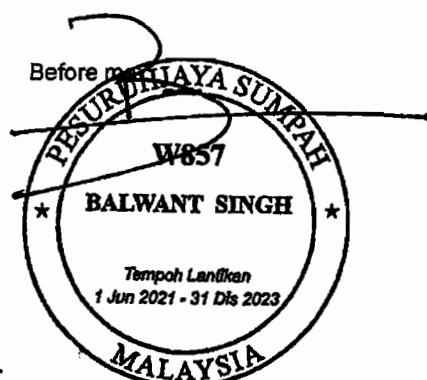
(Registration No. 200901012022 (855058 - W))
(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Soon Yeong Chyan**, the officer primarily responsible for the financial management of **Luxury Ace Sdn. Bhd.**, do solemnly and sincerely declare that the financial statements set out on pages 6 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Soon Yeong Chyan**, MIA CA12084,
at Kuala Lumpur, Wilayah Persekutuan on **07 JUN 2022**.


.....
Soon Yeong Chyan



No. 5A, Jalan 53,
Desa Jaya, Kepong
52100 Kuala Lumpur.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)



KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants
 Level 10, KPMG Tower
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 47800 Petaling Jaya
 Selangor Darul Ehsan, Malaysia

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 Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LUXURY ACE SDN. BHD.

(Registration No. 200901012022 (855058 – W))
 (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Luxury Ace Sdn. Bhd., which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)



Luxury Ace Sdn. Bhd.
(Registration No. 200901012022 (855058 - W))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)

Luxury Ace Sdn. Bhd.
(Registration No. 200901012022 (855058 - W))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

**Auditors' Responsibilities for the Audit of the Financial Statements
(continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITED FINANCIAL STATEMENTS OF LUXURY ACE FOR THE FYE 31 DECEMBER 2021 (CONT'D)



Luxury Ace Sdn. Bhd.
(Registration No. 200901012022 (855058 - W))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Other Matter.

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG PLT'.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ow Peng Li'.

Ow Peng Li
Approval Number: 02666/09/2023 J
Chartered Accountant

Petaling Jaya

Date: 7 June 2022

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER
2021

Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

**Financial statements for the financial
year ended 31 December 2021**

CERTIFIED TRUE COPY


.....
KPMG PLT

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

1

Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

**Directors' report for the financial year ended
31 December 2021**

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2021.

Principal activities

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

Holding corporations

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

Results

	RM'000
Profit for the year	<u>81</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors

Directors who served during the financial year until the date of this report are:

Ng Kuan Yee (appointed on 1 July 2021)
Edward Bin Chung Yiu (appointed on 2 August 2021)
Lee Wan Hoon (appointed on 2 August 2021)
Lim Boon Hwee (resigned on 1 July 2021)
Tang Gan Yuen (Deng Jianyuan) (resigned on 2 August 2021)
Tng Wei Chien (appointed on 19 February 2021 and resigned on 2 August 2021)
Low Peck Chen (resigned on 19 February 2021)

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)

Directors' interests in shares

The interest and deemed interest in the ordinary shares and options over shares of the penultimate holding corporation of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not the Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Holdings in the name of the Director, spouse and/or children			
	At date of appointment	Bought/ Granted	Sold/ Vested/ Lapsed	At 31.12.2021
Penultimate holding corporation, CapitalLand Group Pte Ltd				
Ordinary shares				
Ng Kuan Yee	66,529	-	(66,529)	-
Edward Bin Chung Yiu	26,888	-	(26,888)	-
Lee Wan Hoon	232,875	-	(232,875)	-
Unvested Restricted shares^{2a,7} to be delivered after 2019				
Edward Bin Chung Yiu	2,249 ⁴	-	(2,249)	-
Lee Wan Hoon	4,500 ⁴	-	(4,500)	-
Unvested Restricted shares^{2b,7} to be delivered after 2020				
Edward Bin Chung Yiu	3,059 ^{4,5}	-	(3,059)	-
Lee Wan Hoon	6,118 ^{4,5}	-	(6,118)	-
Contingent award of Restricted Shares^{2b,7} to be delivered after 2021				
Edward Bin Chung Yiu	18,446 ^{3,4}	-	(18,446)	-
Lee Wan Hoon	18,445 ^{3,4}	-	(18,445)	-
Antepenultimate holding corporation, CapitalLand Investment Limited (CLI)				
Ordinary shares				
Ng Kuan Yee	-	66,529	-	66,529
Edward Bin Chung Yiu	-	26,888	-	26,888
Lee Wan Hoon	-	232,875	-	232,875
Contingent award of CLI Performance shares^{1a,6} Founder Share Award to be delivered after 2025				
Lee Wan Hoon (35,423 shares)	-	0 to 106,269	-	0 to 106,269

Footnotes:

^{1a} Awards made pursuant to the CapitalLand Investment Performance Share Plan 2021.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Directors' interests in shares (continued)

Footnotes:

- ^{2a} Awards made pursuant to the CapitaLand Restricted Share Plan 2010 (RSP 2010).
- ^{2b} Awards made pursuant to the CapitaLand Restricted Share Plan 2020 (RSP 2020).
- ³ The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The Executive Resource and Compensation Committee (ERCC) has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
- ⁴ An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the RSP 2010 and RSP 2020, will also be released on the final vesting.
- ⁵ Being the unvested one-third of the award.
- ⁶ This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the Executive Resource and Compensation Committee of the Company. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released.
- ⁷ Termination of RSPs and shares being the unvested remaining shares under the awards granted under the RSPs has been released in the form of cash in lieu of shares. Cash payment will be released to eligible participants according to the original vesting schedule of each respective RSP award.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Performance Share Plan and Restricted Share Plan in CapitaLand Group Pte. Ltd. and CapitaLand Investment Limited.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity given and insurance effected

During the financial year, no indemnity was given to, and no insurance was effected for, any officer or auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts to be written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2021 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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Subsequent event after the financial year end

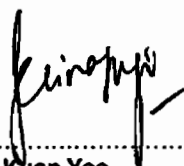
The subsequent event after the financial year end are disclosed in Note 15 to the financial statements.

Auditors

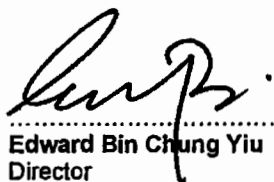
The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 10 to the financial statements.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Kuan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date: 07 JUN 2022

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))

(Incorporated in Malaysia)

Statement of financial position as at 31 December 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Investment property	3	2,300	2,200
Total non-current asset		2,300	2,200
Trade and other receivables	4	**	1
Bank balance		24	31
Total current asset		24	32
Total assets		2,324	2,232
Equity			
Share capital	5	*	*
Retained earnings		1,090	1,009
Total equity		1,090	1,009
Liabilities			
Amount due to holding corporations	6	902	902
Trade and other payables	7	1	1
Deferred tax liability	8	141	131
Total non-current liabilities		1,044	1,034
Amount due to holding corporations	6	171	171
Trade and other payables	7	19	18
Total current liabilities		190	189
Total liabilities		1,234	1,223
Total equity and liabilities		2,324	2,232

* Denotes RM2

** Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	9	33	30
Cost of sales		<u>(32)</u>	<u>(32)</u>
Gross profit/(loss)		1	(2)
Other operating income		102	-
Other operating expenses		-	(510)
Administrative expenses		<u>(12)</u>	<u>(14)</u>
Profit/(Loss) before tax	10	91	(526)
Tax expense	11	<u>(10)</u>	<u>51</u>
Profit/(Loss) and total comprehensive income/(expense) for the year		<u>81</u>	<u>(475)</u>

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))

(Incorporated in Malaysia)

Statement of changes in equity for the financial year ended 31 December 2021

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2020	*	1,484	1,484
Loss and total comprehensive expense for the year	-	(475)	(475)
At 31 December 2020/1 January 2021	*	1,009	1,009
Profit and total comprehensive income for the year	-	81	81
At 31 December 2021	*	1,090	1,090
	Note 5		

* Denotes RM2

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

**Statement of cash flows for the financial year ended
31 December 2021**

	Note	2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit/(Loss) before tax		91	(526)
Adjustment for:			
Net (reversal)/loss on impairment of trade receivables		(2)	2
Fair value (gain)/loss of investment property	3	(100)	510
Operating loss before changes in working capital		(11)	(14)
Changes in working capital:			
Trade and other receivables		3	(3)
Trade and other payables		1	4
Net cash used in operating activities		(7)	(13)
Net decrease in bank balance		(7)	(13)
Bank balance at 1 January		31	44
Bank balance at 31 December		24	31

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

Notes to the financial statements

Success Idea Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office is as follows:

Principal place of business/Registered office

Unit No.1-27, Level 27, Naza Tower
No.10, Persiaran KLCC
50088 Kuala Lumpur

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 7 June 2022.

1. Basis of preparation
(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)**
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework**
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (continued)

- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)**

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for *** which are not applicable to the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Company.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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1. Basis of preparation (continued)**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for investment property as disclosed in Note 2(a) and financial instruments as disclosed in Note 2(c) to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - valuation of investment property
- Note 8 - deferred tax liability

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Investment property

Investment property is property held under freehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the year in which they arise. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment property is stated at fair value based on valuations performed by an independent professional valuer. In determining the fair value, the valuer used valuation techniques which involve certain estimates. In relying on the valuation reports, the Directors have exercised their judgements and are satisfied that the valuation methods and estimates reflect the current market conditions. The fair value is determined once every six months based on internal valuation or independent professional valuation.

When an investment property is disposed of, the resulting gain or loss is recognised in profit or loss in the year in which the item is derecognised.

Investment property is not depreciated. The property is subject to continued maintenance and is regularly revalued on the basis mentioned above. For taxation purposes, the Company may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, 1967.

(b) Leases

As a lessor

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company leases out its investment property. The Company has classified these leases as operating leases.

The Company recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of revenue.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies (continued)**(c) Financial Instruments****(i) Recognition and initial measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, in the case for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement***Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(d)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(d)).

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial liabilities***

The financial liabilities at initial recognition of the Company are classified as amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies (continued)**(d) Impairment****Financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies (continued)**(e) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(g) Revenue recognition**Rental income**

Rental income from leasing out of retail lots and space is recognised in profit or loss on a straight-line basis over the term of the lease and such revenue includes base rent, service charges and advertising and promotion fee.

(h) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable or receivable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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2. Significant accounting policies (continued)

(h) Tax expense (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Where investment properties are carried at fair value in accordance with the accounting policy set out in Note 2(a), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

(i) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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3. Investment property

	2021 RM'000	2020 RM'000
At 1 January	2,200	2,710
Fair value gain/(loss)	<u>100</u>	<u>(510)</u>
At 31 December	<u>2,300</u>	<u>2,200</u>

Investment property refers to two parcel of retail lots in Queensbay Mall, Penang which primarily generates rental income from leasing out the space to third parties via lease agreements. The Company's lease agreements generally contain an initial non-cancellable period of three years and subsequent renewals are negotiated with the lessee. The rental rate is negotiated based on prevailing market rates and are pre-agreed over the lease tenure.

The following is recognised in profit or loss in respect of the investment property:

	2021 RM'000	2020 RM'000
Revenue	33	30
Less: Direct operating expenses	<u>(32)</u>	<u>(32)</u>
	1	(2)
Less: Other operating expenses	<u>*</u>	<u>(4)</u>
Net property income/(expense)	<u>*</u>	<u>(6)</u>

* Denotes amount less than RM1,000

(a) Operating lease payments receivable

The operating lease payments to be received are as follows:

	2021 RM'000	2020 RM'000
Less than one year	34	34
One to two years	1	34
Two to three years	<u>-</u>	<u>1</u>
Total undiscounted lease payments	<u>35</u>	<u>69</u>

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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3. Investment property (continued)

(b) Fair value information

The fair value of investment property of the Company is categorised as Level 3. The property is valued by an independent external valuer using the income capitalisation approach, also known as investment approach. This valuation approach takes into account of the gross revenue and outgoings to estimate the net income for the property. Capitalisation rates are then applied to the net income of the investment property to determine the market value of the investment property.

The significant assumptions and unobservable inputs underlying the estimation of fair value of investment properties are those related to term capitalisation and reversionary capitalisation rates, outgoings expenses and allowance for void. Term capitalisation and reversionary capitalisation rate for the investment properties is at 6.50% (2020: 6.50%) and 7.00% (2020: 7.0%) respectively. The estimated fair value would increase/(decrease) if the capitalisation rates, outgoings expenses and allowance for void were lower/(higher).

(c) Valuation processes applied to the Company for Level 3 fair value

The fair value of investment property is determined by independent external valuer having appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued. The external valuer provides the fair value of the Company's investment property every twelve months to be in line with industry practices and CapitaLand Investment Limited Group's policies. The resultant fair value gain or loss arising from the change in valuation is assessed by the Directors after obtaining the valuation report from the external valuer.

(d) Highest and best use

The Company's investment property is currently valued at its highest and best use. The investment property is situated within sizeable catchment populations with strong demand for shopping mall space.

4. Trade and other receivables

	2021 RM'000	2020 RM'000
Trade		
Trade receivables	-	3
Less: Allowance for impairment losses	-	(2)
	-----	-----
	-	1
Non-trade		
Prepayments	*	-
	-----	-----
	*	1
	=====	=====

* Denotes amount less than RM1,000

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

21

Registration No. 201001030446 (914367 - K)

4. Trade and other receivables (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	Gross carrying amount RM'000	Allowance for impairment losses RM'000	Net balance RM'000
2020			
Past due 1-30 days	3	(2)	1

The movement in allowance for impairment losses of trade receivables during the financial year is as follows:

	2021 RM'000	2020 RM'000
Balance at 1 January	2	-
Net (reversal)/loss on impairment of trade receivables	(2)	2
Balance at 31 December	-	2

The Directors believe that no additional allowance for impairment losses is necessary in respect of past due receivables as these receivables are mainly arising from tenants that have good payment records and sufficient security deposits are held as collateral.

5. Share capital

	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid:				
Ordinary shares	*	**	*	**

* Denotes RM2

** Denotes 2 shares

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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6. Amount due to holding corporations

	2021 RM'000	2020 RM'000
Non-current		
Immediate holding corporation	902	902
Current		
Intermediate holding corporation	<u>171</u>	<u>171</u>
	<u>1,073</u>	<u>1,073</u>

The non-current amount due to immediate holding corporation is non-trade, interest-free and is not expected to be repaid within the next twelve months.

The current amount due to intermediate holding corporation is non-trade, interest-free and repayable on demand.

7. Trade and other payables

	2021 RM'000	2020 RM'000
Non-current		
Trade		
Tenant's deposits 1 1
Current		
Non-trade		
Accrued expenses	18	18
Other payables	<u>1</u>	<u>-</u>
	<u>19</u>	<u>18</u>
	<u>20</u>	<u>19</u>

8. Deferred tax liability

With effect from 1 January 2019, the applicable Real Property Gains Tax ("RPGT") rate under the Finance Act 2019 for disposal of real properties or shares in real properties companies which have been held for more than 5 years is 10%.

It is the business model of the Company to hold investment property to earn rental income and for long-term capital growth. Hence, there is no expected disposal of investment property held for less than 5 years.

During the financial year, the Company recognised RM10,000 of deferred tax liabilities to the profit or loss (2020: reversed RM51,000 of deferred tax liabilities), this being the net changes on the RPGT exposure subsequent to the reassessment of fair value on freehold investment properties.

9. Revenue

Revenue represents rental income from leasing out of retail lots.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

23

Registration No. 201001030446 (914367 - K)
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10. Profit/(Loss) before tax

	2021 RM'000	2020 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):		
Auditors' remuneration	4	4
Material (income)/expense		
Fair value (gain)/loss of investment property	(100)	510
Net (reversal)/loss on impairment of financial instruments		
Net (reversal)/loss on impairment of trade receivables	<u>(2)</u>	<u>2</u>

11. Tax expense

	2021 RM'000	2020 RM'000
Deferred tax expense		
- Effect of net cumulative fair value gain/(fair value loss) on investment property subject to RPGT	<u>10</u>	<u>(51)</u>
Reconciliation of tax expense		
Profit/(Loss) before tax	<u>91</u>	<u>(526)</u>
Income tax using Malaysian statutory tax rate of 24% (2020: 24%)	22	(126)
Expenses not deductible for tax purpose	2	4
Effect of fair value (gain)/loss of investment property not subject to tax	<u>(24)</u>	<u>122</u>
	-	-
Effect of fair value gain/(fair value loss) on investment property subject to RPGT	<u>10</u>	<u>(51)</u>
Tax expense for the financial year	<u>10</u>	<u>(51)</u>

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

24

Registration No. 201001030446 (914367 - K)
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12. Financial instruments

(a) Categories of financial instruments

The financial instruments of the Company are categorised as follows:

	Carrying amount	
	2021	2020
	RM'000	RM'000
Financial asset categorised as amortised cost:		
Trade and other receivables	*	1
Bank balance	24	31
	<u>24</u>	<u>32</u>
Financial liabilities categorised as amortised cost:		
Amount due to holding corporations	1,073	1,073
Trade and other payables	20	19
	<u>1,093</u>	<u>1,092</u>

* Denotes amount less than RM1,000

(b) Net gains and losses arising from financial instruments

	2021	2020
	RM'000	RM'000
Net gains/(losses) on:		
Financial assets at amortised cost		
- Net reversal/(loss) on impairment of trade receivables	2	(2)
	<u>2</u>	<u>(2)</u>

(c) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

(d) Credit risk

Credit risk is defined as the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from trade receivables and bank balance.

Credit risk is controlled by an ongoing balance monitoring to ensure minimum credit risk exposure. The Company minimises credit risk by dealing with restricted counterparties that meet the appropriate credit criteria and are of high credit standing.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 201001030446 (914367 - K)
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12. Financial instruments (continued)

(d) Credit risk (continued)

Bank balance is placed with a licensed bank which is regulated. At the end of the financial year, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

(e) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's exposure to liquidity risk arises primarily from its various payables. The Company maintains a level of bank balance deemed adequate by the Directors to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

(f) Fair value information

The carrying amounts of bank balance, amount due to intermediate holding corporation and trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of the non-derivative financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Carrying amount 2021 RM'000	Fair value 2021 RM'000	Carrying amount 2020 RM'000	Fair value 2020 RM'000
Tenant's deposits	1	1	1	1
Amount due to immediate holding corporation	<u>902</u>	<u>874</u>	<u>902</u>	<u>874</u>

The fair values of tenant's deposits and amount due to immediate holding corporation are categorised as Level 2.

The above fair values, which are determined for disclosure purposes, are calculated based on the present value of future cash flows discounted at the market rate of interest at the end of the financial year. Interest rates used to determine fair values are as follows:

	2021	2020
Tenant's deposits	1.85%	1.85%
Amount due to immediate holding corporation	<u>3.19%</u>	<u>3.15%</u>

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

26

Registration No. 201001030446 (914367 - K)
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13. Capital management

The Company's objectives when managing capital are to maintain a strong capital base and to maintain shareholder, creditor and market confidence and to sustain future development of the business. There was no change in the Company's approach to capital management during the financial year.

14. Related parties**Identity of and transaction with the related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporations and key management personnel.

Save for the amount due to holding corporations, there was no other related party transaction pertaining to the Company during the financial year.

15. Subsequent event

In March 2022, the Company entered into a loan agreement with its intermediate holding corporation, CapitaLand Retail (MY) Pte. Ltd. ("CRPL") in which CRPL agreed to fund the Company an aggregate sum of RM85,000 for working capital purposes. The loan is interest-free and repayable on demand. On 4 April 2022, the Company received a disbursement of loan from CRPL amounting to RM20,000.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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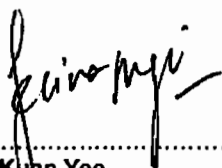
Success Idea Sdn. Bhd.

(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 6 to 26 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2021 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Kuan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date : 07 JUN 2022

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER
2021 (CONT'D)

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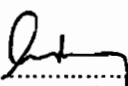
Success Idea Sdn. Bhd.


(Registration No. 201001030446 (914367 - K))
(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Soon Yeong Chyan**, the officer primarily responsible for the financial management of Success Idea Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 6 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Soon Yeong Chyan**, MIA CA12084,
at Kuala Lumpur, Wilayah Persekutuan on **07 JUN 2022**


.....
Soon Yeong Chyan

Witness me:


No. 5A, Jalan 53,
Desa Jaya, Kepong
52100 Kuala Lumpur.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)



KPMG PLT
 (LLP0010081-LCA & AF 0758)
 Chartered Accountants
 Level 10, KPMG Tower
 8, First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan, Malaysia

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 Fax +60 (3) 7721 3399
 Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SUCCESS IDEA SDN. BHD.

(Registration No. 201001030446 (914367 – K))
 (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Success Idea Sdn. Bhd., which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)



Success Idea Sdn. Bhd.
(Registration No. 201001030446 (914367 - K))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER 2021 (CONT'D)

Success Idea Sdn. Bhd.
(Registration No. 201001030446 (914367 - K))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

**Auditors' Responsibilities for the Audit of the Financial Statements
(continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**AUDITED FINANCIAL STATEMENTS OF SUCCESS IDEA FOR THE FYE 31 DECEMBER
2021 (CONT'D)**

Success Idea Sdn. Bhd.
(Registration No. 201001030446 (914367 - K))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Other Matter.

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'KPMG PLT'.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ow Peng Li'.

Ow Peng Li
Approval Number: 02666/09/2023 J
Chartered Accountant


Petaling Jaya

Date: 7 June 2022

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021

Milky Way Properties Berhad
(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

**Financial statements for the financial
year ended 31 December 2021**

CERTIFIED TRUE COPY

.....
KPMG PLT

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

1

Milky Way Properties Berhad

(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

**Directors' report for the financial year ended
31 December 2021**

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2021.

Principal activities

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

Holding corporations

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

Results

	RM'000
Loss for the year	<u>116</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors

Directors who served during the financial year until the date of this report are:

Ng Kuan Yee (appointed on 1 July 2021)
Edward Bin Chung Yiu (appointed on 2 August 2021)
Lee Wan Hoon (appointed on 2 August 2021)
Lim Boon Hwee (resigned on 1 July 2021)
Tang Gan Yuen (Deng Jianyuan) (resigned on 2 August 2021)
Tng Wei Chien (appointed on 19 February 2021 and resigned on 2 August 2021)
Low Peck Chen (resigned on 19 February 2021)

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

2

Registration No. 200801018956 (820266 - D)

Directors' interests in shares

The interest and deemed interest in the ordinary shares and options over shares of the penultimate holding corporation of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not the Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Holdings in the name of the Director, spouse and/or children			
	At date of appointment	Bought/ Granted	Sold/ Vested/ Lapsed	At 31.12.2021
Penultimate holding corporation, CapitalLand Group Pte Ltd				
Ordinary shares				
Ng Kuan Yee	66,529	-	(66,529)	-
Edward Bin Chung Yiu	26,888	-	(26,888)	-
Lee Wan Hoon	232,875	-	(232,875)	-
Unvested Restricted shares^{2a,7} to be delivered after 2019				
Edward Bin Chung Yiu	2,249 ⁴	-	(2,249)	-
Lee Wan Hoon	4,500 ⁴	-	(4,500)	-
Unvested Restricted shares^{2b,7} to be delivered after 2020				
Edward Bin Chung Yiu	3,059 ^{4,5}	-	(3,059)	-
Lee Wan Hoon	6,118 ^{4,5}	-	(6,118)	-
Contingent award of Restricted Shares^{2b,7} to be delivered after 2021				
Edward Bin Chung Yiu	18,446 ^{3,4}	-	(18,446)	-
Lee Wan Hoon	18,445 ^{3,4}	-	(18,445)	-
Antepenultimate holding corporation, CapitalLand Investment Limited (CLI)				
Ordinary shares				
Ng Kuan Yee	-	66,529	-	66,529
Edward Bin Chung Yiu	-	26,888	-	26,888
Lee Wan Hoon	-	232,875	-	232,875
Contingent award of CLI Performance shares^{1a,6} Founder Share Award to be delivered after 2025				
Lee Wan Hoon (35,423 shares)	-	0 to 106,269	-	0 to 106,269

Footnotes:

^{1a} Awards made pursuant to the CapitalLand Investment Performance Share Plan 2021.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

3

Registration No. 200801018956 (820266 - D)

Directors' interests in shares (continued)

Footnotes:

- ^{2a} *Awards made pursuant to the CapitaLand Restricted Share Plan 2010 (RSP 2010).*
- ^{2b} *Awards made pursuant to the CapitaLand Restricted Share Plan 2020 (RSP 2020).*
- ³ *The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award. The Executive Resource and Compensation Committee (ERCC) has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.*
- ⁴ *An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the RSP 2010 and RSP 2020, will also be released on the final vesting.*
- ⁵ *Being the unvested one-third of the award.*
- ⁶ *This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the Executive Resource and Compensation Committee of the Company. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released.*
- ⁷ *Termination of RSPs and shares being the unvested remaining shares under the awards granted under the RSPs has been released in the form of cash in lieu of shares. Cash payment will be released to eligible participants according to the original vesting schedule of each respective RSP award.*

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Performance Share Plan and Restricted Share Plan in CapitaLand Group Pte. Ltd. and CapitaLand Investment Limited.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

4

Registration No. 200801018956 (820266 - D)
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Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity given and insurance effected

During the financial year, no indemnity was given to, and no insurance was effected for, any officer or auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts to be written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, except for the fair value loss of investment properties as disclosed in Note 10 to the financial statements, the financial performance of the Company for the financial year ended 31 December 2021 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**

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Registration No. 200801018956 (820266 - D)
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Subsequent event after the financial year end

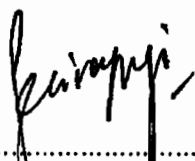
The subsequent event after the financial year end are disclosed in Note 15 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 10 to the financial statements.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Kuan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date: 07 JUN 2022

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Milky Way Properties Berhad
(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

Statement of financial position as at 31 December 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Investment property	3	1,400	1,500
Total non-current asset		<u>1,400</u>	<u>1,500</u>
Trade and other receivables	4	7	6
Current tax assets		**	**
Bank balance		6	23
Total current assets		<u>13</u>	<u>29</u>
Total assets		<u>1,413</u>	<u>1,529</u>
Equity			
Share capital	5	*	*
Retained earnings		775	891
Total equity		<u>775</u>	<u>891</u>
Liabilities			
Amount due to holding corporations	6	405	405
Deferred tax liability	7	105	115
Total non-current liabilities		<u>510</u>	<u>520</u>
Amount due to holding corporations	6	95	95
Trade and other payables	8	33	23
Total current liabilities		<u>128</u>	<u>118</u>
Total liabilities		<u>638</u>	<u>638</u>
Total equity and liabilities		<u>1,413</u>	<u>1,529</u>

* Denotes RM2

** Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

7

Milky Way Properties Berhad

(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2021

	Note	2021 RM'000	2020 RM'000
Revenue	9	8	19
Cost of sales		<u>(14)</u>	<u>(14)</u>
Gross (loss)/profit		(6)	5
Other operating income		-	*
Other operating expenses		(100)	(120)
Administrative expenses		<u>(19)</u>	<u>(12)</u>
Loss before tax	10	(125)	(127)
Tax expense	11	<u>9</u>	<u>10</u>
Loss and total comprehensive expense for the year		<u>(116)</u>	<u>(117)</u>

* Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

8

Milky Way Properties Berhad

(Registration No. 200801018956 (820266 - D))

(Incorporated in Malaysia)

Statement of changes in equity for the financial year ended 31 December 2021

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2020	*	1,008	1,008
Loss and total comprehensive expense for the year	-	(117)	(117)
At 31 December 2020/1 January 2021	*	891	891
Loss and total comprehensive expense for the year	-	(116)	(116)
At 31 December 2021	*	775	775

Note 5

* Denotes RM2

The accompanying notes form an integral part of these financial statements.

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**

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Milky Way Properties Berhad

(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

**Statement of cash flows for the financial year ended
31 December 2021**

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Loss before tax	(125)	(127)
Adjustments for:		
Net loss on impairment of trade receivables	9	1
Fair value loss of investment property	100	120
Interest income	-	(*)
	<u>(16)</u>	<u>(6)</u>
Operating loss before changes in working capital	(16)	(6)
Changes in working capital:		
Trade and other receivables	(10)	(7)
Trade and other payables	10	3
	<u>(16)</u>	<u>(10)</u>
Cash used in operations	(16)	(10)
Interest received	-	*
Tax paid	(1)	(2)
	<u>(17)</u>	<u>(12)</u>
Net cash used in operating activities	(17)	(12)
Net decrease in bank balance	(17)	(12)
Bank balance at 1 January	23	35
	<u>6</u>	<u>23</u>
Bank balance at 31 December	6	23

* Denotes amount less than RM1,000

The accompanying notes form an integral part of these financial statements.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Milky Way Properties Berhad

(Registration No. 200801018956 (820266 - D))

(Incorporated in Malaysia)

Notes to the financial statements

Milky Way Properties Berhad is a limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office is as follows:

Principal place of business/Registered office

Unit No.1-27, Level 27, Naza Tower

No.10, Persiaran KLCC

50088 Kuala Lumpur

The Company is principally engaged in the operations of investment in and letting of property. There has been no significant change in the nature of these principal activities during the financial year.

The immediate, intermediate, pre-antepenultimate, antepenultimate, penultimate and ultimate holding corporations of the Company during the financial year are Retail Galaxy Pte. Ltd., CapitaLand Retail (MY) Pte. Ltd., CapitaLand Mall Asia Limited, CapitaLand Investment Limited (formerly known as CapitaLand Financial Limited), CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited respectively. These corporations are incorporated in the Republic of Singapore.

These financial statements were authorised for issue by the Board of Directors on 7 June 2022.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)**
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework**
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (continued)

- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)**

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for *** which are not applicable to the Company.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Company.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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1. Basis of preparation (continued)**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for investment property as disclosed in Note 2(a) and financial instruments as disclosed in Note 2(c) to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - valuation of investment property
- Note 8 - deferred tax liability

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**

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Registration No. 200801018956 (820266 - D)
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2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Investment property

Investment property is property held under freehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the year in which they arise. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment property is stated at fair value based on valuations performed by an independent professional valuer. In determining the fair value, the valuer used valuation techniques which involve certain estimates. In relying on the valuation reports, the Directors have exercised their judgements and are satisfied that the valuation methods and estimates reflect the current market conditions. The fair value is determined once every six months based on internal valuation or independent professional valuation.

When an investment property is disposed of, the resulting gain or loss is recognised in profit or loss in the year in which the item is derecognised.

Investment property is not depreciated. The property is subject to continued maintenance and is regularly revalued on the basis mentioned above. For taxation purposes, the Company may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act, 1967.

(b) Leases**As a lessor**

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company leases out its investment property. The Company has classified these leases as operating leases.

The Company recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of revenue.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

2. Significant accounting policies (continued)**(c) Financial instruments****(i) Recognition and initial measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, in the case for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement***Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(d)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(d)).

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

2. Significant accounting policies (continued)**(c) Financial Instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial liabilities***

The financial liabilities at initial recognition of the Company are classified as amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

2. Significant accounting policies (continued)**(d) Impairment****Financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**

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Registration No. 200801018956 (820266 - D)
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2. Significant accounting policies (continued)**(e) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Ordinary shares are classified as equity.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(g) Revenue recognition**Rental income**

Rental income from leasing out of retail lots and space is recognised in profit or loss on a straight-line basis over the term of the lease and such revenue includes base rent, service charges and advertising and promotion fee.

(h) Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable or receivable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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2. Significant accounting policies (continued)

(h) Tax expense (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Where investment properties are carried at fair value in accordance with the accounting policy set out in Note 2(a), the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

(i) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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3. Investment property

	2021 RM'000	2020 RM'000
At 1 January	1,500	1,620
Fair value loss	<u>(100)</u>	<u>(120)</u>
At 31 December	<u>1,400</u>	<u>1,500</u>

Investment property refers to a parcel of retail lot in Queensbay Mall, Penang which primarily generates rental income from leasing out the space to a third party via lease agreement. The Company's lease agreement generally contain an initial non-cancellable period of three years and subsequent renewals are negotiated with the lessee. The rental rate is negotiated based on prevailing market rates and are pre-agreed over the lease tenure.

The following is recognised in profit or loss in respect of the investment property:

	2021 RM'000	2020 RM'000
Revenue	8	19
Less: Direct operating expenses	<u>(14)</u>	<u>(14)</u>
	(6)	5
Add: Other operating income	-	*
Less: Other operating expenses	<u>(10)</u>	<u>(4)</u>
Net property (expense)/income	<u>(16)</u>	<u>1</u>

* Denotes amount less than RM1,000

(a) Operating lease payments receivable

The operating lease payments to be received are as follows:

	2021 RM'000	2020 RM'000
Less than one year	<u>-</u>	<u>15</u>
Total undiscounted lease payments	<u>-</u>	<u>15</u>

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

3. Investment property (continued)

(b) Fair value information

The fair value of investment property of the Company is categorised as Level 3. The property is valued by an independent external valuer using the income capitalisation approach, also known as investment approach. This valuation approach takes into account of the gross revenue and outgoings to estimate the net income for the property. Capitalisation rates are then applied to the net income of the investment property to determine the market value of the investment property.

The significant assumptions and unobservable inputs underlying the estimation of fair value of investment properties are those related to term capitalisation and reversionary capitalisation rates, outgoings expenses and allowance for void. Term capitalisation and reversionary capitalisation rate for the investment properties is at 6.50% (2020: 6.50%) and 7.00% (2020: 7.0%) respectively. The estimated fair value would increase/(decrease) if the capitalisation rates, outgoings expenses and allowance for void were lower/(higher).

(c) Valuation processes applied to the Company for Level 3 fair value

The fair value of investment property is determined by independent external valuer having appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued. The external valuer provides the fair value of the Company's investment property every twelve months to be in line with industry practices and CapitalLand Investment Limited Group's policies. The resultant fair value gain or loss arising from the change in valuation is assessed by the Directors after obtaining the valuation report from the external valuer.

(d) Highest and best use

The Company's investment property is currently valued at its highest and best use. The investment property is situated within sizeable catchment populations with strong demand for shopping mall space.

4. Trade and other receivables

	2021 RM'000	2020 RM'000
Trade		
Trade receivables	17	7
Less: Allowance for impairment losses	(10)	(1)
	<u>7</u>	<u>6</u>
Non-trade		
Prepayments	*	-
	<u>*</u>	<u>-</u>
	<u>7</u>	<u>6</u>

* Denotes amount less than RM1,000

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

4. Trade and other receivables (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables.

	Gross carrying amount RM'000	Allowance for impairment losses RM'000	Net balance RM'000
2021			
Not past due	-	-	-
Past due 1-30 days	-	-	-
Past due 31-90 days	-	-	-
Past due more than 90 days	17	(10)	7
	<u>17</u>	<u>(10)</u>	<u>7</u>
2020			
Not past due	-	-	-
Past due 1-30 days	1	(1)	-
Past due 31-90 days	4	-	4
Past due more than 90 days	2	-	2
	<u>7</u>	<u>(1)</u>	<u>6</u>

The movement in allowance for impairment losses of trade receivables during the financial year is as follows:

	2021 RM'000	2020 RM'000
Balance at 1 January	1	-
Net loss on impairment of trade receivables	<u>9</u>	<u>1</u>
Balance at 31 December	<u>10</u>	<u>1</u>

The Directors believe that no additional allowance for impairment losses is necessary in respect of past due receivables as these receivables are mainly arising from tenant that has good payment records and sufficient security deposit is held as collateral.

5. Share capital

	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid:				
Ordinary shares	<u>*</u>	<u>**</u>	<u>*</u>	<u>**</u>

* Denotes RM2

** Denotes 2 shares

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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6. Amount due to holding corporations

	2021 RM'000	2020 RM'000
Non-current		
Immediate holding corporation	405	405
Current		
Intermediate holding corporation	<u>95</u>	<u>95</u>
	<u>500</u>	<u>500</u>

The non-current amount due to immediate holding corporation is non-trade, interest-free and is not expected to be repaid within the next twelve months.

The current amount due to intermediate holding corporation is non-trade, interest-free and repayable on demand.

7. Deferred tax liability

With effect from 1 January 2019, the applicable Real Property Gains Tax ("RPGT") rate under the Finance Act 2019 for disposal of real properties or shares in real properties companies which have been held for more than 5 years is 10%.

It is the business model of the Company to hold investment property to earn rental income and for long-term capital growth. Hence, there is no expected disposal of investment property held for less than 5 years.

During the financial year, the Company reversed RM10,000 of deferred tax liabilities to the profit or loss (2020: RM12,000), this being the net changes on the RPGT exposure subsequent to the reassessment of fair value on freehold investment properties.

8. Trade and other payables

	2021 RM'000	2020 RM'000
Current		
Trade		
Tenant's deposits	<u>8</u>	<u>8</u>
Non-trade		
Accrued expenses	<u>25</u>	<u>15</u>
	<u>33</u>	<u>23</u>

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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9. Revenue

Revenue represents rental income from leasing out of retail lot.

10. Loss before tax

	2021 RM'000	2020 RM'000
Loss before tax is arrived at after charging/(crediting):		
Auditors' remuneration	4	4
Material expense		
Fair value loss of investment property	100	120
Net loss on impairment of financial instruments		
Net loss on impairment of trade receivables	<u>9</u>	<u>1</u>

11. Tax expense

	2021 RM'000	2020 RM'000
Current tax expense		
- current year	1	1
- (over)/under provision in prior year	<u>(*)</u>	<u>1</u>
	1	2
Deferred tax expense		
- Effect of fair value loss on investment property subject to RPGT	<u>(10)</u>	<u>(12)</u>
Tax expense for the financial year	<u>(9)</u>	<u>(10)</u>
Reconciliation of tax expense		
Loss before tax	<u>(125)</u>	<u>(127)</u>
Income tax using Malaysian statutory tax rate of 24% (2020: 24%)	(30)	(30)
Expenses not deductible for tax purpose	7	2
Effect of fair value loss of investment property not subject to tax	24	29
(Over)/Under provision in prior year	<u>(*)</u>	<u>1</u>
	1	2
Effect of fair value loss on investment property subject to RPGT	<u>(10)</u>	<u>(12)</u>
Tax expense for the financial year	<u>(9)</u>	<u>(10)</u>

* Denotes amount less than RM1,000

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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12. Financial instruments

(a) Categories of financial instruments

The financial instruments of the Company are categorised as follows:

	Carrying amount	
	2021	2020
	RM'000	RM'000
Financial asset categorised as amortised cost:		
Trade and other receivables	7	6
Bank balance	6	23
	<u>13</u>	<u>29</u>
Financial liabilities categorised as amortised cost:		
Amount due to holding corporations	500	500
Trade and other payables	33	23
	<u>533</u>	<u>523</u>

(b) Net gains and losses arising from financial instruments

	2021	2020
	RM'000	RM'000
Net (losses)/gains on:		
Financial assets at amortised cost		
- Net loss on impairment of trade receivables	(9)	(1)
- Interest income	-	*
	<u>(9)</u>	<u>(1)</u>

* Denotes amount less than RM1,000

(c) Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

(d) Credit risk

Credit risk is defined as the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from trade and other receivables and bank balance.

Credit risk is controlled by an ongoing balance monitoring to ensure minimum credit risk exposure. The Company minimises credit risk by dealing with restricted counterparties that meet the appropriate credit criteria and are of high credit standing.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)

12. Financial instruments (continued)

(d) Credit risk (continued)

Bank balance is placed with a licensed bank which is regulated. At the end of the financial year, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

(e) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's exposure to liquidity risk arises primarily from its various payables. The Company maintains a level of bank balance deemed adequate by the Directors to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

(f) Fair value information

The carrying amounts of bank balance, amount due to intermediate holding corporation, trade and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of the non-derivative financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Carrying amount 2021 RM'000	Fair value 2021 RM'000	Carrying amount 2020 RM'000	Fair value 2020 RM'000
Amount due to immediate holding corporation	<u>405</u>	<u>393</u>	<u>405</u>	<u>393</u>

The fair values of tenant's deposits and amount due to immediate holding corporation are categorised as Level 2.

The above fair values, which are determined for disclosure purposes, are calculated based on the present value of future cash flows discounted at the market rate of interest at the end of the financial year. Interest rates used to determine fair values are as follows:

	2021	2020
Amount due to immediate holding corporation	<u>3.19%</u>	<u>3.15%</u>

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)

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Registration No. 200801018956 (820266 - D)
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13. Capital management

The Company's objectives when managing capital are to maintain a strong capital base and to maintain shareholder, creditor and market confidence and to sustain future development of the business. There was no change in the Company's approach to capital management during the financial year.

14. Related parties**Identity of and transaction with the related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company. The key management personnel include all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporations and key management personnel.

Save for the amount due to holding corporations, there was no other related party transaction pertaining to the Company during the financial year.

15. Subsequent event

In March 2022, the Company entered into a loan agreement with its intermediate holding corporation, CapitalLand Retail (MY) Pte. Ltd. ("CRPL") in which CRPL agreed to fund the Company an aggregate sum of RM55,000 for working capital purposes. The loan is interest-free and repayable on demand. On 4 April 2022, the Company received a disbursement of loan from CRPL amounting to RM17,000.

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**

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Milky Way Properties Berhad

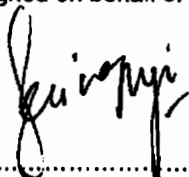
(Registration No. 200801018956 (820266 - D))

(Incorporated in Malaysia)

**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 6 to 26 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2021 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors, in accordance with a resolution of the Directors:



.....
Ng Kuan Yee
Director



.....
Edward Bin Chung Yiu
Director

Date : 07 JUN 2022

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)


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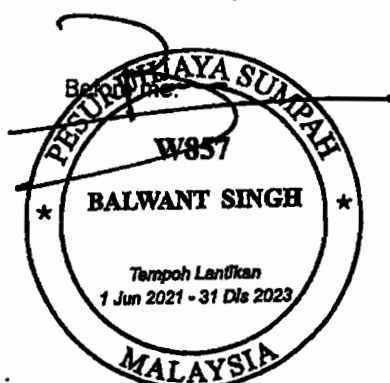
Milky Way Properties Berhad
(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Soon Yeong Chyan**, the officer primarily responsible for the financial management of Milky Way Properties Berhad, do solemnly and sincerely declare that the financial statements set out on pages 6 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Soon Yeong Chyan**, MIA CA12084,
at Kuala Lumpur, Wilayah Persekutuan on **07 JUN 2022**


.....
Soon Yeong Chyan



No. 5A, Jalan 53,
Desa Jaya, Kepong
52100 Kuala Lumpur.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)



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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MILKY WAY PROPERTIES BERHAD

(Registration No. 200801018956 (820266 - D))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Milky Way Properties Berhad., which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)



Milky Way Properties Berhad
(Registration No. 200801018956 (820266 - D))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31 DECEMBER 2021 (CONT'D)



Milky Way Properties Berhad
 (Registration No. 200801018956 (820266 - D))
 Independent Auditors' Report for the
 Financial Year Ended 31 December 2021

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**AUDITED FINANCIAL STATEMENTS OF MILKY WAY PROPERTIES FOR THE FYE 31
DECEMBER 2021 (CONT'D)**



Milky Way Properties Berhad
(Registration No. 200801018956 (820266 - D))
Independent Auditors' Report for the
Financial Year Ended 31 December 2021

Other Matter.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'the'.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Ow Peng Li'.

Ow Peng Li
Approval Number: 02666/09/2023 J
Chartered Accountant

Petaling Jaya

Date: 7 June 2022

REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



KPMG PLT
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Website www.kpmg.com.my

MTrustee Berhad
(as Trustee for and on behalf of
CapitaLand Malaysia Trust)
Level 15, Menara AmFirst
No.1, Jalan 19/3,
46300 Petaling Jaya
Selangor

CapitaLand Malaysia REIT Management Sdn Bhd
(as the Manager of CapitaLand Malaysia Trust)
Unit No. 1-27, Level 27, Naza Tower
No. 10, Persiaran KLCC
50088 Kuala Lumpur

8 February 2023

Dear Sirs,

CapitaLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")

Report on the compilation of pro forma consolidated statements of financial position of CLMT Group in connection with the following:

- i) **Proposed acquisition by MTrustee Berhad (the "Trustee"), on behalf of CLMT, of 433 strata titles within Queensbay Mall from Special Coral Sdn Bhd and all the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively the "Target Companies"), which collectively hold 5 strata titles within Queensbay Mall (the 438 strata titles are collectively defined as "QBM Property") for a total cash purchase consideration of RM990.50 million (including settlement by CLMT on behalf of the Target Companies of inter-company amounts owed by the Target Companies to its shareholder and/or its related companies estimated to be approximately RM2.57 million ("Inter-Company Settlement")) ("Proposed Acquisition");**
- ii) **Proposed private placement of up to 1,031.77 million new units in CLMT to raise gross proceeds of up to RM495.25 million at an issue price to be determined later by way of bookbuilding ("Proposed Placement");**
- iii) **As part of the Proposed Placement, the proposed placement of new units in CLMT, to CMMT Investment Limited and Menang Investment Limited based on their respective unitholdings in CLMT; and**
- iv) **As part of the Proposed Placement, the Proposed Placement of new units in CLMT to certain major unitholders of CLMT.**

(Collectively i), ii), iii) and iv) above are referred to as the "Proposals")

REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)



CapitaLand Malaysia Trust ("CLMT")
*Report on the compilation of pro forma consolidated statements
of financial position in connection with the Proposals
8 February 2023*

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of CLMT Group as at 31 December 2021 ("Pro Forma Financial Position") and related notes prepared by the Board of Directors of CapitaLand Malaysia REIT Management Sdn Bhd (the "Manager"). The Pro Forma Financial Position and the related notes as set out in Attachment A have been stamped by us for identification purposes. The applicable criteria on the basis of which the Manager has compiled the Pro Forma Financial Position are described in the notes to the Pro Forma Financial Position.

The Pro Forma Financial Position has been compiled by the Manager for inclusion in the circular to be dated 8 February 2023 to the unitholders of CLMT ("Circular") to illustrate the impact of the transactions as set out in the notes of Attachment A on CLMT's consolidated statement of financial position as at 31 December 2021, as if the Proposals had taken place as at 31 December 2021. As part of this process, information about CLMT Group's financial position has been extracted by the Manager from CLMT Group's audited consolidated financial statements for the financial year ended 31 December 2021, on which an audit report has been issued.

The Directors' Responsibility for the Pro Forma Financial Position

The Manager is responsible for compiling the Pro Forma Financial Position on the basis described in the notes of Attachment A and in accordance with the requirements of Chapter 6 of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad and the Guidance Note for Issuers of Pro Forma Financial Position issued by the Malaysian Institute of Accountants ("MIA").

Reporting Accountants' Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the MIA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Manager on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes of Attachment A.

REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)



CapitaLand Malaysia Trust ("CLMT")
*Report on the compilation of pro forma consolidated statement
of financial position in connection with the Proposals
8 February 2023*

Reporting Accountants' Responsibilities (continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position. In providing this opinion, we do not accept responsibility for such reports or opinions beyond that owed to those to whom those reports, or opinions were addressed by us at the dates of their issue.

The purpose of the Pro Forma Financial Position included in the Circular is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of CLMT Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Manager in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of CLMT Group, the events or transactions in respect of which the Pro Forma Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes of Attachment A.

Other Matters

Our report on the Pro Forma Financial Position has been prepared for inclusion in CLMT's Circular in connection with the Proposals and should not be relied upon for any other purposes. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitalLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position

The pro forma consolidated statements of financial position as at 31 December 2021 of the Group ("Pro Forma Financial Position") as set out below have been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 31 December 2021 and should be read in conjunction with the said notes to the Pro Forma Financial Position.

	Notes	As at 31 December 2021* RM'000	Minimum Scenario		Maximum Scenario	
			Pro Forma I After the Proposed Placement RM'000	Pro Forma II After Pro Forma I and the Proposed Acquisition RM'000	Pro Forma I After the Proposed Placement RM'000	Pro Forma II After Pro Forma I and the Proposed Acquisition RM'000
Assets						
Plant and equipment	3(a)	3,490	3,490	3,990	3,490	3,990
Investment properties	3(b)	3,826,000	3,826,000	4,826,000	3,826,000	4,826,000
Total non-current assets		3,829,490	3,829,490	4,829,990	3,829,490	4,829,990
Trade and other receivables		27,283	27,283	27,358	27,283	27,358
Cash and cash equivalents	3(c)	76,176	367,569	102,233	562,697	102,233
Total current assets		103,459	394,852	129,591	589,980	129,591
Total assets		3,932,949	4,224,342	4,959,581	4,419,470	4,959,581

* Extracted from the audited consolidated financial statements of the Group for the financial year ended 31 December 2021.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitalLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (continued)

	Notes	As at 31 December 2021* RM'000	Minimum Scenario		Maximum Scenario	
			Pro Forma I After the Proposed Placement RM'000	Pro Forma II After Pro Forma I and the Proposed Acquisition RM'000	Pro Forma I After the Proposed Placement RM'000	Pro Forma II After Pro Forma I and the Proposed Acquisition RM'000
Equity						
Unitholders' capital	3(d)(i)	2,235,447	2,527,540	2,527,540	2,722,668	2,722,668
Undistributed profits	3(d)(ii)	155,851	155,151	144,673	155,151	144,673
Total unitholders' funds		2,391,298	2,682,691	2,672,213	2,877,819	2,867,341
Liabilities						
Borrowings	3(e)	1,267,324	1,267,324	1,988,047	1,267,324	1,792,919
Tenants' deposits		26,131	26,131	36,875	26,131	36,875
Deferred tax liabilities		1,738	1,738	986	1,738	986
Total non-current liabilities		1,295,193	1,295,193	2,025,908	1,295,193	1,830,780
Borrowings	3(e)	144,945	144,945	144,945	144,945	144,945
Tenants' deposits		50,684	50,684	65,610	50,684	65,610
Trade and other payables		50,829	50,829	50,905	50,829	50,905
Total current liabilities		246,458	246,458	261,460	246,458	261,460
Total liabilities		1,541,651	1,541,651	2,287,368	1,541,651	2,092,240
Total equity and liabilities		3,932,949	4,224,342	4,959,581	4,419,470	4,959,581

* Extracted from the audited consolidated financial statements of the Group for the financial year ended 31 December 2021.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitalLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (continued)

Supplementary information

	As at 31 December 2021*	Minimum Scenario		Maximum Scenario	
		Pro Forma I After the Proposed Placement	Pro Forma II After Pro Forma I and the Proposed Acquisition	Pro Forma I After the Proposed Placement	Pro Forma II After Pro Forma I and the Proposed Acquisition
Units in circulation ('000) ⁽¹⁾	2,130,856	2,749,918	2,749,918	3,162,627	3,162,627
Net assets value (NAV) (RM'000) ⁽²⁾	2,391,298	2,682,691	2,672,213	2,877,819	2,867,341
NAV per unit (RM) ⁽³⁾	1.1222	0.9756	0.9717	0.9099	0.9066
Total assets (RM'000)	3,932,949	4,224,342	4,959,581	4,419,470	4,959,581
Total gross borrowings (RM'000)	1,413,256	1,413,256	2,139,616	1,413,256	1,943,024
Gearing ratio ⁽⁴⁾	35.93%	33.45%	43.14%	31.98%	39.18%

* Extracted from the audited consolidated financial statements of CLMT for the financial year ended 31 December 2021

Notes:

- (1) With the assumption that issue price of CLMT units is RM0.48 per unit, it is computed that for Minimum scenario and Maximum scenario, a total of 619.06 million Units and 1,031.77 million Units shall be issued and allotted pursuant to the Proposed Placement respectively.
- (2) Excludes the effect of the final income distribution of RM0.98 per unit paid on 28 March 2022.
- (3) NAV per unit is calculated based on the NAV before final income distribution divided by the number of CLMT units in circulation.
- (4) Gearing ratio is calculated based on the total borrowings divided by total asset value.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position

The pro forma consolidated statements of financial position as at 31 December 2021 of CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group") ("Pro Forma Financial Position") has been prepared in connection with:

- i) Proposed acquisition by MTrustee Berhad (the "Trustee"), on behalf of CLMT, of 433 strata titles within Queensbay Mall from Special Coral Sdn Bhd and all the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively the "Target Companies"), which collectively hold 5 strata titles within Queensbay Mall (the 438 strata titles are collectively defined as "QBM Property") for a total cash purchase consideration of RM990.50 million (including settlement by CLMT on behalf of the Target Companies of inter-company amounts owed by the Target Companies to its shareholder and/or its related companies estimated to be approximately RM2.57 million ("Inter-Company Settlement")) ("Proposed Acquisition");
- ii) Proposed private placement of up to 1,031.77 million new units in CLMT to raise gross proceeds of up to RM495.25 million at an issue price to be determined later by way of bookbuilding ("Proposed Placement");
- iii) As part of the Proposed Placement, the proposed placement of new units in CLMT to CMMT Investment Limited and Menang Investment Limited based on their respective unitholdings in CLMT; and
- iv) As part of the Proposed Placement, the Proposed Placement of new units in CLMT to certain major unitholders of CLMT

(Collectively i), ii), iii) and iv) are referred to as the "Proposals).

The Pro Forma Financial Position is prepared for illustrative purposes only and for inclusion in the circular to the unitholders of CLMT to be dated 8 February 2023 and should not be relied upon for any other purpose.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of CapitaLand Malaysia REIT Management Sdn Bhd ("CMRM") as referred to as the "Manager" has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 6 of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been prepared based on the audited consolidated financial statements of CLMT for the financial year ended 31 December 2021, which was prepared in accordance with provisions of the Deed dated 7 June 2010 (which was amended and restated on 13 July 2021), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of the statements of financial position and the accounting policies adopted by CLMT, and adjusted for the events and transactions detailed in Note 2. The Pro Forma Financial Position do not include effects of the adoption of MFRS issued by the Malaysian Accounting Standards Board which are effective for the annual period beginning on or after 1 January 2022 or any events or transactions (other than those effects or transactions in relation to the Proposals) subsequent to 31 December 2021.

The auditors' report on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 was not subject to any qualification, modification or disclaimer of opinion.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

1. Basis of preparation (continued)

The Pro Forma Financial Position is prepared for illustrative purposes only, to show the effects of the Proposals as set out on Note 2 and Note 3, on the audited Consolidated Statement of Financial Position of the Group as at 31 December 2021, had the Proposals been effected as at 31 December 2021.

As the Pro Forma Financial Position is prepared for illustrative purposes only, such information, because of its nature, does not give a true picture of the effects of the Proposals on the financial position of the Group presented had the transactions or events occurred on 31 December 2021. Furthermore, such information does not purport to predict the Group's future financial position.

The Pro Forma Financial Position is presented in 2 scenarios as follows:

Minimum scenario - Assumed Proposed Placement being 30% of Total Purchase Consideration

The minimum scenario assumes the Proposed Placement of a total issuance of 619.06 million Placement Units to raise gross proceeds of RM297.15 million, being 30% of the Total Purchase Consideration (as defined herein), and the remainder of the total acquisition costs of RM726.36 million is assumed to be satisfied via bank borrowings.

Maximum scenario - Assumed Proposed Placement being 50% of Total Purchase Consideration

The maximum scenario assumes the Proposed Placement of a total issuance of 1,031.77 million Placement Units to raise gross proceeds of RM495.25 million, being 50% of the Total Purchase Consideration (as defined herein), and the remainder of the total acquisition costs of RM529.77 million is assumed to be satisfied via bank borrowings.

2. Pro forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions in relation to the Proposals:

2.1 Pro Forma I - Proposed Placement

Pro Forma I entails the Proposed Placement in which to part finance the Proposed Acquisition, a private placement of up to 1,031.77 million new units ("Placement Units") at an illustrative issue price per Placement Unit of RM0.48 will be undertaken to raise gross proceeds of up to RM495.25 million by way of bookbuilding.

The total number of Placement Units cannot be determined at this juncture as the issue price for the Placement Units will only be determined and announced by the Manager after the close of the bookbuilding exercise ("Issue Price").

Minimum scenario:

For illustration, the gross proceeds of RM297.15 million for the Proposed Placement entails the allotment, issuance and placement of 619.06 million Placement Units at an illustrative issue price per Placement Unit of RM0.48.

The total estimated incidental placement cost for the Proposed Placement is approximately RM5.76 million of which RM5.06 million are directly attributable to the Proposed Placement and will be debited against the unitholders' capital of the Group, and the remaining estimated incidental placement cost of RM0.70 million will be charged to the profit or loss of the Group.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position (continued)

2.1 Pro Forma I - Proposed Placement (continued)

Maximum scenario:

For illustration, the gross proceeds of up to RM495.25 million for the Proposed Placement entails the allotment, issuance and placement of 1,031.77 million Placement Units at an illustrative issue price per Placement Unit of RM0.48.

The total estimated incidental placement cost for the Proposed Placement is approximately RM8.73 million of which RM8.03 million are directly attributable to the Proposed Placement and will be debited against the unitholders' capital of the Group, and the remaining estimated incidental placement cost of RM0.70 million will be charged to the profit or loss of the Group.

2.2 Pro Forma II - Proposed Acquisition

Pro Forma II entails the following Proposed Acquisition which has been accounted for as an acquisition of asset:

- (i) 433 strata titles ("Special Coral Strata Parcels") and plant and equipment within Queensbay Mall for a cash consideration of RM983.98 million and RM0.50 million respectively ("Strata Parcels SPA"); and
- (ii) all of the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively, the "Target Companies") which collectively hold 5 strata titles within Queensbay Mall ("Target Companies Strata Parcels") for a cash consideration of RM3.45 million.

Collectively, the Special Coral Strata Parcels, the Target Companies Strata Parcels amounting to 438 strata titles and plant and equipment within Queensbay Mall are referred to as the "QBM Property".

Pursuant to the terms and conditions in the conditional share purchase agreement of the acquisition of the Target Companies, CLMT will settle on behalf of the Target Companies the inter-company amounts due by the Target Companies to its shareholder, Retail Galaxy and/or its related companies, on the expected completion date, being 21 March 2023, currently estimated to be approximately RM2.57 million ("Inter-Company Settlement").

The total cash consideration for the Proposed Acquisition and the Inter-Company Settlement is RM990.50 million ("Total Purchase Consideration"). Of the Total Purchase Consideration, the Target Companies purchase consideration is subject to adjustments as per the formula set out in the terms of the acquisition of the Target Companies and the final amount of the Inter-Company Settlement. The completion of the Strata Parcels SPA and the acquisition of the Target Companies are inter-conditional.

The Total Purchase Consideration was principally arrived at after taking into consideration the total market value of the QBM Property of RM1,000.00 million, valued by an independent registered valuer, the total acquisition cost of the Target Companies and the Inter-Company Settlement.



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position (continued)

2.2 Pro Forma II - Proposed Acquisition (continued)

Minimum scenario:

For illustration, the Proposed Acquisition will be funded by RM297.15 million via the Proposed Placement, with remainder of the total acquisition costs of RM726.36 million is assumed to be satisfied via bank borrowings.

The total estimated incidental cost for the Proposed Acquisition is approximately RM27.26 million of which RM21.60 million are directly attributable to the Proposed Acquisition and will be capitalised as part of investment properties, estimated incidental cost of RM5.64 million which relates to transactions cost from borrowings will be capitalised as part of borrowings and the remaining estimated incidental cost of RM0.02 million will be charged to the profit or loss of the Group.

Maximum scenario:

For illustration, the Proposed Acquisition will be funded by RM495.25 million via the Proposed Placement, with remainder of the total acquisition costs of RM529.77 million is assumed to be satisfied via bank borrowings.

The total estimated incidental cost for the Proposed Acquisition is approximately RM25.79 million of which RM21.60 million are directly attributable to the Proposed Acquisition and will be capitalised as part of investment properties, estimated incidental cost of RM4.17 million which relates to transactions cost from borrowings will be capitalised as part of borrowings and the remaining estimated incidental cost of RM0.02 million will be charged to the profit or loss of the Group.

Minimum scenario and Maximum scenario

For illustration, after taking into consideration the market value of the QBM Property of RM1,000.00 million, the capitalisation of incidental cost directly attributable to the Proposed Acquisition of approximately RM21.60 million, and the purchase consideration of RM990.00 million, there will be a fair value loss of investment property of approximately RM11.60 million recorded in CLMT's books.

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REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position

(a) Plant and equipment

	Minimum scenario RM'000	Maximum scenario RM'000
Balance as at 31 December 2021/ Pro Forma I	3,490	3,490
Effects of Pro Forma II – Proposed Acquisition		
- Acquisition of plant and equipment of QBM Property	500	500
Pro Forma II	<u>3,990</u>	<u>3,990</u>

(b) Investment properties

	Note	Minimum scenario RM'000	Maximum scenario RM'000
Balance as at 31 December 2021/ Pro Forma I		3,826,000	3,826,000
Effects of Pro Forma II – Proposed Acquisition:			
- Purchase of Special Coral Strata Parcels		983,980	983,980
- Investment properties of the Target Companies		6,020	6,020
- Estimated incidental cost directly attributable to the Proposed Acquisition		21,598	21,598
- Fair value loss on Investment property		<u>(11,598)</u>	<u>(11,598)</u>
Pro Forma II	(i)	<u>4,826,000</u>	<u>4,826,000</u>

- (i) Investment properties comprise of Gurney Plaza, The Mines, 205 strata titles in Sungei Wang Plaza, East Coast Mall, 3 Damansara Property and 438 strata titles in Queensbay Mall. The QBM Property is measured initially at cost and subsequent to initial recognition, at fair value, which reflects the market conditions at the time of valuation.

(c) Cash and cash equivalents

	Minimum scenario RM'000	Maximum scenario RM'000
Balance as at 31 December 2021	76,176	76,176
Effects of Pro Forma I – Proposed Placement:		
- Gross proceeds from the Proposed Placement	297,150	495,250
- Estimated incidental cost directly attributable to the Proposed Placement	<u>(5,757)</u>	<u>(8,729)</u>
Pro Forma I	367,569	562,697
Effects of Pro Forma II – Proposed Acquisition:		
- Proceeds from bank borrowings	726,360	529,768
- Deposit from QBM Property's tenants' deposits	25,619	25,619
- Cash from Target Companies	438	438
- Purchase consideration of Strata Parcel SPA	(984,480)	(984,480)
- Purchase consideration for the Target Companies	(3,445)	(3,445)
- Payment of Inter-Company Settlement	(2,575)	(2,575)
- Estimated incidental cost directly attributable to the Proposed Acquisition	<u>(27,253)</u>	<u>(25,789)</u>
Pro Forma II	<u>102,233</u>	<u>102,233</u>



REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position (continued)

(d) Equity

(i) Unitholders' capital

	Minimum scenario RM'000	Maximum scenario RM'000
Balance as at 31 December 2021	2,235,447	2,235,447
Effects of Pro Forma I – Proposed Placement:		
- Gross proceeds from Proposed Placement	297,150	495,250
- Estimated incidental placement cost directly attributable to the Proposed Placement	<u>(5,057)</u>	<u>(8,029)</u>
Pro Forma I and Pro Forma II	<u>2,527,540</u>	<u>2,722,668</u>

(ii) Undistributed profits

	Minimum scenario RM'000	Maximum scenario RM'000
Balance as at 31 December 2021	155,851	155,851
Effects of Pro Forma I – Proposed Placement:		
- Estimated incidental placement cost	<u>(700)</u>	<u>(700)</u>
Pro Forma I	155,151	155,151
Effects of Pro Forma II – Proposed Acquisition:		
- Fair value loss on investment property	(11,598)	(11,598)
- Reversal of deferred tax liabilities	1,138	1,138
- Estimated other expenses	<u>(18)</u>	<u>(18)</u>
Pro Forma II	<u>144,673</u>	<u>144,673</u>

(e) Borrowings

Minimum scenario

	Gross Borrowings RM'000	Unamortised transaction cost RM'000	Net Borrowings RM'000
Balance as at 31 December 2021/ Pro Forma I	1,413,256	(987)	1,412,269
Effects of Pro Forma II - Proposed Acquisition:			
- Proceeds from Borrowings	<u>726,360</u>	-	<u>726,360</u>
- Estimated transaction costs from Borrowings	2,139,616	<u>(987)</u>	2,138,629
	-	<u>(5,637)</u>	<u>(5,637)</u>
Pro Forma II - Current and Non- current	<u>2,139,616</u>	<u>(6,624)</u>	<u>2,132,992</u>
Less: Current	<u>(145,010)</u>	65	<u>(144,945)</u>
Pro Forma II - Non-current	<u>1,994,606</u>	<u>(6,559)</u>	<u>1,988,047</u>



**REPORTING ACCOUNTANT'S LETTER ON THE PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION (CONT'D)**

Attachment A

CapitaLand Malaysia Trust ("CLMT" or the "Trust") and its subsidiary (collectively the "Group")
 Pro Forma Financial Position and the notes thereon
3. Effects on the Pro Forma Financial Position (continued)**(e) Borrowings (continued)****Maximum scenario**

	Gross Borrowings RM'000	Unamortised transaction cost RM'000	Net Borrowings RM'000
Balance as at 31 December 2021 /Pro Forma I	1,413,256	(987)	1,412,269
Effects of Pro Forma II - Proposed Acquisition			
- Proceeds from Borrowings	<u>529,768</u>	<u>-</u>	<u>529,768</u>
	1,943,024	(987)	1,942,037
- Estimated transaction costs from Borrowings	<u>-</u>	<u>(4,173)</u>	<u>(4,173)</u>
Pro Forma II - Current and Non- current	<u>1,943,024</u>	<u>(5,160)</u>	<u>1,937,864</u>
Less: Current	<u>(145,010)</u>	<u>65</u>	<u>(144,945)</u>
Pro Forma II - Non-current	<u>1,798,014</u>	<u>(5,095)</u>	<u>1,792,919</u>

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REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST



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MTrustee Berhad
 (as Trustee for and on behalf of
 CapitaLand Malaysia Trust)
 Level 15, Menara AmFirst
 No.1, Jalan 19/3
 46300 Petaling Jaya
 Selangor

CapitaLand Malaysia REIT Management Sdn Bhd
 (as the Manager of CapitaLand Malaysia Trust)
 Unit No. 1-27, Level 27, Naza Tower
 No. 10, Persiaran KLCC
 50088 Kuala Lumpur

8 February 2023

Dear Sirs,

CapitaLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")

Reporting Accountants' letter on the profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023 for inclusion in CLMT's circular to unitholders ("Circular") in connection with the following:

- i) **Proposed acquisition by MTrustee Berhad (the "Trustee"), on behalf of CLMT, of 433 strata titles within Queensbay Mall from Special Coral Sdn Bhd and all the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively the "Target Companies"), which collectively hold 5 strata titles within Queensbay Mall (the 438 strata titles are collectively defined as "QBM Property") for a total cash purchase consideration of RM990.50 million (including settlement by CLMT on behalf of the Target Companies of inter-company amounts owed by the Target Companies to its shareholder and/or its related companies estimated to be approximately RM2.57 million ("Inter-Company Settlement")) ("Proposed Acquisition");**
- ii) **Proposed private placement of up to 1,031.77 million new units in CLMT to raise gross proceeds of up to RM495.25 million at an issue price to be determined later by way of bookbuilding ("Proposed Placement");**
- iii) **As part of the Proposed Placement, the proposed placement of new units in CLMT to CMMT Investment Limited and Menang Investment Limited based on their respective unitholdings in CLMT; and**
- iv) **As part of the Proposed Placement, the Proposed Placement of new units in CLMT to certain major unitholders of CLMT.**

(Collectively i), ii), iii) and iv) above are referred to as the "Proposals")

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)

CapitaLand Malaysia Trust ("CLMT")
Reporting Accountant's letter on the
Profit Forecast for inclusion in the Circular
8 February 2023

We have examined the profit forecast of the Subject Property for the financial year ending 31 December 2023 ("Forecast Year 2023") ("Profit Forecast"), as set out in the accompanying Appendix A (which we have stamped for the purpose of identification) in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3400, *The Examination of Prospective Financial Information*.

Our examination has been undertaken to enable us to form an opinion as to whether the Profit Forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Board of Directors of CapitaLand Malaysia REIT Management Sdn Bhd (the "Manager") and is presented on a basis consistent with the format of financial statements and accounting policies adopted and disclosed by CLMT. The Manager is solely responsible for the preparation and presentation of the Profit Forecast and the assumptions on which the Profit Forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which the Manager expects to take place and the actions which CLMT expects to take as of the date of the information is prepared (best estimate assumptions and hypothetical assumptions). While information may be available to support the assumptions on which the Profit Forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the Profit Forecast since anticipated events frequently do not occur as expected and the variation could be material. We do not express any opinion as to whether the Profit Forecast will be achieved, nor can we guarantee or confirm the achievement of those results.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that the assumptions made by the Manager as set out in Appendix A, do not provide a reasonable basis for the preparation of the Profit Forecast; and in our opinion, the Profit Forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Manager and is presented on a basis consistent with both the format of the financial statements and the accounting policies adopted by CLMT.

Other matters

Our report on the Profit Forecast has been prepared for inclusion in CLMT's Circular in connection with the Proposals and should not be relied upon for any other purposes. Accordingly, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come.

A handwritten signature in black ink, appearing to be 'KAC', is written over a horizontal line.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)

Appendix A

CapitalLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")

Profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023 and the notes thereon

Profit Forecast

The Board of Directors of CapitalLand Malaysia REIT Management Sdn Bhd (the "Manager"), being the management company of CLMT, has prepared a profit forecast of 438 strata titles within Queensbay Mall ("Subject Property") for the financial year ending 31 December 2023 ("Forecast Year 2023") ("Profit Forecast"), based on the assumptions as disclosed in Note 1 as follows:

	Forecast Year 2023 RM'000	SCSB Year 2021^(a) RM'000	Target Companies Year 2021^(b) RM'000
Gross rental income	88,566	80,461 ^(c)	150
Gross turnover rent from tenants	7,986	-	-
Car park income	7,728	4,003	-
Other revenue	2,682	365	-
Total Gross Revenue	106,962	84,829	150
Maintenance expenses	(22,543)		
Utilities	(330)		
Other operating expenses			
- Quit rent and assessment	(4,684)	(31,384) ^(d)	(81) ^(d)
- Property management fee	(160)		
- Property management reimbursable	(3,454)		
- Marketing expenses	(1,002)		
- General and administrative expenses	(1,258)		
- Impairment losses for trade receivables	(992)	(2,853)	(63)
- Depreciation	(233)	(381)	-
	(11,783)	(34,618)	(144)
Property Operating Expenses	(34,656)	(34,618)	(144)
Net Property Income	72,306	50,211	6

Notes:

- (a) Extracted from Special Coral Sdn Bhd's ("SCSB") latest available audited financial statements for the financial year ended 31 December 2021, other than as highlighted in (d) below.
- (b) Comprises aggregation of financial results of the Target Companies (defined herein) extracted from their respective latest available audited financial statements for the financial year ended 31 December 2021, other than as highlighted in (d) below.
- (c) Inclusive of gross turnover rent from tenants.
- (d) Details of these expenses are not available in the respective companies' audited financial statements for the financial year ended 31 December 2021.



REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)**Appendix A****CapitaLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")**

Profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023 and the notes thereon

Introduction

The Profit Forecast has been prepared for inclusion in CLMT's circular to unitholders ("Circular") in connection with the Proposals (as defined herein) and should not be relied upon for any other purposes:

- i) Proposed acquisition by MTrustee Berhad (the "Trustee"), on behalf of CLMT, of 433 strata titles within Queensbay Mall from Special Coral Sdn Bhd and all the issued and paid-up share capital of Scenic Growth Sdn Bhd, Luxury Ace Sdn Bhd, Success Idea Sdn Bhd and Milky Way Properties Berhad (collectively the "Target Companies"), which collectively hold 5 strata titles within Queensbay Mall (the 438 strata titles are collectively known as the Subject Property) for a total cash purchase consideration of RM990.50 million (including settlement by CLMT on behalf of the Target Companies of inter-company amounts owed by the Target Companies to its shareholder and/or its related companies estimated to be approximately RM2.57 million ("Inter-Company Settlement")) ("Proposed Acquisition");
- ii) Proposed private placement of up to 1,031.77 million new units in CLMT to raise gross proceeds of up to RM495.25 million at an issue price to be determined later by way of bookbuilding ("Proposed Placement");
- iii) As part of the Proposed Placement, the proposed placement of new units in CLMT to CMMT Investment Limited and Menang Investment Limited based on their respective unitholdings in CLMT; and
- iv) As part of the Proposed Placement, the Proposed Placement of new units in CLMT to certain major unitholders of CLMT.

(Collectively i), ii), iii) and iv) above are referred to as the "Proposals")

1. Bases and assumptions

The Manager has prepared the Profit Forecast based on the following assumptions, for which the Manager is solely responsible:

- 1.1 The Profit Forecast has been prepared for illustrative purposes only assuming that the Proposed Acquisition is completed on 1 January 2023.

1.2 Gross rental income

Gross rental income is forecasted based on the agreed rental rates for committed tenancies for the Forecast Year 2023.

The rent receivables under the Subject Property's lease agreements are generally fixed for a period of three (3) years. Several of the Subject Property's lease agreements include step-up provisions, whereby the rental income is increased by a fixed percentage (or quantum) annually during the lease term. Gross rental income also includes service charge and advertising & promotion fee components, which are contributions paid by tenants towards the management, upkeep, maintenance and services provision of the property and advertising & promotion expenses.



REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)

Appendix A

CapitalLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")
 Profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023
 and the notes thereon

1. Bases and assumptions (continued)

1.2 Gross rental income (continued)

For the Subject Property's gross rental income for the Forecast Year 2023, the Manager has also assumed the following:

- (i) An average vacancy period of 0.3 months for tenancies expiring during the Forecast Year 2023, derived based on the expected non-renewal leases in 2023;
- (ii) The Subject Property's occupancy rate is approximately 98% for the Forecast Year 2023, taking into consideration of historical occupancy rates and the recovery trend in 2022;
- (iii) New leases secured and renewal of tenancies expiring during the Forecast Year 2023 will provide a similar yield as compared to the current committed leases; and
- (iv) There will not be any cancellation of committed leases for the Forecast Year 2023.

1.3 Gross turnover rent from tenants

Gross turnover rent relates to income deriving from revenue-sharing basis between the tenants and the landlord based on the monthly sales turnover of the tenants. The percentage of profit-sharing is set out in the respective tenancy agreements.

The estimated gross turnover rent is derived based on forecasted monthly sales turnover. For the Forecast Year 2023, the Manager has estimated that the monthly sales turnover to be similar to the financial year ended 31 December 2019, which is the year prior to the Covid-19 pandemic.

1.4 Car park income

Forecast Year 2023 car park income is mainly made up of two components, hourly car parking, motorcycle and VIP parking collections and season passes.

For the Forecast Year 2023, the Manager has assumed no change in carpark rates.

1.5 Other revenue

Other revenue mainly consist of income generated from marketing related activities such as casual leasing of promotional space and pushcarts based on the current market rental rates and income generated from rental of office space and carwash services.

For the Forecast Year 2023, the Manager has assumed 96% of occupancy for push carts and the existing contracts for rental of office space and carwash services will continue based on the committed rental rates.



REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)

Appendix A

CapitaLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")
 Profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023 and the notes thereon

1. Bases and assumptions (continued)

1.6 Property operating expenses

The Subject Property's property operating expenses mainly comprise maintenance expenses, utilities expenses and other operating expenses.

(a) Maintenance and utilities expenses

Maintenance expenses mainly consist of monthly service charges paid to the management corporation body of the Subject Property which covers mall marketing, security, cleaning, landscaping, general building maintenance and insurance expenses.

Utilities expenses relate to electricity costs and water charges incurred by the food court in the Subject Property.

For the Forecast Year 2023, the Manager do not expect these expenses to deviate significantly as compared to 11 months annualised expenses for the financial year ended 31 December 2022.

(b) Other operating expenses

Other operating expenses consist of, amongst others, the following expenses:

(i) Quit rent and assessment

Quit rent and assessment is an amount prescribed and payable to the state government and local council on the Subject Property. Assessment is computed based on the rate prescribed by the local council on the annual value of the Subject Property.

For the Forecast Year 2023, the Manager has assumed an approximately 2% increase in rates as compared to the 2022 rates.

(ii) Property management reimbursable

Forecasted property management reimbursable relates to staff costs such as salaries, bonuses and staff welfare expenses for the employment of the retail management personnel allocated for the management of the Subject Property.

For the Forecast Year 2023, the Manager has assumed all positions are filled.

(iii) Marketing and general and administrative expenses

Marketing expenses consist of advertisement production, advertisement placement, promotion events, visual merchandising, sponsorship and public relations while general and administrative expenses include IT expenses and miscellaneous expenses.

For the Forecast Year 2023, the Manager do not expect these expenses to deviate significantly as compared to 11 months annualised expenses for the financial year ended 31 December 2022.

(iv) Impairment losses for trade receivables

For the Forecast Year 2023, the Manager has assumed 1% on impairment losses for trade receivables based on historical trends.



REPORTING ACCOUNTANTS' LETTER ON THE PROFIT FORECAST (CONT'D)

Appendix A

CapitaLand Malaysia Trust ("CLMT") and its subsidiary ("CLMT Group" or the "Group")
 Profit forecast of 438 strata titles within Queensbay Mall for the financial year ending 31 December 2023
 and the notes thereon

1. Bases and assumptions (continued)

1.7 General assumptions

- (a) There is no significant impact on the Profit Forecast arising from the adoption of MFRS and amendments effective for annual periods beginning 1 January 2023 based on the announcement by the Malaysian Accounting Standards Board up to 31 December 2023. There is also no significant changes to the accounting policies adopted by CLMT.
- (b) There will be no significant changes in the existing principal activities, composition, and structure of CLMT.
- (c) There will be no significant changes to the prevailing economic, political or property market conditions which will materially affect the activities or the performance of the Subject Property.
- (d) The ongoing global Covid-19 pandemic and the Russia-Ukraine conflict is not expected to have a material impact to the operations of the Subject Property.
- (e) There will be no major disruptions in the operations and industrial disputes and there will be no other events and abnormal factors including war, terrorism attacks, epidemic outbreak or natural disaster which will adversely affect the Subject Property's operations.
- (f) There is sufficient insurance coverage on the Subject Property against fire and consequential loss on income.
- (g) There will be no material changes in present legislation and government regulations, taxes, levies and duties, which will adversely affect the Subject Property's activities or the market in which it operates.
- (h) There will be no significant changes in the prevailing inflation rate.
- (i) There will be no significant changes in property expenses of the Subject Property other than as forecasted.
- (j) There will be no material contingent liabilities arising during the Forecast Year 2023, which may adversely affect the Profit Forecast. The Subject Property will not be engaged in any material litigation and there will be no legal proceedings which will affect the Subject Property's activities or performance or give rise to additional contingent liabilities which may materially affect its results.
- (k) Credit risk of the Subject Property is low, as significantly all revenue receivable such as rental proceeds, will be received within the credit term for such activities.
- (l) There will be no significant changes in the terms and conditions of material contracts and agreements; including but not limited to, the tenancy agreements and the property management agreement.
- (m) All tenancies are enforceable and will be performed in accordance with terms with no premature termination of tenancies.



FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to the Vendors, Target Companies, and any other third parties (collectively, “**Third Parties**”) in this Circular have been provided by the Third Parties and the sole responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular and accepts no further or other responsibility in respect of the accuracy of such information.

2. CONSENTS AND DECLARATIONS OF CONFLICT OF INTEREST

2.1 Trustee

The Trustee has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, as the case may be, in the form and manner in which they so appear in this Circular.

2.2 CIMB

CIMB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references to it in the form and context in which it appears in this Circular.

CIMB, its related and associated companies, as well as its holding company CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company (“**CIMB Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. CIMB Group has engaged and may in the future, engage in transactions with and perform services for CLMT and/or our affiliates, in addition to the role set out in this Circular.

In addition, any member of CIMB Group may at any time, in the ordinary course of business offer or provide its services to or engage in any transactions (on its own account or otherwise) with CLMT and/or our affiliates and/or any other entity or person of CLMT, hold long or short positions in securities issued by CLMT and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of CLMT and/or our affiliates. This is a result of the business of CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of CLMT and/or our affiliates.

FURTHER INFORMATION (CONT'D)

CIMB Group has extended to CLMT credit facilities of which a total of approximately RM375.04 million is outstanding as at the LPD and expects to extend further credit facilities for the purpose of the Proposed Acquisition¹.

These credit facilities were on an arms' length basis and in the ordinary course of business of the CIMB Group. CIMB is of the view that the extension of these credit facilities does not result in a conflict of interest situation in respect of its capacity to act as our Principal Adviser for the Proposals and any potential conflict of interest that exists or is likely to exist in relation to its capacity as our Principal Adviser for the Proposals is mitigated by the following:

- (I) CIMB is a licensed investment bank and its appointment as our Principal Adviser for the Proposals is in the ordinary course of its business and CIMB does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as our Principal Adviser;
- (II) the Corporate Finance division of CIMB is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of "Chinese Wall" policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (III) the conduct of CIMB Group in its banking business is regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, the Capital Markets and Services Act 2007 and CIMB Group's internal controls and checks.

Accordingly, CIMB confirms that there is no conflict of interest which exists or is likely to exist in its capacity to act as our Principal Adviser for the Proposals.

2.3 Kenanga IB

Kenanga IB, being the Independent Adviser to CLMT for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references to thereto in the form and context in which it appears in this Circular.

Kenanga IB is not aware of any conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser to CLMT for the Proposed Acquisition.

2.4 Rahmat Lim & Partners

Rahmat Lim & Partners, being the appointed legal adviser for the Proposals, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Rahmat Lim & Partners is not aware of any existing or potential interest or any circumstance which would give rise to a conflict of interest by virtue of its role as the appointed legal adviser for the Proposals.

¹ The extension of the additional credit facilities by CIMB Group to us is for the purposes of part financing the Proposed Acquisition. Such additional credit facilities have not been drawn down as at the LPD.

FURTHER INFORMATION (CONT'D)

2.5 Valuer

Savills (Malaysia) Sdn Bhd, being the appointed independent valuer for the QBM Property, has given and has not subsequently withdrawn its written consent for the inclusion of its name, the Valuation Certificate, the Valuation Report and all references thereto in the form and context in which it appears in this Circular.

Savills (Malaysia) Sdn Bhd is not aware of any existing or potential interest or any circumstance which would give rise to a conflict of interest by virtue of its role as the appointed independent valuer for the QBM Property.

2.6 KPMG PLT

KPMG PLT, named as the Reporting Accountants in this Circular, has given and has not subsequently withdrawn its written consent before the date of issue of this Circular with the inclusion of its name and all references thereto, its Reporting Accountants' letter on the proforma consolidated statement of financial position of CLMT, its letter on the profit forecast of the QBM Property for the FYE 31 December 2023 in the form and context in which it appears in this Circular.

KPMG PLT is not aware of any existing or potential interest or any circumstance which would give rise to a conflict of interest in its capacity as the Reporting Accountants in relation to the Proposals.

3. MATERIAL LITIGATION

As at the LPD, CLMT is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which may affect the income from, title to, or possession of any of CLMT's assets and/or business and the Board is not aware of any proceedings pending or threatened against CLMT of any facts likely to give rise to any proceedings which might materially and adversely affect CLMT's position or business.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Material commitments

Save as disclosed below, as at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by CLMT, which may have a material impact on the consolidated financial position of CLMT:

	<u>RM' million</u>
Capital expenditure contracted but not provided for	4.06

4.2 Contingent liabilities

There are no contingent liabilities in respect of CLMT as at the LPD.

FURTHER INFORMATION (CONT'D)

5. HISTORICAL UNIT PRICES

The monthly highest and lowest prices of the Units traded on Bursa Securities for the past 12 months from 13 January 2022 to the LPD are as follows:

			(After adjusting for distribution ⁽²⁾)	
	High	Low	High	Low
	RM	RM	RM	RM
<u>2022</u>				
January (commencing from 13 January 2022)	0.6000	0.5700	0.5690	0.5410
February	0.5850	0.5400	0.5550	0.5220
March ⁽¹⁾	0.5800	0.5000	0.5600	0.4830
April	0.6000	0.5500	0.5790	0.5310
May	0.6000	0.5650	0.5790	0.5460
June	0.5950	0.5500	0.5750	0.5310
July	0.5850	0.5500	0.5650	0.5310
August	0.5800	0.5300	0.5600	0.5300
September	0.5450	0.5250	0.5450	0.5250
October	0.5450	0.5100	0.5450	0.5100
November	0.5500	0.5200	0.5500	0.5200
December	0.5500	0.5250	0.5500	0.5250
<u>2023</u>				
January (up to 13 January 2023, being the latest practicable date prior to the printing of this Circular)	0.5500	0.5300	0.5400	0.5300
		RM		
The last transacted price on 8 November 2022 (being the last trading day prior to the announcement of the Proposals)		0.5300		
The last transacted price on the LPD		0.5350		

Notes:

- (1) *The Illustrative Issue Price was determined after taking into account the lowest traded price (ex-distribution) for the Units over the 52-week period up to and including 3 November 2022. The lowest traded price (ex-distribution) was on 14 March 2022.*
- (2) *After adjusting for all distributions for which the ex-date have occurred up to the LPD.*

(Source: Bloomberg)

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FURTHER INFORMATION (CONT'D)

6. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Manager at Unit No. 1-27, Level 27, Naza Tower, No. 10, Persiaran KLCC, 50088 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (excluding public holidays) from the date of this Circular up to and including the date of the forthcoming Unitholders' Meeting:

- (i) the amended and restated deed dated 13 July 2021 entered into between the Manager and the Trustee;
- (ii) the certified true copies of the Constitution of each of the Target Companies;
- (iii) the Strata Parcels SPA;
- (iv) the Target Companies SPA;
- (v) the Valuation Certificate set out in **Appendix IV** of this Circular and the Valuation Report.
- (vi) the letters of consent referred to in **Section 2 of Appendix XI** of this Circular;
- (vii) CLMT's audited consolidated financial statements for the FYE 31 December 2020 and FYE 31 December 2021, and CLMT's latest announced condensed consolidated financial statements for the FYE 31 December 2022;
- (viii) the certified true copies of the audited financial statements of each of the Target Companies for the FYE 31 December 2020 and FYE 31 December 2021, and the unaudited financial results of each of the Target Companies for the 11-months FPE 30 November 2022;
- (ix) the pro forma consolidated statements of financial position of CLMT as at 31 December 2021 together with the Reporting Accountants' letter thereon referred to in **Appendix IX** of this Circular; and
- (x) the profit forecast together with the Reporting Accountants' letter thereon referred to in **Appendix X** of this Circular.

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CapitaLand Malaysia Trust

(Established in Malaysia under the deed dated 7 June 2010 (as amended and restated by a deed dated 13 July 2021) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. and MTrustee Berhad)

NOTICE OF UNITHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the meeting of the holders of units in CapitaLand Malaysia Trust ("CLMT") ("**Unitholders**") will be held on a virtual basis through live streaming via Remote Participation and Electronic Voting facilities from the broadcast venue ("**Broadcast Venue**") at The Auditorium at Level 3A, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor on Thursday, 23 February 2023 at 2.30 p.m., and at any adjournment thereof for the purpose of considering and if thought fit, passing the following ordinary resolutions, with or without any modification:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY MTRUSTEE BERHAD, ON BEHALF OF CAPITALAND MALAYSIA TRUST ("CLMT"), OF 433 STRATA TITLES WITHIN QUEENSBAY MALL ("STRATA PARCELS"), AND THE ENTIRE PAID-UP AND ISSUED SHARE CAPITAL OF LUXURY ACE SDN. BHD., SCENIC GROWTH SDN. BHD., SUCCESS IDEA SDN. BHD. AND MILKY WAY PROPERTIES BERHAD ("SALE SHARES"), WHICH COLLECTIVELY HOLD 5 STRATA TITLES WITHIN QUEENSBAY MALL (COLLECTIVELY, THE 438 STRATA TITLES ARE REFERRED TO AS THE "QBM PROPERTY") FOR A TOTAL PURCHASE CONSIDERATION OF RM990.50 MILLION (INCLUDING THE INTER-COMPANY SETTLEMENT (DEFINED BELOW)) ("PROPOSED ACQUISITION")

"THAT contingent upon the fulfilment of all other conditions precedent under the conditional sale and purchase agreements dated 9 November 2022 between (i) MTrustee Berhad (as trustee of CLMT) ("**Trustee**") and Special Coral Sdn. Bhd. ("**Strata Parcels SPA**"); and (ii) the Trustee and Retail Galaxy Pte. Ltd. ("**Target Companies SPA**") (collectively, the "**Agreements**"), and subject to all approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given to the Trustee to acquire on behalf of CLMT, the QBM Property via the acquisition of the Strata Parcels for a purchase consideration of RM984.48 million under the Strata Parcels SPA, and the Sale Shares for a purchase consideration of RM3.45 million ("**Target Companies Purchase Consideration**") together with the settlement of the inter-company amounts owed by the Target Companies as at the completion date of the Target Companies SPA, estimated to be approximately RM2.57 million ("**Inter-Company Settlement**") under the Target Companies SPA, for a total purchase consideration of RM990.50 million subject to adjustments to the Target Companies Purchase Consideration and Inter-Company Settlement pursuant to the terms and conditions of the Target Companies SPA, to be satisfied entirely in cash;

THAT the execution by the Trustee of the Agreements and the performance of its obligations under the Agreements be and is hereby approved and ratified;

AND THAT the Directors of CapitalLand Malaysia REIT Management Sdn. Bhd. (“**Manager**”) (“**Board**”) and the Trustee be and are hereby authorised to do all things, take steps, acts and to deal with all matters incidental, ancillary to and/or relating thereto (including to execute such documents, agreements, undertakings and confirmations as may be required), as they may consider necessary or expedient in the best interest of CLMT with full power to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the relevant authorities and/or as the Board and the Trustee may deem necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.”

ORDINARY RESOLUTION 2

PROPOSED PRIVATE PLACEMENT OF UP TO 1,031.77 MILLION NEW UNITS IN CLMT (“PLACEMENT UNITS”) TO RAISE GROSS PROCEEDS OF UP TO RM495.25 MILLION AT AN ISSUE PRICE TO BE DETERMINED LATER BY WAY OF BOOKBUILDING (“PROPOSED PLACEMENT”)

“**THAT** subject to the passing of Ordinary Resolution 1 and approvals of all relevant authorities being obtained, approval be and is hereby given to the Board and the Trustee to allot and issue up to 1,031.77 million Placement Units, to raise gross proceeds of up to RM495.25 million, at an issue price to be determined by way of a bookbuilding exercise to such investors to be identified later;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

THAT approval be and is hereby given to the Board and the Trustee to utilise the proceeds of the Proposed Placement for the purposes as set out in the circular to Unitholders dated 8 February 2023 in respect of the Proposals, and the Board and the Trustee be and are hereby authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board and the Trustee shall in their absolute discretion deem fit, necessary, expedient and in the best interest of CLMT;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement.”

ORDINARY RESOLUTION 3

AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF PLACEMENT UNITS TO CMMT INVESTMENT LIMITED (“CIL”) BASED ON CIL’S UNITHOLDINGS IN CLMT (“PROPOSED PLACEMENT TO CIL”)

“**THAT** subject to the passing of Ordinary Resolutions 1 and 2, and all other approvals of relevant authorities being obtained, approval be and is given to the Manager to place, and pursuant thereto for the Board to allot and issue such number of Placement Units to CIL based on CIL’s unitholdings in CLMT as at the relevant time of the Proposed Placement and at an issue price to be determined later by way of a bookbuilding exercise;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement to CIL.”

ORDINARY RESOLUTION 4

AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF PLACEMENT UNITS TO MENANG INVESTMENT LIMITED (“MIL”) BASED ON MIL’S UNITHOLDINGS IN CLMT (“PROPOSED PLACEMENT TO MIL”)

“**THAT** subject to the passing of Ordinary Resolutions 1 and 2, and all other approvals of relevant authorities being obtained, approval be and is given to the Manager to place, and pursuant thereto for the Board to allot and issue such number of Placement Units to MIL based on MIL’s unitholdings in CLMT as at the relevant time of the Proposed Placement and at an issue price to be determined later by way of a bookbuilding exercise;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement to MIL.”

ORDINARY RESOLUTION 5

AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF PLACEMENT UNITS TO THE EMPLOYEES PROVIDENT FUND BOARD (“EPF”) (“PROPOSED PLACEMENT TO EPF”)

“**THAT** subject to the passing of Ordinary Resolutions 1 and 2, and all other approvals of relevant authorities being obtained, approval be and is given to the Manager to place, and pursuant thereto for the Board to allot and issue such number of Placement Units (taking into account the proposed placements to CIL and MIL) to EPF and/or persons connected with EPF and at an issue price, both to be determined later by way of a bookbuilding exercise;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement to EPF and/or persons connected with EPF.”

ORDINARY RESOLUTION 6

AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF PLACEMENT UNITS TO AMANAH SAHAM BUMIPUTERA (“ASB”) (“PROPOSED PLACEMENT TO ASB”)

“**THAT** subject to the passing of Ordinary Resolutions 1 and 2, and all other approvals of relevant authorities being obtained, approval be and is given to the Manager to place, and pursuant thereto for the Board to allot and issue such number of Placement Units (taking into account the proposed placements to CIL and MIL) to ASB and/or persons connected with ASB and at an issue price, both to be determined later by way of a bookbuilding exercise;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement to ASB and/or persons connected with ASB.”

ORDINARY RESOLUTION 7

AS PART OF THE PROPOSED PLACEMENT, THE PROPOSED PLACEMENT OF PLACEMENT UNITS TO KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (“KWAP”) (“PROPOSED PLACEMENT TO KWAP”)

“**THAT** subject to the passing of Ordinary Resolutions 1 and 2, and all other approvals of relevant authorities being obtained, approval be and is given to the Manager to place, and pursuant thereto for the Board to allot and issue such number of Placement Units (taking into account the proposed placements to CIL and MIL) to KWAP and/or persons connected with KWAP and at an issue price, both to be determined later by way of a bookbuilding exercise;

THAT the Placement Units shall, upon allotment and issuance, rank equally in all respects with the then existing units in issue, save and except that the Placement Units shall not be entitled to any distributable income, rights, benefits, entitlements and/or any other distributions, that may be effected before the entitlement date of such distributable income, rights, benefits, entitlements and/or any other distributions;

AND THAT the Board and the Trustee be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in the best interest of CLMT with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Placement to KWAP and/or persons connected with KWAP.”

By Order of the Board

CAPITALAND MALAYSIA REIT MANAGEMENT SDN. BHD.

(Registration No. 200801018055 (819351-H))

As Manager of CLMT

Teo Mee Hui (SSM PC No. 202008001081) (MAICSA No. 7050642)

Teo Soh Fung (SSM PC No. 202008001818) (MAICSA No. 7046614)

Company Secretaries

Kuala Lumpur

8 February 2023

Notes:

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Unitholders **WILL NOT BE ALLOWED** to attend this Unitholders’ Meeting in person at the Broadcast Venue on the day of the Unitholders’ Meeting. Unitholders are to participate, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this Unitholders’ Meeting via the Remote Participation and Electronic Voting facilities (“RPEV”) provided by Boardroom Share Registrars Sdn. Bhd. via its website at <https://investor.boardroomlimited.com>. **Please read these Notes carefully and follow the procedures in the Administrative Details for the Unitholders’ Meeting which will be made available on the corporate website at www.clmt.com.my in order to participate remotely.***
2. *Only Unitholders whose names appear in the Record of Depositors on 16 February 2023 are entitled to participate and vote at the Unitholders’ Meeting or appoint proxy to participate and vote instead of him.*
3. *Any Unitholder entitled to participate at the Unitholders’ Meeting may appoint up to two (2) proxies to participate at the Unitholders’ Meeting and vote in the Unitholder’s place. A Unitholder holding 10,000 units or less shall be entitled to appoint one (1) proxy (whether a Unitholder or not). A Unitholder holding more than 10,000 units shall be entitled to appoint up to two (2) proxies (whether a Unitholder or not).*
4. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions shall be put to vote by way of a poll.*
5. *Where a Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy for each securities account that holds 10,000 units or less standing to the credit for the said securities account and up to two (2) proxies for each securities account that has more than 10,000 units standing to the credit for the said securities account.*
6. *Where a Unitholder appoints two (2) proxies in accordance with such provision, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
7. *If the Proxy Form is submitted in hard copy, it must be in writing under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an authorised officer or attorney duly authorised by a valid instrument.*
8. *The Proxy Form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> (“eProxy Lodgement”), not less than 48 hours before the time appointed for holding the Unitholders’ Meeting or any adjournment thereof; in default of this provision, the Proxy Form shall not be treated as valid. Please refer to the Administrative Details for the Unitholders’ Meeting for the steps on the eProxy Lodgement.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the Unitholders' Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and MTrustee Berhad (or their agents) for the purpose of processing and administering the proxies and representatives appointed for the Unitholders' Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Unitholders' Meeting (including any adjournment thereof), and in order for the Manager and MTrustee Berhad (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and MTrustee Berhad (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and MTrustee Berhad (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and MTrustee Berhad in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

CAPITALAND MALAYSIA TRUST

(Established in Malaysia under the deed dated 7 June 2010 (as amended and restated by a deed dated 13 July 2021) entered into between CapitaLand Malaysia REIT Management Sdn. Bhd. (200801018055 (819351-H)) and MTrustee Berhad (198701004362 (163032-V)))

PROXY FORM

Unitholders' Meeting

IMPORTANT:

Personal Data Privacy

By submitting an instrument appointed proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Unitholders' Meeting dated 8 February 2023.

I/We, _____ (Name(s) and NRIC no./Passport no./Company Registration no.) of _____ (Address) being a unitholder/unitholders of CapitaLand Malaysia Trust ("CLMT"), hereby appoint:

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of units	%
Address:			
Email Address:		Tel no:	

and/or (delete as appropriate)

Name:	NRIC/Passport No.:	Proportion of Unitholdings	
		No. of units	%
Address:			
Email Address:		Tel no:	

or, failing whom, the Chairman of the Unitholders' Meeting, as my/our proxy/proxies to participate and to vote for me/us on my/our behalf at the Unitholders' Meeting of CLMT to be held on a virtual basis through live streaming from the broadcast venue at The Auditorium at Level 3A, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor on Thursday, 23 February 2023 at 2.30 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Unitholders' Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their decision, as he/she/they may on any other matter arising at the Unitholders' Meeting.

No.	Ordinary Resolutions	For*	Against*
1.	Proposed Acquisition		
2.	Proposed Placement		
3.	Proposed Placement to CIL		
4.	Proposed Placement to MIL		
5.	Proposed Placement to EPF		
6.	Proposed Placement to ASB		
7.	Proposed Placement to KWAP		

* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2023.

Signature of Unitholder(s) / Common Seal ^

Total number of units held

^ Where the Proxy Form is executed by a corporation, it shall be either under its Common Seal or under the hand of an attorney or an officer on behalf of the corporation duly authorised, and a certified true copy (by the Company Secretary) of the power of attorney or of the board resolution of that corporation appointing such officer, shall be deposited with the Poll Administrator together with the Proxy Form.

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE



IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Unitholders **WILL NOT BE ALLOWED** to attend this Unitholders' Meeting in person at the Broadcast Venue on the day of the Unitholders' Meeting. Unitholders are to participate, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at this Unitholders' Meeting via the Remote Participation and Electronic Voting facilities ("RPEV") provided by Boardroom Share Registrars Sdn. Bhd. via its website at <https://investor.boardroomlimited.com>. **Please read these Notes carefully and follow the procedures in the Administrative Details for the Unitholders' Meeting which will be made available on the corporate website at www.clmt.com.my in order to participate remotely.**
2. Only Unitholders whose names appear in the Record of Depositors on 16 February 2023 are entitled to participate and vote at the Unitholders' Meeting or appoint proxy to participate and vote instead of him.
3. Any Unitholder entitled to participate at the Unitholders' Meeting may appoint up to two (2) proxies to participate at the Unitholders' Meeting and vote in the Unitholder's place. A Unitholder holding 10,000 units or less shall be entitled to appoint one proxy (whether a Unitholder or not). A Unitholder holding more than 10,000 units shall be entitled to appoint up to two proxies (whether a Unitholder or not).
4. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions shall be put to vote by way of a poll.
5. Where a Unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy for each securities account that holds 10,000 units or less standing to the credit for the said securities account and up to two (2) proxies for each securities account that has more than 10,000 units standing to the credit for the said securities account.
6. Where a Unitholder appoints two (2) proxies in accordance with such provision, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
7. If the Proxy Form is submitted in hard copy, it must be in writing under the hand of the Unitholder or of his duly appointed attorney or, if the Unitholder is a corporation, either under the seal or under the hand of an authorized officer or attorney duly authorised by a valid instrument.
8. The Proxy Form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Poll Administrator office, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or at its website at <https://investor.boardroomlimited.com> ("eProxy Lodgement"), not less than 48 hours before the time appointed for holding the Unitholders' Meeting or any adjournment thereof; in default of this provision, the Proxy Form shall not be treated as valid. Please refer to the Administrative Details for the Unitholders' Meeting for the steps on the eProxy Lodgement.

General

The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the Proxy Form submitted. The Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have units entered against his/her name in the Record of Depositors as at 16 February 2023.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

1st fold here

