

CAPITAMALLS MALAYSIA TRUST
CONDENSED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2011 ¹ (UNAUDITED) RM'000	AS AT 31 DECEMBER 2010 (AUDITED) RM'000
Assets		
Plant and equipment	1,081	1,097
Investment properties	2,430,000	2,143,000
Total non-current assets	<u>2,431,081</u>	<u>2,144,097</u>
Trade and other receivables	40,152	6,692
Cash and cash equivalents	105,191	127,431
Total current assets	<u>145,343</u>	<u>134,123</u>
Total assets	<u>2,576,424</u>	<u>2,278,220</u>
Equity		
Unitholders' capital	1,475,704	1,325,560
Undistributed profit	147,140	109,396
Total unitholders' funds	<u>1,622,844</u>	<u>1,434,956</u>
Liabilities		
Borrowings	814,761	745,122
Trade and other payables	30,752	23,512
Total non-current liabilities	<u>845,513</u>	<u>768,634</u>
Borrowings	24,800	-
Trade and other payables	83,267	74,630
Total current liabilities	<u>108,067</u>	<u>74,630</u>
Total liabilities	<u>953,580</u>	<u>843,264</u>
Total equity and liabilities	<u>2,576,424</u>	<u>2,278,220</u>
Number of unit in circulation ('000 units)	1,494,859	1,350,000
Net asset value (NAV)		
- before income distribution	1,622,844	1,434,956
- after income distribution	1,590,555	1,389,046
NAV per unit (RM)		
- before income distribution	1.0856	1.0629
- after income distribution	1.0640	1.0289

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

¹ The acquisition of Gurney Plaza Extension and its financial results have been taken into account in CMMT's 2Q 2011 and YTD 2011 financial results.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE 2011 ¹ (UNAUDITED) RM'000	30 JUNE 2010 ² RM'000	30 JUNE 2011 ¹ (UNAUDITED) RM'000	30 JUNE 2010 ² RM'000
Gross rental income	48,233	-	92,602	-
Car park income	3,741	-	7,379	-
Other revenue	5,252	-	9,924	-
Gross revenue	57,226	-	109,905	-
Maintenance expenses	(4,908)	-	(9,557)	-
Utilities	(5,696)	-	(11,267)	-
Other operating expenses	(5,849)	-	(11,549)	-
Property operating expenses	(16,453)	-	(32,373)	-
Net property income	40,773	-	77,532	-
Interest income	697	-	1,544	-
Other non-operating income	-	-	1,884	-
Fair value gain of investment properties ³	48,553	-	54,220	-
Net investment income	90,023	-	135,180	-
Manager's management fee	(4,031)	-	(7,771)	-
Trustee's fee	(114)	-	(225)	-
Auditors' fee	(35)	-	(70)	-
Tax agent's fee	(5)	-	(10)	-
Valuation fee	(100)	-	(250)	-
Finance costs	(9,770)	-	(18,806)	-
Other non-operating expenses	(278)	-	(914)	-
	(14,333)	-	(28,046)	-
Profit before taxation	75,690	-	107,134	-
Taxation	-	-	-	-
Profit for the period	75,690	-	107,134	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	75,690	-	107,134	-
Distribution adjustments ⁴	(45,805)	-	(51,257)	-
Income available for distribution	29,885	-	55,877	-
Distributable income ⁵	29,787	-	55,779	-
Profit for the period is made up of the following:				
Realised	27,137	-	52,914	-
Unrealised ⁶	48,553	-	54,220	-
	75,690	-	107,134	-

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE 2011 ¹ (UNAUDITED)	30 JUNE 2010 ²	30 JUNE 2011 ¹ (UNAUDITED)	30 JUNE 2010 ²
Earnings per unit (sen)⁷				
- before manager's management fee (sen)	5.33	N/A ⁹	8.06	N/A ⁹
- after manager's management fee (sen)	5.06	N/A	7.51	N/A
Distribution per unit (DPU) (sen)⁸	2.00	N/A	3.90	N/A
DPU (sen) – annualised	8.02	N/A	7.86	N/A

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

1. The acquisition of Gurney Plaza Extension and its financial results have been taken into account in CMMT's 2Q 2011 and YTD 2011 financial results.
2. No comparative figures are available as CMMT was established in June 2010. Its first set of comparative figures will be that of the financial results of 3Q 2010.
3. The fair value gain of investment properties is the surplus of the appraised values over costs in the reporting period. This is an unrealised gain and is not available for income distribution.
4. Included in the distribution adjustments are the following:

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE 2011 ¹ (UNAUDITED) RM'000	30 JUNE 2010 ² RM'000	30 JUNE 2011 ¹ (UNAUDITED) RM'000	30 JUNE 2010 ² RM'000
Fair value gain of investment properties	(48,553)	-	(54,220)	-
Manager's management fee payable in units	1,936	-	3,683	-
Adjustment for listing expenses of initial public offering	-	-	(1,884)	-
Depreciation	133	-	271	-
Amortisation of transaction costs on borrowings	235	-	449	-
Other tax adjustments	444	-	444	-
	<u>(45,805)</u>	<u>-</u>	<u>(51,257)</u>	<u>-</u>

5. The difference of RM98,000 between income available for distribution and distributable income is due to rounding effect of DPU.
6. This is an unrealised profit and is not available for income distribution.
7. Earnings per unit is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period.
8. CMMT intends to distribute its second income distribution of 2.16 sen per unit based on the number of units in issue of 1,494,859,000 for the period from 25 March to 30 June 2011.
9. N/A: not applicable.

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised Unrealised RM'000 RM'000		Total Unitholders' Funds² RM'000
As at 1 January 2011	1,325,560	28,049	81,347	1,434,956
Total comprehensive income for the period	-	52,914	54,220	107,134
Increase in net assets resulting from operations	1,325,560	80,963	135,567	1,542,090
Unitholders' transactions				
Creation of Units				
- Placement of units	153,550	-	-	153,550
- Units to be issued as satisfaction of the portion manager's management fee payable in units	-	-	-	-
Placement expenses	(3,406)	-	-	(3,406)
Distribution to unitholders – Paid	-	(69,390)	-	(69,390)
Increase in net assets resulting from unitholders' transactions	150,144	(69,390)	-	80,754
As at 30 June 2011	1,475,704	11,573	135,567	1,622,844

The unaudited condensed statement of changes in net asset value should be read in conjunction with the audited financial statements for the period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

¹ No comparative figures are available as CMMT was established in June 2010. Its first set of comparative figures will be that of the financial results of 3Q 2010.

² The acquisition of Gurney Plaza Extension and its financial results have been taken into account in CMMT's 2Q 2011 and YTD 2011 financial results.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

CONDENSED STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED	
	30 JUNE	30 JUNE
	2011 ¹	2010 ²
	RM'000	RM'000
Cash Flow From Operating Activities		
Profit before taxation	107,134	N/A
Adjustments for:-		
Manager's management fee payable in units	3,683	N/A
Fair value gain of investment properties	(54,220)	N/A
Depreciation and amortization	271	N/A
Finance costs	18,806	N/A
Interest income	(1,544)	N/A
Listing expenses	(1,884)	N/A
Operating profits before changes in working capital	72,246	N/A
Changes in working capital:		
Trade and other receivables	(33,460)	N/A
Trade and other payables	11,349	N/A
Net cash from operating activities	50,135	N/A
Cash Flow From Investing Activities		
Acquisition of plant and equipment	(255)	N/A
Acquisition of investment property	(215,000)	N/A
Capital expenditure / asset enhancement on investment properties	(17,780)	N/A
Interest received	1,544	N/A
Net cash used in investing activities	(231,491)	N/A
Cash Flow From Financing Activities		
Interest paid	(18,246)	N/A
Distribution paid to unitholders	(69,390)	N/A
Proceeds from placement of new units	153,550	N/A
Payment of listing and placement expenses	(1,348)	N/A
Proceeds from interest bearing borrowings	94,550	N/A
Net cash from financing activities	159,116	N/A
Net decrease in cash and cash equivalents	(22,240)	N/A
Cash and cash equivalents at beginning of the period	127,431	N/A
Cash and cash equivalents at end of the period	105,191	N/A
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	102,147	N/A
Cash and bank balances	3,044	N/A
	105,191	N/A

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

¹ The acquisition of Gurney Plaza Extension and its financial results have been taken into account in CMMT's 2Q 2011 and YTD 2011 financial results.

² No comparative figures are available as CMMT was established in June 2010. Its first set of comparative figures will be that of the financial results of 3Q 2010.

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

Part A – Explanatory Notes Pursuant to Financial Reporting Standards (FRS) 134

A1. Basis of Preparation

The unaudited interim financial statements for the second quarter ended 30 June 2011 have been prepared on the historical cost basis except for investment properties and financial instruments which are stated at fair value.

The unaudited interim financial statements have been prepared in compliance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB), Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the trust deed dated 7 June 2010 (the Trust Deed) and the Securities Commission's Guidelines on Real Estate Investment Trusts (the REITs Guidelines). The unaudited interim financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation used in the preparation of the unaudited interim financial statements are consistent with those adopted in the preparation of the audited financial statements of CMMT for the financial period ended 31 December 2010.

A3. Audit Report of Preceding Financial Year

The audit report of CMMT for the financial period ended 31 December 2010 was not qualified.

A4. Comment on Seasonality or Cyclicity of Operations

The business operations of CMMT may be affected by seasonal or cyclical factors, including but not limited to changes in rental demand and supply of properties which depend on market conditions, economic cycle, financial performance of its tenants, availability of credit facilities and interest rate environment.

A5. Unusual Items Due To Their Nature, Size or Incidence

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

Saved as disclosed in note B12, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter.

CAPITAMALLS MALAYSIA TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

A8. Income Distribution Policy

In line with the distribution policy as set out in the Trust Deed, the Manager intends to distribute at least 90% of its distributable income to its unitholders in each financial year. CMMT will make distributions to its unitholders on a semi-annual basis for each six-month period ending 30 June and 31 December of each year.

As disclosed in the initial public offering prospectus, CMMT intends to distribute 100% of its distributable income for the financial year ending 31 December 2011 to its unitholders.

A9. Segmental Reporting

No segment information is prepared as CMMT's activities are in one operating segment and its assets are located in Malaysia.

A10. Valuation of Investment Properties

The investment properties are valued by independent registered valuers and the differences between the valuation and the carrying values of the respective investment properties are charged or credited to the profit or loss for the period in which they arise.

For the quarter ended 30 June 2011, the investment properties (the enlarged Gurney Plaza, Sungei Wang Plaza and The Mines) were valued based on valuations performed by independent registered valuers on 30 June 2011. Fair value gain arising from the valuations amounting to RM48.6 million was recognised during the quarter.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

Nil.

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

The amount of commitments for the investment properties not provided for in the interim financial statements as at 30 June 2011 were as follows:

Approved but not contracted for:	Due year 2011
	RM'000
Regular capital expenditure	8,649
Asset enhancement initiatives	76,225
Total capital commitments	84,874

The Trustee of CMMT had approved and contracted for the purchase of East Coast Mall for a purchase consideration of RM310,000,000 by entering into a conditional sale and purchase agreement on 14 June 2011.

CAPITAMALLS MALAYSIA TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Quarter Results

For the quarter ended 30 June 2011, CMMT recorded gross revenue and net property income of RM57.2 million and RM40.8 million respectively. Manager's management fee and finance costs of RM4.0 million and RM9.8 million were incurred during the quarter.

Overall, total comprehensive income of RM75.7 million was achieved during the quarter which included the fair value gain of investment properties of RM48.6 million (unrealised) and distributable income amounted to RM29.8 million.

CMMT has incurred RM1.1 million on regular capital expenditure and RM6.9 million on asset enhancement works for Gurney Plaza and The Mines during the quarter. Gurney Plaza has almost completed its reconfiguration works at Basement 1 while the toilet upgrading is in progress. The Mines has carried out improvement to the roof covering and water reticulation system.

Comparison with immediate preceding year corresponding quarter is not available as CMMT was established in June 2010. Its first set of comparative figures will be that of the financial results of 3Q 2010.

B2. Review of Financial Year-to-date Results

For the period ended 30 June 2011, CMMT recorded gross revenue and net property income of RM109.9 million and RM77.5 million respectively. Manager's management fee and finance costs of RM7.8 million and RM18.8 million were incurred during the financial period.

Overall, total comprehensive income of RM107.1 million was achieved for the financial period, which included the fair value gain on investment properties of RM54.2 million (unrealised), and distributable income amounted to RM55.8 million.

CMMT intends to make a second income distribution of 2.16 sen per unit or RM32,288,954, which represents CMMT's second distribution for the period from 25 March 2011 to 30 June 2011 after the advance income distribution of 1.74 sen per unit paid for the period from 1 January to 24 March 2011 pursuant to the acquisition of Gurney Plaza Extension.

CMMT has incurred RM1.3 million on regular capital expenditure and RM12.2 million on asset enhancement works for Gurney Plaza and The Mines during the financial period.

Comparison with immediate preceding year corresponding quarter is not available as CMMT was established in June 2010. Its first set of comparative figures will be that of the financial results of 3Q 2010.

B3. Investment Objectives and Strategies

The investment objective and strategies of CMMT remain unchanged, i.e. to invest on a long term basis, in a portfolio of income-producing real estate primarily used for retail purposes and located primarily in Malaysia or such other non-real estate investments as may be permitted under the Trust Deed, the REITs guidelines or by the Securities Commission of Malaysia, with a view to providing unitholders with long-term and sustainable distribution of income and potential capital growth.

CAPITAMALLS MALAYSIA TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

B4. Commentary on Prospects

The Manager views the future prospects of the Malaysian retail sector to be positive.

According to the Department of Statistics Malaysia, the Malaysian economy recorded stable growth of 4.6% in the first quarter of this year. For the rest of the year and the medium term, the Manager remains optimistic on the outlook for retail sales, which will be underpinned by steady domestic population and tourist arrival growths. Malaysia's population is expected to increase by 7.2% from 27.6 million last year to 29.6 million by 2014, and the annual tourist arrival target has been raised to 25 million and more for 2011 and beyond.

Since its listing on 16 July 2010, and in line with its stated growth strategy, CMMT has made one acquisition and announced another. The first was Gurney Plaza Extension, of which the acquisition was completed on 28 March 2011. CMMT's recent announcement on the acquisition of East Coast Mall in Kuantan will further enhance its income and geographical diversifications. When completed, CMMT will have a portfolio of four well-performing malls in the key urban centres of Penang, Kuala Lumpur, Selangor and Kuantan. CMMT portfolio is well-positioned to ride on the projected growth in retail sales in Malaysia, and this will strengthen CMMT's position as the largest 'pure-play' shopping mall REIT in Malaysia.

Based on its performance for 2Q 2011 and the current outlook for 2011, the Manager is confident that CMMT can achieve its forecast DPU of 7.46 sen for 2011.

B5. Variances between Profit Forecast and Actual Results

(a) Condensed Statement of Comprehensive Income

	2Q 2011 Actual ¹ (Unaudited) RM'000	2Q 2011 Forecast ² RM'000	Change %	YTD 2011 Actual ¹ (Unaudited) RM'000	YTD 2011 Forecast ² RM'000	Change %
Gross rental income	48,233	48,639	(0.8)	92,602	93,162	(0.6)
Car park income	3,741	3,712	0.8	7,379	7,300	1.1
Other revenue	5,252	4,294	22.3	9,924	8,598	15.4
Gross revenue	57,226	56,645	1.0	109,905	109,060	0.8
Maintenance expenses	(4,908)	(4,786)	2.5	(9,557)	(9,525)	0.3
Utilities	(5,696)	(6,158)	(7.5)	(11,267)	(11,917)	(5.5)
Other operating expenses	(5,849)	(4,951)	18.1	(11,549)	(10,146)	13.8
Property operating expenses	(16,453)	(15,895)	3.5	(32,373)	(31,588)	2.5
Net property income	40,773	40,750	0.1	77,532	77,472	0.1
Interest income	697	127	448.8	1,544	222	595.5
Other non-operating income	-	-	-	1,884	-	*
Fair value gain of investment properties	48,553	-	*	54,220	5,841	828.3
Net investment income	90,023	40,877	120.2	135,180	83,535	61.8
Manager's management fee	(4,031)	(3,957)	1.9	(7,771)	(7,515)	3.4
Trustee's fee	(114)	(126)	(9.5)	(225)	(243)	(7.4)
Auditors' fee	(35)	(31)	12.9	(70)	(58)	20.7
Tax agent's fee	(5)	(16)	(68.8)	(10)	(28)	(64.3)
Valuation fee	(100)	(150)	(33.3)	(250)	(300)	(16.7)
Finance costs	(9,770)	(11,157)	(12.4)	(18,806)	(21,274)	(11.6)
Other non-operating expenses	(278)	(391)	(28.9)	(914)	(573)	59.5
	(14,333)	(15,828)	(9.4)	(28,046)	(29,991)	(6.5)
Profit before taxation	75,690	25,049	202.2	107,134	53,544	100.1
Taxation	-	-	-	-	-	-
Profit for the period	75,690	25,049	202.2	107,134	53,544	100.1
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	75,690	25,049	202.2	107,134	53,544	100.1

* Not meaningful.

¹ 2Q 2011 and YTD 2011 actual include the financial results of Gurney Plaza Extension.

² 2Q 2011 and YTD 2011 forecast comprise profit forecast for the existing portfolio and Gurney Plaza Extension for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011.

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

(b) Distribution Statement

	2Q 2011 Actual ¹ (Unaudited) RM'000	2Q 2011 Forecast ² RM'000	Change %	YTD 2011 Actual ¹ (Unaudited) RM'000	YTD 2011 Forecast ² RM'000	Change %
Total comprehensive income for the period	75,690	25,049	202.2	107,134	53,544	100.1
Distribution adjustments	(45,805)	2,637	*	(51,257)	(786)	*
Income available for distribution	<u>29,885</u>	<u>27,686</u>	<u>7.9</u>	<u>55,877</u>	<u>52,758</u>	<u>5.9</u>
Distributable income ³	29,787	27,686	7.6	55,779	52,758	5.7
Earnings per unit (sen)	5.06	1.67	203.0	7.51	3.74	100.8
DPU (sen)	2.00	1.85	8.1	3.90	3.69	5.7
DPU (sen) - annualised	8.02	7.42	8.1	7.86	7.44	5.7

(c) Breakdown of Gross Revenue

	2Q 2011 Actual ¹ (Unaudited) RM '000	2Q 2011 Forecast ² RM '000	Change %	YTD 2011 Actual ¹ (Unaudited) RM '000	YTD 2011 Forecast ² RM '000	Change %
Enlarged Gurney Plaza ⁴	24,761	24,585	0.7	44,802	44,931	(0.3)
Sungei Wang Plaza	17,492	17,460	0.2	35,194	34,933	0.7
The Mines	14,973	14,600	2.6	29,909	29,196	2.4
Total Gross Revenue	<u>57,226</u>	<u>56,645</u>	<u>1.0</u>	<u>109,905</u>	<u>109,060</u>	<u>0.8</u>

¹ 2Q 2011 and YTD 2011 actual include the financial results of Gurney Plaza Extension.

² 2Q 2011 and YTD 2011 forecast comprise profit forecast for the existing portfolio and Gurney Plaza Extension for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011.

³ The difference of RM98,000 between income available for distribution and distributable income is due to rounding effect of DPU.

⁴ Included Gurney Plaza Extension.

**CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

(d) Breakdown of Property Operating Expenses

	2Q 2011 Actual ¹ (Unaudited)	2Q 2011 Forecast ²	Change	YTD 2011 Actual ¹ (Unaudited)	YTD 2011 Forecast ²	Change
	RM '000	RM '000	%	RM '000	RM '000	%
Enlarged Gurney Plaza	6,889	6,195	11.2	12,776	12,217	4.6
Sungei Wang Plaza	3,816	4,047	(5.7)	7,944	8,092	(1.8)
The Mines	5,748	5,653	1.7	11,653	11,279	3.3
Total Property Operating Expenses	16,453	15,895	3.5	32,373	31,588	2.5

(e) Breakdown of Net Property Income

	2Q 2011 Actual ¹ (Unaudited)	2Q 2011 Forecast ²	Change	YTD 2011 Actual ¹ (Unaudited)	YTD 2011 Forecast ²	Change
	RM '000	RM '000	%	RM '000	RM '000	%
Enlarged Gurney Plaza	17,872	18,390	(2.8)	32,026	32,714	(2.1)
Sungei Wang Plaza	13,676	13,413	2.0	27,250	26,841	1.5
The Mines	9,225	8,947	3.1	18,256	17,917	1.9
Total Net Property Income	40,773	40,750	0.1	77,532	77,472	0.1

¹ 2Q 2011 and YTD 2011 actual include the financial results of Gurney Plaza Extension.

² 2Q 2011 and YTD 2011 forecast comprise profit forecast for the existing portfolio and Gurney Plaza Extension for the relevant period as disclosed in CMMT's circular to unitholders dated 23 February 2011.

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2011 (UNAUDITED)

Quarter results

Gross revenue and property operating expenses for 2Q 2011 were RM57.2 million and RM16.5 million respectively. Gross revenue was in line with the forecast for the same period. Property operating expenses was 3.5% above the forecast mainly attributed to higher utilities, higher advertising and promotion expenses in conjunction with school holidays and higher costs incurred for air-conditioners and lifts for preventive maintenance purpose. As a result, net property income in 2Q 2011 was RM40.8 million, which was 0.1% higher compared to the forecast for the same period.

Interest income for 2Q 2011 was RM0.7 million, which was RM0.6 million or 448.8% higher compared to the forecast for the same period. The increase was mainly attributed to surplus funds and active cash management as well as higher deposit rates. Fair value gain of investment properties of RM48.6 million was not budgeted in the forecast for the same period.

Finance costs for 2Q 2011 was RM9.8 million, which was RM1.4 million or 12.4% lower compared to the forecast for the same period. As at 30 June 2011, CMMT has not drawdown additional borrowings to fund its capital expenditure, hence resulted in lower financing costs. The savings in finance costs was also due to lower transaction costs and lower average cost of debt (actual: 4.7%; forecast: 4.8%) incurred for the same period.

Overall, distributable income to unitholders for 2Q 2011 was RM29.8 million which was RM2.1 million or 7.6% higher compared to the forecast for the same period.

Financial Year-to-date Results

Gross revenue and property operating expenses for financial period were RM109.9 million and RM32.4 million respectively, which were in line with the forecast for the same period. As a result, net property income in YTD 2011 was RM77.5 million, which was 0.1% higher compared to the forecast for the same period.

Interest income for YTD 2011 was RM1.5 million, which was RM1.3 million or 595.5% higher compared to the forecast for the same period. The increase was mainly attributed to surplus funds and active cash management as well as higher deposit rates. Other non-operating income of RM1.9 million refers to the adjustment in 1Q 2011 for over-provision of listing expenses in relation to the initial public offering in 2010. The unbudgeted fair value gain of investment properties was RM54.2 million, which was RM48.4 million or 828.3% higher than the forecast for the same period.

Finance costs for YTD 2011 was RM18.8 million, which was RM2.5 million or 11.6% lower compared to the forecast for the same period. As at 30 June 2011, CMMT has not drawdown additional borrowings to fund its capital expenditure, hence resulted in lower financing costs. The savings in finance costs was also due to lower transaction costs and lower average cost of debt (actual: 4.7%; forecast: 4.8%) incurred for the same period.

Overall, distributable income to unitholders for the financial period was RM55.8 million which was RM3.0 million or 5.7% higher compared to the forecast for the same period. The distributable income has included the advance income distribution of 1.74 sen per unit, for the period from 1 January to 24 March 2011, which was paid in April 2011.

B6. Profit Guarantee

CMMT is not involved in any arrangement whereby it provides profit guarantee.

B7. Tax Expense

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, effective from the Year of Assessment 2007, the total income of a REIT for a year of assessment will be exempted from income tax provided that the REIT distributes 90% or more of its total income for that year of assessment. If the REIT is unable to meet the 90% distribution criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT intends to distribute 100% of its distributable income for the financial year ending 31 December 2011 to its unitholders, no provision for tax has been made for the current quarter.

B8. Profit on Sale of Investments in Unquoted Securities/Properties

Nil.

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B9. Particulars of Purchase or Disposal of Investment in Quoted Securities

Nil.

B10. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the latest practicable date from the issuance of this report save for the following:

Corporate proposals announced on 14 June 2011:

- a) proposed acquisition by AmTrustee Berhad, on behalf of CMMT, of a four (4) storey shopping mall with one basement level comprising retail space on the ground, first, second and third floors, together with 1,170 car parking bays at the basement level, surface car park on the ground floor, third floor and on the rooftop known as "East Coast Mall" erected on the leasehold land held under Title No. H.S.(D) 28468, P.T. No. 92050, Bandar Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur for a purchase consideration of RM310,000,000 ("Proposed Acquisition"); and
- b) proposed placement of up to 298,971,000 new units in CMMT by way of bookbuilding, representing up to 20% of the existing units in CMMT pursuant to clause 14.03 of the REITs Guidelines and the general mandate obtained at the unitholders' meeting held on 10 March 2011 ("Proposed Placement").

The Proposed Placement is subject to and conditional upon approvals being obtained from the SC for the Proposed Placement and Bursa Securities for the listing of and quotation for placement units on the Main Market of Bursa Securities. The Proposed Placement is conditional upon the Proposed Acquisition but not vice versa.

B11. Utilization of Proceeds Raised from Issuance of New Units

Nil.

B12. Borrowings and Debt Securities

	As at 30 June 2011 (Unaudited) RM '000	As at 31 December 2010 (Audited) RM '000
Long term borrowings		
Secured term loans	814,761	745,122
Short term borrowings		
Secured revolving credit	24,800	-
Total borrowings	<u>839,561</u>	<u>745,122</u>

A secured revolving credit of RM24.8 million was drawdown by the Trustee on 17 June 2011, for a tenor of 4 months, for the purpose of the balance of 8% deposit for the proposed acquisition of East Coast Mall.

All the borrowings are denominated in Ringgit Malaysia. Long term borrowings were net of unamortised transaction costs of RM5.0 million as at 30 June 2011.

B13. Off Balance Sheet Financial Instruments

Nil.

B14. Change in Material Litigation

Nil.

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B15. Income Distribution

On 22 April 2011, CMMT paid its advance income distribution of RM23.5 million or 1.74 sen per unit to its unitholders, for the period from 1 January 2011 to 24 March 2011. CMMT intends to distribute its second income distribution of 2.16 sen per unit based on the number of units in issue of 1,495,859,000 for the period from 25 March 2011 to 30 June 2011. This means CMMT will distribute 100% of its distributable income to its unitholders for the financial period ended 30 June 2011.

Second income distribution to unitholders is from the following sources:

	25 March to 30 June 2011
	RM '000
Gross Revenue	61,319
Interest income	1,458
Less: Property operating expenses and trust expenses (realised)	<u>(30,390)</u>
Income available for distribution	32,387
Less: Rounding difference	<u>(98)</u>
Second income distribution	<u>32,289</u>
Number of units in circulation (units)	1,494,859
Distribution per unit (sen), of which	2.16
- taxable distribution of income (sen)	2.14
- tax exempt distribution of income (sen)	0.02

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967, under the Finance Act 2009, which was gazette on 8 January 2009, the applicable final withholding tax on distributions of income which is tax exempt at CMMT level is as follows:

Resident unitholders:

- | | |
|---------------------------|--------------------------------------|
| (a) Corporate: | Tax flow through, no withholding tax |
| (b) Other than corporate: | Withholding tax at 10% |

Non-resident unitholders:

- | | |
|------------------------------|------------------------|
| (c) Corporate: | Withholding tax at 25% |
| (d) Institutional investors: | Withholding tax at 10% |
| (e) Individuals | Withholding tax at 10% |

B16. Composition of Investment Portfolio as at 30 June 2011

As at 30 June 2011, CMMT's portfolio comprised the following shopping malls:

Investment properties	Cost of Investment¹	Market value as at 30 June 2011	Market value as % of NAV
	RM '000	RM '000	%
Enlarged Gurney Plaza	1,031,495	1,090,000	67.2
Sungei Wang Plaza	724,096	790,000	48.7
The Mines	538,841	550,000	33.9
Total	<u>2,294,432</u>	<u>2,430,000</u>	

The market value of Sungei Wang Plaza and The Mines were stated at valuations performed by PPC International Sdn. Bhd. as at 30 June 2011. The market value of Gurney Plaza was stated at valuations performed by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 30 June 2011.

¹ Cost of investment comprised purchase consideration and capital expenditure incurred during the period.

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B17. Changes in NAV, EPU, DPU and Market Price

	Quarter ended 30 June 2011	Quarter ended 31 March 2011
Number of units in circulation (units)	1,494,859,000	1,494,859,000
NAV (RM '000)	1,622,844	1,570,644
NAV after income distribution (RM '000)	1,590,555	1,544,652
NAV per unit ¹ (RM)	1.0640	1.0333
Weighted average number of units in issue ² (units)	1,494,859,000	1,356,438,178
EPU after manager's management fee (sen)	5.06	2.32
DPU (sen)	2.00	1.90
Market price (RM)	1.24	1.08
DPU yield	1.61	1.76

¹ NAV per unit is arrived at by dividing the NAV after income distribution/distributable income with the number of units in circulation at end of period.

² Weighted average number of units in issue for YTD 2011 is 1,426,030,967.

B18. Soft Commission Received By The Manager And Its Delegates

Nil.

B19. Manager's Fee

For the financial period ended 30 June 2011, The Manager has accounted for a base fee of 0.29% per annum of the total asset value, a performance fee of 4.75% per annum of net property income and an acquisition fee of 1.00% on the purchase price of Gurney Plaza Extension. Total fees accrued to the Manager (inclusive of 6% service tax) were as follows:

	2Q 2011 Actual (Unaudited) RM '000	YTD 2011 Actual (Unaudited) RM '000
Base management fee	1,978	3,867
Performance fee	2,053	3,904
Total management fees	<u>4,031</u>	<u>7,771</u>
Acquisition fee ¹	-	2,279
Total fees	<u>4,031</u>	<u>10,050</u>

¹ Capitalised as part of the cost of Gurney Plaza Extension.

B20. Unitholdings by the Manager

As at 30 June 2011, the Manager did not hold any units in CMMT.

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B21. Unitholdings by Parties Related to the Manager

	No of units	Percentage of unitholdings	Market value ³ at 30 June 2011
	Units	%	RM
CMMT Investment Limited ¹	623,938,000	41.74	773,683,120
Skim Amanah Saham Bumiputera ²	100,548,500	6.73	124,680,140
Direct unitholdings of the Directors of the Manager:			
Mr Kee Teck Koon	100,000	*	124,000
Mr Lim Beng Chee	100,000	*	124,000
Mr Ng Kok Siong	100,000	*	124,000
Mr Lock Wai Han	100,000	*	124,000
Ms Sharon Lim Hwee Li	100,000	*	124,000
Mr Gnanachandran S Ayadurai	100,000	*	124,000
Ms Tan Siew Bee	100,000	*	124,000
Mr Peter Tay Buan Huat	100,000	*	124,000
	725,286,500	48.52	899,355,260

* Negligible.

¹ An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.

² Skim Amanah Saham Bumiputera is a fund managed by Amanah Saham Nasional Berhad, a wholly-owned subsidiary of Permodalan Nasional Berhad (PNB). PNB is the ultimate holding company of Malaysian Industrial Development Finance Berhad (MIDF) who in turn is a substantial shareholder of the Manager.

³ The market value of the units is computed based on the closing price of RM1.24 per unit as at 30 June 2011.

B22. Responsibility Statement and Statement by the Directors of the Manager

In the opinion of the Directors of the Manager, the quarterly report has been prepared in accordance with FRS 134: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Securities, provisions of the Trust Deed and the REITs Guidelines so as to give a true and fair view of the financial position of CMMT as at 30 June 2011 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorized for release by the Board of Directors of the Manager on 12 July 2011.

BY ORDER OF THE BOARD

NG LAY LENG
COMPANY SECRETARY (MAICSA No. 7008584)
CapitaMalls Malaysia REIT Management Sdn. Bhd. (819351-H)
(As Manager of CapitaMalls Malaysia Trust)
Kuala Lumpur

Date: 12 July 2011