

**CAPITAMALLS MALAYSIA TRUST**  
**CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

**CAPITAMALLS MALAYSIA TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30 SEPTEMBER 2013 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2012 (AUDITED) RM'000
<b>Assets</b>		
Plant and equipment	2,296	2,420
Investment properties	3,053,274	2,936,000
Total non-current assets	<u>3,055,570</u>	<u>2,938,420</u>
Trade and other receivables	32,414	24,407
Cash and cash equivalents	104,111	158,965
Total current assets	<u>136,525</u>	<u>183,372</u>
<b>Total assets</b>	<b><u>3,192,095</u></b>	<b><u>3,121,792</u></b>
<b>Equity</b>		
Unitholders' capital	1,819,309	1,815,222
Undistributed profit	337,200	301,366
Total unitholders' funds	<u>2,156,509</u>	<u>2,116,588</u>
<b>Liabilities</b>		
Borrowings	816,322	815,534
Tenants' deposits	50,120	50,988
Total non-current liabilities	<u>866,442</u>	<u>866,522</u>
Borrowings	76,900	54,000
Tenants' deposits	31,445	27,412
Trade and other payables	60,799	57,270
Total current liabilities	<u>169,144</u>	<u>138,682</u>
Total liabilities	<u>1,035,586</u>	<u>1,005,204</u>
<b>Total equity and liabilities</b>	<b><u>3,192,095</u></b>	<b><u>3,121,792</u></b>
<b>Number of units in circulation ('000 units)</b>	<b>1,770,392</b>	<b>1,768,038</b>
<b>Net asset value ("NAV")</b>		
- before income distribution	2,156,509	2,116,588
- after income distribution	2,116,498	2,041,624
<b>NAV per unit (RM)</b>		
- before income distribution	1.2181	1.1971
- after income distribution	1.1955	1.1547

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CAPITAMALLS MALAYSIA TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER		YEAR TO DATE	
	30 SEPTEMBER		30 SEPTEMBER	
	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000
Gross rental income	61,651	58,415	182,941	173,544
Car park income	4,684	4,766	13,864	13,957
Other revenue	11,029	9,473	29,497	27,935
<b>Gross revenue</b>	<b>77,364</b>	<b>72,654</b>	<b>226,302</b>	<b>215,436</b>
Maintenance expenses	(6,013)	(5,667)	(17,101)	(16,292)
Utilities	(10,516)	(9,564)	(29,748)	(28,643)
Other operating expenses <sup>1</sup>	(9,068)	(8,443)	(25,642)	(23,973)
Property operating expenses	(25,597)	(23,674)	(72,491)	(68,908)
<b>Net property income</b>	<b>51,767</b>	<b>48,980</b>	<b>153,811</b>	<b>146,528</b>
Interest income	1,117	1,096	3,233	2,931
Other non-operating income	-	-	-	96
Fair value gain of investment properties <sup>4</sup>	-	-	77,904	98,384
<b>Net investment income</b>	<b>52,884</b>	<b>50,076</b>	<b>234,948</b>	<b>247,939</b>
Manager's management fee	(5,081)	(4,819)	(15,019)	(14,315)
Trustee's fee	(101)	(127)	(299)	(376)
Auditors' fee	(41)	(55)	(159)	(167)
Tax agent's fee	(9)	(8)	(26)	(22)
Valuation fee	(32)	(57)	(159)	(189)
Finance costs	(9,790)	(10,326)	(30,969)	(30,740)
Other non-operating expenses	(151)	(126)	(507)	(314)
	(15,205)	(15,518)	(47,138)	(46,123)
<b>Profit before taxation</b>	<b>37,679</b>	<b>34,558</b>	<b>187,810</b>	<b>201,816</b>
Taxation	-	-	-	-
<b>Profit for the period</b>	<b>37,679</b>	<b>34,558</b>	<b>187,810</b>	<b>201,816</b>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>37,679</b>	<b>34,558</b>	<b>187,810</b>	<b>201,816</b>
Distribution adjustments <sup>2</sup>	2,349	3,057	(70,718)	(89,986)
<b>Income available for distribution</b>	<b>40,028</b>	<b>37,615</b>	<b>117,092</b>	<b>111,830</b>
<b>Distributable income<sup>3</sup></b>	<b>40,011</b>	<b>37,660</b>	<b>117,023</b>	<b>111,810</b>
Profit for the period is made up of the following:				
Realised	37,679	34,558	109,906	103,432
Unrealised <sup>4</sup>	-	-	77,904	98,384
	<b>37,679</b>	<b>34,558</b>	<b>187,810</b>	<b>201,816</b>

**CAPITAMALLS MALAYSIA TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(CONTINUED)**

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2013 (UNAUDITED)	2012 (UNAUDITED)	2013 (UNAUDITED)	2012 (UNAUDITED)
<b>Earnings per unit (sen)<sup>5</sup></b>				
- before Manager's management fee (sen)	2.42	2.23	11.46	12.24
- after Manager's management fee (sen)	2.13	1.96	10.62	11.43
<b>Distribution per unit ("DPU") (sen)</b>	2.26	2.13	6.61	6.33
<b>DPU (sen) – annualised</b>	8.97	8.47	8.84	8.46

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

1. Included in the other operating expenses are the following:

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2012 (UNAUDITED) RM'000
(Allowance for)/Write-back of impairment losses of trade receivables	(39)	50	1	80
Foreign exchange (loss)/gain:				
- unrealised	*	*	*	*
- realised	(3)	(2)	(10)	(17)

\* less than RM1,000

**CAPITAMALLS MALAYSIA TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(CONTINUED)**

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2013	2012	2013	2012
	(UNAUDITED) RM'000	(UNAUDITED) RM'000	(UNAUDITED) RM'000	(UNAUDITED) RM'000
Fair value gain of investment properties	-	-	(77,904)	(98,384)
Manager's management fee in units*	2,137	2,026	6,396	6,100
Depreciation	286	172	894	478
Amortisation of transaction costs on borrowings	198	238	589	724
Net (profit)/loss from subsidiary**	(53)	2	(137)	6
Other tax adjustments	(219)	619	(556)	1,090
	<u>2,349</u>	<u>3,057</u>	<u>(70,718)</u>	<u>(89,986)</u>

\* This is calculated with reference to the net property income of all properties except for East Coast Mall which was payable in cash.

\*\* Net (profit)/loss from subsidiary relates to the wholly owned subsidiary, CMMT MTN Berhad.

3. The difference between distributable income and income available for distribution is due to rollover adjustment for rounding effect of DPU.

4. This refers to unrealised profit, if any, which is not available for income distribution.

5. Earnings per unit ("EPU") is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

**CAPITAMALLS MALAYSIA TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE**

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Unrealised RM'000	Total Unitholders' Funds RM'000
<b>As at 1 January 2012</b>	1,806,696	(5,110)	150,257	1,951,843
Total comprehensive income for the period	-	103,432	98,384	201,816
<b>Increase in net assets resulting from operations</b>	<b>1,806,696</b>	<b>98,322</b>	<b>248,641</b>	<b>2,153,659</b>
<b>Unitholders' transactions</b>				
- Units issued as part satisfaction of the Manager's management fee	8,105	-	-	8,105
- Placement expenses <sup>1</sup>	(2)	-	-	(2)
- Distribution paid to unitholders <sup>2</sup>	-	(94,246)	-	(94,246)
<b>Increase in net assets resulting from unitholders' transactions</b>	<b>8,103</b>	<b>(94,246)</b>	<b>-</b>	<b>(86,143)</b>
<b>As at 30 September 2012 (Unaudited)</b>	<b>1,814,799</b>	<b>4,076</b>	<b>248,641</b>	<b>2,067,516</b>
<b>As at 1 January 2013</b>	1,815,222	37,729	263,637	2,116,588
Total comprehensive income for the period	-	109,906	77,904	187,810
<b>Increase in net assets resulting from operations</b>	<b>1,815,222</b>	<b>147,635</b>	<b>341,541</b>	<b>2,304,398</b>
<b>Unitholders' transactions</b>				
- Units issued as part satisfaction of the Manager's management fee	4,087	-	-	4,087
- Distribution paid to unitholders <sup>3</sup>	-	(151,976)	-	(151,976)
<b>Increase in net assets resulting from unitholders' transactions</b>	<b>4,087</b>	<b>(151,976)</b>	<b>-</b>	<b>(147,889)</b>
<b>As at 30 September 2013 (Unaudited)</b>	<b>1,819,309</b>	<b>(4,341)</b>	<b>341,541</b>	<b>2,156,509</b>

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

1. This refers to the private placement expenses in relation to the acquisition of Gurney Plaza Extension.
2. This refers to the (i) 2011 final income distribution of 1.14 sen per unit for the period from 11 November 2011 to 31 December 2011 paid on 8 March 2012, and (ii) first income distribution of 4.20 sen per unit for the period from 1 January 2012 to 30 June 2012 paid on 30 August 2012.
3. This refers to the (i) 2012 final income distribution of 4.24 sen per unit for the period from 1 July 2012 to 31 December 2012 paid on 6 March 2013, and (ii) first income distribution of 4.35 sen per unit for the period from 1 January 2013 to 30 June 2013 paid on 30 August 2013.

**CAPITAMALLS MALAYSIA TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30 SEPTEMBER 2013 (UNAUDITED) RM'000</b>	<b>NINE MONTHS ENDED 30 SEPTEMBER 2012 (UNAUDITED) RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	187,810	201,816
Adjustments for:-		
Manager's management fee paid/payable in units	6,396	6,100
Depreciation	894	478
Fair value gain of investment properties	(77,904)	(98,384)
Finance costs	30,969	30,740
Interest income	(3,233)	(2,931)
<b>Operating profit before changes in working capital</b>	<b>144,932</b>	<b>137,819</b>
Changes in working capital:		
Trade and other receivables	(14,297)	(15,525)
Trade and other payables	(10,187)	(9,404)
Tenants' deposits	3,165	8,362
<b>Net cash from operating activities</b>	<b>123,613</b>	<b>121,252</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of plant and equipment	(770)	(639)
Capital expenditure on investment properties	(22,703)	(15,343)
Interest received	3,233	2,931
<b>Net cash used in investing activities</b>	<b>(20,240)</b>	<b>(13,051)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(26,380)	(35,759)
Distribution paid to unitholders	(151,976)	(94,246)
Payment of financing expenses	(2,771)	-
Payment of listing expenses	-	(1,618)
Proceeds from interest bearing borrowings	22,900	23,900
Pledged deposits	(3,289)	-
<b>Net cash used in financing activities</b>	<b>(161,516)</b>	<b>(107,723)</b>
Net (decrease)/increase in cash and cash equivalents	(58,143)	478
Cash and cash equivalents at beginning of the period	155,432	115,417
<b>Cash and cash equivalents at end of the period</b>	<b>97,289</b>	<b>115,895</b>
<b>Cash and cash equivalents at end of the period comprises:</b>		
Deposits placed with licensed banks	97,317	107,721
Cash and bank balances	6,794	8,174
	104,111	115,895
Less: Pledged deposits	(6,822)	-
	<b>97,289</b>	<b>115,895</b>

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# CAPITAMALLS MALAYSIA TRUST

## FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)

### Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and with International Accounting Standards (“IAS”) 34

#### **A1. Basis of Preparation**

The condensed consolidated interim financial statements of the Group as at and for the third quarter ended 30 September 2013 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments which are stated at fair value.

The condensed consolidated interim financial statements have been prepared in compliance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and with IAS 34: Interim Financial Reporting, 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 condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2012 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

#### **A2. Changes in Accounting Policies**

On 1 January 2013, the Group and CMMT adopted the following MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2013:

MFRS 10, Consolidated Financial Statements  
MFRS 12, Disclosure of Interests in Other Entities  
MFRS 13, Fair Value Measurement  
MFRS 119, Employee Benefits (2011)  
MFRS 127, Separate Financial Statements (2011)  
Amendments to MFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities  
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)  
Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)  
Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)  
Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)  
Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)  
Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance  
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above MFRSs and Amendments to MFRSs does not have significant impact on the financial results of the Group and of CMMT.

#### **A3. Audit Report of Preceding Financial Year**

The audit report for the financial year ended 31 December 2012 was not qualified.

#### **A4. Comment on Seasonality or Cyclicity of Operations**

The business operations of the Group and 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.

**CAPITAMALLS MALAYSIA TRUST  
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**A5. Unusual Items Due To Their Nature, Size or Incidence**

Nil.

**A6. Changes in Estimates Of Amount Reported**

Nil.

**A7. Debt and Equity Securities**

Save as disclosed in B8, there were no issuance, cancellation, repurchase, resale and repayment of equity securities in the current quarter.

**A8. Income Distribution Policy**

In line with the distribution policy as set out in the Trust Deed, the Manager will distribute at least 90.0% 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.

**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 professional 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.

Fair value gain arising from the valuations amounting to RM77.9 million was recognised in the previous quarter. There was no valuation performed during the current 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**

Capital commitments in relation to capital expenditure are as follows:

Contracted but not provided for	<b>RM'000</b> <b>38,631</b>
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**CAPITAMALLS MALAYSIA TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

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

**B1. Review of Performance**

	<b>3Q 2013 (Unaudited) RM'000</b>	<b>3Q 2012 (Unaudited) RM'000</b>	<b>Change %</b>	<b>YTD 2013 (Unaudited) RM'000</b>	<b>YTD 2012 (Unaudited) RM'000</b>	<b>Change %</b>
<b>(a) Breakdown of Gross Revenue</b>						
Gurney Plaza	29,784	28,714	3.7	88,378	84,819	4.2
Sungei Wang Plaza	18,102	17,695	2.3	54,132	53,793	0.6
The Mines	18,597	16,258	14.4	52,669	47,384	11.2
East Coast Mall	10,881	9,987	9.0	31,123	29,440	5.7
<b>Total Gross Revenue</b>	<b>77,364</b>	<b>72,654</b>	<b>6.5</b>	<b>226,302</b>	<b>215,436</b>	<b>5.0</b>
<b>(b) Breakdown of Property Operating Expenses</b>						
Gurney Plaza	9,406	9,310	1.0	27,589	26,604	3.7
Sungei Wang Plaza	4,256	4,245	0.3	12,395	12,145	2.1
The Mines	7,818	6,456	21.1	20,537	18,819	9.1
East Coast Mall	4,117	3,663	12.4	11,970	11,340	5.6
<b>Total Property Operating Expenses</b>	<b>25,597</b>	<b>23,674</b>	<b>8.1</b>	<b>72,491</b>	<b>68,908</b>	<b>5.2</b>
<b>(c) Breakdown of Net Property Income</b>						
Gurney Plaza	20,378	19,404	5.0	60,789	58,215	4.4
Sungei Wang Plaza	13,846	13,450	2.9	41,737	41,648	0.2
The Mines	10,779	9,802	10.0	32,132	28,565	12.5
East Coast Mall	6,764	6,324	7.0	19,153	18,100	5.8
<b>Total Net Property Income</b>	<b>51,767</b>	<b>48,980</b>	<b>5.7</b>	<b>153,811</b>	<b>146,528</b>	<b>5.0</b>

## **CAPITAMALLS MALAYSIA TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013 (UNAUDITED)**

### **B1. Review of Performance (cont'd)**

#### **Quarter Results (3Q 2013 vs 3Q 2012)**

The Group recorded gross revenue of RM77.4 million in 3Q 2013, an increase of RM4.7 million or 6.5% over 3Q 2012. The increase was mainly due to higher gross rental income on the back of higher rental rates achieved from new and renewed leases, and revenue generated from onselling of electricity to tenants at The Mines.

Property operating expenses for 3Q 2013 was RM25.6 million, which was RM1.9 million or 8.1% higher compared to 3Q 2012. The increase was mainly due to higher property maintenance expenses, higher utility expenses because of higher electricity consumption and higher marketing expenses.

The net property income for 3Q 2013 was RM51.8 million which was 5.7% higher than 3Q 2012.

Interest income for 3Q 2013 was RM1.1 million which was marginally higher compared to 3Q 2012.

Manager's management fee was RM5.1 million, an increase of RM0.3 million or 5.4% over 3Q 2012. The increase was mainly due to higher net property income and increase in asset base after the valuation of investment properties.

Finance costs for 3Q 2013 were RM9.8 million, which were RM0.5 million or 5.2% lower compared to 3Q 2012. In May 2013, CMMT tightened the credit margin of floating rate credit facilities at a more competitive rate. The resultant decline in credit margin coupled with the better interest rate achieved from the re-fixing of fixed rate term loans (in March 2013) and the unrated medium term notes (issued in December 2012), had reduced CMMT's finance costs in 3Q 2013. Average cost of debt for 3Q 2013 was 4.29% p.a. (3Q 2012: 4.65% p.a.).

CMMT has incurred RM14.3 million capital expenditure during the current quarter. Sungei Wang Plaza's refurbishment works are in progress and are targeted to complete in 2013. The Mines' storm water rectification works, Gurney Plaza's fourth floor reconfiguration works and East Coast Mall's asset enhancement initiative ("AEI") works, which includes the conversion of some car park bays on the third floor into retail space, are still in progress.

Overall, distributable income to unitholders for 3Q 2013 was RM40.0 million which was RM2.4 million or 6.2% higher compared to 3Q 2012.

#### **Financial Year-to-date Results (YTD 2013 vs YTD 2012)**

The Group recorded gross revenue of RM226.3 million, which was RM10.9 million or 5.0% higher than last year's corresponding period. The increase was mainly due to higher gross rental income on the back of higher rental rates achieved from new and renewed leases, and revenue generated from onselling of electricity to tenants at The Mines effective 3Q 2013.

Property operating expenses for the period was RM72.5 million, which was RM3.6 million or 5.2% higher than last year's corresponding period. The overall increase in property operating expenses largely due to higher property maintenance expenses as well as higher repair and replacement cost incurred for electrical equipment, higher utility expenses because of higher electricity consumption, higher marketing expenses and reimbursable staff costs.

The net property income for the period was RM153.8 million which was 5.0% higher than last year's corresponding period.

Interest income for the period was RM3.2 million, which was RM0.3 million or 10.3% higher compared to last year's corresponding period. The increase was mainly attributed to higher available cash on deposit and active cash management.

CMMT registered a fair value gain of RM77.9 million in YTD 2013.

Manager's management fee was RM15.0 million, an increase of RM0.7 million or 4.9% over last year's corresponding period mainly due to higher net property income and an increase in asset base after the valuation of investment properties.

**CAPITAMALLS MALAYSIA TRUST  
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**Financial Year-to-date Results (YTD 2013 vs YTD 2012) (cont'd)**

Finance costs for the period were RM31.0 million, which were RM0.2 million or 0.7% higher compared to last year's corresponding period. This was mainly due to the impact of finance costs arising from the additional revolving credit facilities drawn down by CMMT during the period and a one-off incidental cost incurred for the purpose of re-fixing CMMT's fixed rate term loans in March 2013. The better interest rate achieved from the re-fixing of fixed rate term loans and unrated medium term notes (issued in December 2012), coupled with the tightening of the credit margin of CMMT's floating rate credit facilities (in May 2013) had partially mitigated the negative impact of the above. Average cost of debt for YTD 2013 was 4.39% p.a. (YTD 2012: 4.71% p.a.).

CMMT has incurred RM39.4 million capital expenditure for the properties during the period. East Coast Mall had completed the installation of new auto-pay machines and the restroom upgrading works during the period. The rest of the on-going capital expenditure works and new AEI works are outlined in the performance review of 3Q 2013.

Overall, distributable income to unitholders for the period was RM117.0 million which was RM5.2 million or 4.7% higher compared to last year's corresponding period.

**B2. Material Changes in Quarter Results**

	<b>Quarter ended 30 September 2013 RM'000</b>	<b>Quarter ended 30 June 2013 RM'000</b>
Profit before taxation	37,679	114,283
Less: Fair value gain of investment properties	-	(77,904)
Profit before taxation, excluding fair value gain of investment properties	<b>37,679</b>	<b>36,379</b>

There is no material change in the financial results of 3Q 2013 as compared to 2Q 2013.

**B3. Investment Objectives and Strategies**

The investment objective and strategies of the Group 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.

**B4. Commentary on Prospects**

Malaysia's 2013 growth forecast remains a respectable 4.5% to 5.0%, despite being reduced by Bank Negara in August as a result of the weak external environment. Resilient domestic demand has been the anchor of Malaysia's growth and should continue so going forward (source: Bank Negara). Malaysia's growth prospects combined with its attractive demographics continue to be a sound investment proposition for a retail-focused real estate investment trust like CMMT.

At present, CMMT has a portfolio of four well-performing malls in the key urban centers of Penang, Kuala Lumpur, Selangor and Kuantan, and is the only "pure play" shopping mall REIT which provides income and geographical diversification to its unitholders. CMMT's malls are largely focused on necessity shopping which have in the past proven resilient through economic cycles and should continue to do so.

**B5. Profit Guarantee**

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

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**B6. 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 90.0% or more of its total income for that year of assessment. If the REIT is unable to meet the 90.0% distribution criteria, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT intends to distribute 100.0% of its distributable income for the financial year ending 31 December 2013 to its unitholders, no provision for tax has been made for the current quarter.

**B7. Status of Corporate Proposals**

(a) Letter Of Intent From Tropicana City Sdn. Bhd.

On 23 August 2013, a non-legally binding Letter of Intent was received from Tropicana City Sdn. Bhd., a wholly-owned subsidiary of Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad), offering CMMT the opportunity to explore the acquisition of Tropicana City Mall and Tropicana City Office Tower erected on a master title held under Geran 54431, Lot 45821, Section 39, Bandar Petaling Jaya, District of Petaling, State of Selangor. The due diligence process for the acquisition of the above is still in progress.

(b) Approval Granted By Bursa Securities To Allot And Issue Up To 353,607,640 New Units Of CMMT, Representing Up To 20.0% Of The Existing Fund Size Of CMMT Pursuant To Clause 14.03 Of The REITs Guidelines (The "Authority")

On 1 October 2013, the application to and approval by Bursa Securities for a six (6) months extension of the Authority until 1 April 2014 was granted.

**B8. Borrowings and Debt Securities**

	<b>As at 30 September 2013 (Unaudited) RM'000</b>	<b>As at 31 December 2012 (Audited) RM'000</b>
<b>Long term borrowings</b>		
Secured term loans	519,750	519,750
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(3,428)	(4,216)
	816,322	815,534
<b>Short term borrowings</b>		
Unsecured revolving credits	76,900	54,000
<b>Total borrowings</b>	<b>893,222</b>	<b>869,534</b>

All the borrowings are denominated in Ringgit Malaysia.

As at 30 September 2013, CMMT's unsecured revolving credit facilities increased by RM22.9 million to RM76.9 million for the purpose of funding the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza, The Mines and East Coast Mall.

As of to date, two out of four properties of the Group, namely Sungei Wang Plaza and East Coast Mall, remain unencumbered.

**B9. Change in Material Litigation**

Nil.

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**B10. Income Distribution**

On 30 August 2013, CMMT paid its first income distribution of RM77.0 million or 4.35 sen per unit for the period from 1 January 2013 to 30 June 2013.

No income distribution was proposed for the current quarter as CMMT's distribution of income is paid on a half yearly basis.

Pursuant to the Section 109D(2) of the Income Tax Act, 1967, 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 10.0%

Non-resident unitholders:

(c)	Corporate	Withholding tax at 25.0%
(d)	Institutional investors	Withholding tax at 10.0%
(e)	Individuals	Withholding tax at 10.0%

**B11. Composition of Investment Portfolio as at 30 September 2013**

As at 30 September 2013, CMMT's portfolio comprised the following shopping malls:

<b>Investment properties</b>	<b>Cost of Investment<sup>1</sup></b>	<b>Net Book Value<sup>2</sup></b>	<b>Market Value</b>	<b>Market Value as % of NAV<sup>3</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Gurney Plaza	1,071,785	1,233,025	1,230,000	57.0
Sungei Wang Plaza	739,912	827,028	825,000	38.3
The Mines	560,070	624,184	624,000	28.9
East Coast Mall	339,966	369,037	360,000	16.7
<b>Total</b>	<b>2,711,733</b>	<b>3,053,274</b>	<b>3,039,000</b>	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by PPC International Sdn. Bhd. as at 30 June 2013. The market value of Gurney Plaza was stated at valuation performed by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 30 June 2013.

<sup>1</sup> Cost of investment comprised purchase consideration and capital expenditure incurred from inception up to the end of the reporting period.

<sup>2</sup> Net book value comprised market value of the investment properties as at 30 June 2013 and capital expenditure incurred during the reporting period.

<sup>3</sup> This is calculated in accordance with the REITs Guidelines.

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**B12. Changes in NAV, EPU, DPU and Market Price**

	<b>Quarter ended 30 September 2013</b>	<b>Quarter ended 30 June 2013</b>
Number of units in circulation (units)	1,770,391,900	1,770,391,900
NAV before income distribution (RM'000)	2,156,509	2,195,842
NAV after income distribution (RM'000)	2,116,498	2,118,830
NAV per unit <sup>1</sup> (RM)	1.1955	1.1968
Total comprehensive income (RM'000)	37,679	114,283
Weighted average number of units in issue <sup>2</sup> (units)	1,770,391,900	1,769,409,036
EPU after manager's management fee (sen)	2.13	6.46
Distributable income (RM'000)	40,011	38,469
DPU (sen)	2.26	2.17
Market price (RM)	1.57	1.75
DPU yield (%)	1.44	1.24

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

<sup>2</sup> Weighted average number of units in issue for YTD 2013 is 1,769,288,334.

**B13. Soft Commission Received By The Manager And Its Delegates**

Nil.

**B14. Manager's Fee**

For the financial period ended 30 September 2013, the Manager has accounted for a base fee of 0.29% per annum of the total asset value and a performance fee of 4.75% per annum of net property income. Total fees accrued to the Manager (inclusive of 6.0% service tax) were as follows:

	<b>3Q 2013 Actual (Unaudited) RM'000</b>	<b>YTD 2013 Actual (Unaudited) RM'000</b>
Base management fee	2,475	7,275
Performance fee	2,606	7,744
<b>Total fees</b>	<b>5,081</b>	<b>15,019</b>

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**B15. Unitholdings of the Manager and Parties Related to the Manager**

	No of units	Percentage of unitholdings	Market value <sup>4</sup> at 30 September 2013
	Units	%	RM
CMMT Investment Limited <sup>1</sup>	623,938,000	35.24	979,582,660
Menang Investment Limited <sup>1</sup>	13,628,900	0.77	21,397,373
Skim Amanah Saham Bumiputera <sup>2</sup>	126,791,000	7.16	199,061,870
AS 1 Malaysia <sup>2</sup>	33,132,600	1.87	52,018,182
Amanah Saham Wawasan 2020 <sup>2</sup>	36,549,500	2.06	57,382,715
Amanah Saham Malaysia <sup>2</sup>	35,875,000	2.03	56,323,750
Amanah Saham Nasional 3 Imbang <sup>2</sup>	151,000	0.01	237,070
AMB Unit Trust Fund <sup>3</sup>	666,400	0.04	1,046,248
Direct unitholdings of the Directors of the Manager:			
Mr Lim Beng Chee <sup>5</sup> (alternate director to Simon Ho Chee Hwee and Ng Kok Siong)	100,000	0.01	157,000
Mr Ng Kok Siong <sup>5</sup>	100,000	0.01	157,000
Ms Sharon Lim Hwee Li	100,000	0.01	157,000
Ms Tan Siew Bee	100,000	0.01	157,000
Mr Peter Tay Buan Huat	100,000	0.01	157,000
	<b>871,232,400</b>	<b>49.23</b>	<b>1,367,834,868</b>

<sup>1</sup> An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.

<sup>2</sup> Managed by Amanah Saham Nasional Berhad ("ASN"), a wholly-owned subsidiary of Permodalan Nasional Berhad ("PNB"). PNB is also the ultimate holding company of Malaysian Industrial Development Finance Berhad who in turn is a substantial shareholder of the Manager.

<sup>3</sup> Managed by Amanah Mutual Berhad, a wholly-owned subsidiary of ASN, which in turn is a wholly-owned subsidiary of PNB.

<sup>4</sup> The market value of the units is computed based on the closing price of RM1.57 per unit as at 30 September 2013.

<sup>5</sup> Units held through nominees.

**B16. Responsibility Statement and Statement by the Directors of the Manager**

In the opinion of the Directors of the Manager, the quarterly condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and with IAS 34: 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 the Group and of CMMT as at 30 September 2013 and of their financial performance and cash flows for the quarter ended on that date and duly authorized for release by the Board of Directors of the Manager on 24 October 2013.

**BY ORDER OF THE BOARD**

**KHOO MING SIANG**  
**COMPANY SECRETARY (MAICSA No. 7034037)**  
**CapitaMalls Malaysia REIT Management Sdn. Bhd. (819351-H)**  
**(As Manager of CapitaMalls Malaysia Trust)**  
**Kuala Lumpur**

**Date: 24 October 2013**