

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2017 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2016 (AUDITED) RM'000
Assets		
Plant and equipment	2,160	2,759
Investment properties	3,939,203	3,938,000
Total non-current assets	<u>3,941,363</u>	<u>3,940,759</u>
Trade and other receivables	27,381	16,035
Cash and cash equivalents	141,678	192,097
Total current assets	<u>169,059</u>	<u>208,132</u>
Total assets	<u>4,110,422</u>	<u>4,148,891</u>
Equity		
Unitholders' capital	2,172,216	2,162,544
Undistributed profit	461,334	523,045
Total unitholders' funds	<u>2,633,550</u>	<u>2,685,589</u>
Liabilities		
Borrowings	1,274,943	1,268,108
Tenants' deposits	36,334	40,914
Total non-current liabilities	<u>1,311,277</u>	<u>1,309,022</u>
Borrowings	54,000	43,700
Tenants' deposits	56,934	53,432
Trade and other payables	54,661	57,148
Total current liabilities	<u>165,595</u>	<u>154,280</u>
Total liabilities	<u>1,476,872</u>	<u>1,463,302</u>
Total equity and liabilities	<u>4,110,422</u>	<u>4,148,891</u>
Number of units in circulation ('000 units)	2,037,753	2,031,458
Net asset value ("NAV")		
- before income distribution	2,633,550	2,685,589
- after income distribution	2,591,165	2,599,658
NAV per unit (RM)		
- before income distribution	1.2924	1.3220
- after income distribution	1.2716	1.2797

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2016.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	30 SEPTEMBER		Change	30 SEPTEMBER		Change
	2017 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000		2017 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	
		%			%	
Gross rental income	72,459	73,328	(1.2)	217,365	220,139	(1.3)
Car park income	6,133	6,122	0.2	18,352	18,412	(0.3)
Other revenue	14,076	14,057	0.1	41,209	40,608	1.5
Gross revenue	92,668	93,507	(0.9)	276,926	279,159	(0.8)
Maintenance expenses	(7,973)	(6,944)	14.8	(24,360)	(21,551)	13.0
Utilities	(13,118)	(12,860)	2.0	(38,542)	(39,696)	(2.9)
Other operating expenses ¹	(11,511)	(12,277)	(6.2)	(34,452)	(35,846)	(3.9)
Property operating expenses	(32,602)	(32,081)	1.6	(97,354)	(97,093)	0.3
Net property income	60,066	61,426	(2.2)	179,572	182,066	(1.4)
Interest income	1,382	1,427	(3.2)	4,128	4,334	(4.8)
Fair value (loss)/gain of properties (net)	-	-	-	(11,773)	2,572	(>100.0)
Net investment income	61,448	62,853	(2.2)	171,927	188,972	(9.0)
Manager's management fee	(5,855)	(5,903)	(0.8)	(17,464)	(17,541)	(0.4)
Trustee's fee	(100)	(100)	-	(300)	(300)	-
Auditor's fee	(47)	(31)	51.6	(143)	(144)	(0.7)
Tax agent's fee	(6)	(9)	(33.3)	(20)	(26)	(23.1)
Valuation fee	(73)	(72)	1.4	(220)	(217)	1.4
Finance costs	(15,049)	(14,951)	0.7	(44,577)	(44,518)	0.1
Other non-operating expenses ¹	(242)	(247)	(2.0)	(749)	(866)	(13.5)
	(21,372)	(21,313)	0.3	(63,473)	(63,612)	(0.2)
Profit before taxation	40,076	41,540	(3.5)	108,454	125,360	(13.5)
Taxation	-	-	-	-	-	-
Profit for the period	40,076	41,540	(3.5)	108,454	125,360	(13.5)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	40,076	41,540	(3.5)	108,454	125,360	(13.5)
Distribution adjustments ²	2,418	1,666	45.1	18,341	3,115	>100.0
Income available for distribution	42,494	43,206	(1.6)	126,795	128,475	(1.3)
Distributable income³	42,385	43,270	(2.0)	126,619	128,459	(1.4)
Realised	40,076	41,540	(3.5)	120,227	122,788	(2.1)
Unrealised ⁴	-	-	-	(11,773)	2,572	(>100.0)
	40,076	41,540	(3.5)	108,454	125,360	(13.5)

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2017	2016	Change	2017	2016	Change
	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%
Earnings per unit (sen)⁵						
- before Manager's management fee (sen)	2.26	2.34	(3.4)	6.19	10.55	(41.3)
- after Manager's management fee (sen)	1.97	2.05	(3.9)	5.33	9.68	(44.9)
Distribution per unit ("DPU") (sen)	2.08	2.13	(2.3)	6.22	6.33	(1.7)
DPU (sen) – annualised	8.25	8.47	(2.6)	8.32	8.46	(1.7)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2016.

1. Included in the other operating expenses and other non-operating expenses are the following:

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2017	2016	Change	2017	2016	Change
	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%
Allowance for impairment losses of trade receivables	(440)	(114)	>100.0	(902)	(336)	>100.0
Foreign exchange gain/(loss):						
- Unrealised	*	*	(>100.0)	*	*	(5.9)
- Realised	(2)	(7)	(71.4)	(6)	(15)	(60.0)

* less than RM1,000

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (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		
	2017 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	Change %	2017 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	Change %
Fair value loss/(gain) of investment properties	-	-	-	11,773	(2,572)	(>100.0)
Manager's management fee payable in units *	2,367	2,455	(3.6)	7,142	7,335	(2.6)
Depreciation	321	326	(1.5)	1,010	985	2.5
Amortisation of transaction costs on borrowings	236	357	(33.9)	935	1,070	(12.6)
Tax and other adjustments	(506)	(1,472)	(65.6)	(2,519)	(3,703)	(32.0)
	<u>2,418</u>	<u>1,666</u>	<u>45.1</u>	<u>18,341</u>	<u>3,115</u>	<u>>100.0</u>

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

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.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit		Total Unitholders' Funds RM'000
		Realised RM'000	Unrealised RM'000	
As at 1 January 2016	2,153,529	18,925	502,340	2,674,794
Total comprehensive income for the financial period	-	122,788	2,572	125,360
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	9,700	-	-	9,700
- Placement expenses	(685)	-	-	(685)
- Distribution paid to unitholders ¹	-	(165,979)	-	(165,979)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,015	(165,979)	-	(156,964)
As at 30 September 2016 (Unaudited)	2,162,544	(24,266)	504,912	2,643,190
As at 1 January 2017	2,162,544	16,673	506,372	2,685,589
Total comprehensive income for the financial period	-	120,227	(11,773)	108,454
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	9,672	-	-	9,672
- Distribution paid to unitholders ²	-	(170,165)	-	(170,165)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,672	(170,165)	-	(160,493)
As at 30 September 2017 (Unaudited)	2,172,216	(33,265)	494,599	2,633,550

The unaudited condensed consolidated statement of changes in net asset value should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2016.

1. This refers to (i) 2015 final income distribution of 3.99 sen per unit for the period from 9 July 2015 to 31 December 2015 paid on 29 February 2016, and (ii) first income distribution of 4.20 sen per unit for the period 1 January 2016 to 30 June 2016 paid on 26 August 2016.
2. This refers to the (i) 2016 final income distribution of 4.23 sen per unit for the period from 1 July 2016 to 31 December 2016 paid on 28 February 2017, and (ii) first income distribution of 4.14 sen per unit for the period 1 January 2017 to 30 June 2017 paid on 25 August 2017.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NINE MONTHS ENDED	
	30 SEPTEMBER	30 SEPTEMBER
	2017	2016
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	108,454	125,360
Adjustments for:-		
Manager's management fee payable in units	7,142	7,335
Depreciation	1,010	985
Fair value loss/(gain) of investment properties (net)	11,773	(2,572)
Finance costs	44,577	44,518
Interest income	(4,128)	(4,334)
Plant and equipment written off	3	28
Operating profit before changes in working capital	168,831	171,320
Changes in working capital:		
Trade and other receivables	(11,346)	(1,089)
Trade and other payables	(387)	804
Tenants' deposits	(1,078)	(584)
Net cash generated from operating activities	156,020	170,451
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(414)	(1,173)
Capital expenditure on investment properties	(15,946)	(33,653)
Interest received	4,128	4,334
Net cash used in investing activities	(12,232)	(30,492)
Cash Flows From Financing Activities		
Distribution paid to unitholders	(170,165)	(165,979)
Interest paid	(40,162)	(39,810)
Payment of financing expenses	(80)	(335)
Payment of placement expenses	-	(983)
Placement of pledged deposits with a licensed bank	(3,243)	-
Proceeds from interest bearing borrowings	16,200	54,100
Repayment of interest bearing borrowings	-	(22,900)
Net cash used in financing activities	(197,450)	(175,907)
Net decrease in cash and cash equivalents	(53,662)	(35,948)
Cash and cash equivalents at beginning of the period	188,857	180,236
Cash and cash equivalents at end of the period	135,195	144,288
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	104,241	118,094
Cash and bank balances	37,437	32,934
	141,678	151,028
Less: Pledged deposits	(6,483)	(6,740)
	135,195	144,288

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2016.

CAPITALAND MALAYSIA MALL TRUST

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and 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 2017 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 amended and restated trust deed dated 15 September 2015 (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 accompanying explanatory notes attached to the condensed consolidated interim financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

A2. Changes in Accounting Policies

On 1 January 2017, the Group and CMMT adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2017:

Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative

Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above 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 2016 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.

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

CMMT issued 3,117,500 new units in CMMT at approximately RM1.53* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 January 2017 to 30 June 2017. The units were listed on the Main Market of Bursa Securities on 14 September 2017.

* Based on the 10-day volume weighted average price of the units up to and including 30 June 2017.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

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

Segmental results for the quarter/period ended 30 September 2017 are as follows:

Business Segment	3Q 2017			3Q 2016		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	91,082	1,586	92,668	91,711	1,796	93,507
Net property income	59,076	990	60,066	60,249	1,177	61,426
Interest income			1,382			1,427
Unallocated expenses			(6,323)			(6,362)
Finance costs			(15,049)			(14,951)
Profit before taxation			40,076			41,540
Taxation			-			-
Profit for the period			40,076			41,540

Business Segment	YTD 2017			YTD 2016		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	272,013	4,913	276,926	273,768	5,391	279,159
Net property income	176,459	3,113	179,572	178,598	3,468	182,066
Interest income			4,128			4,334
Fair value (loss)/gain of investment properties (net)			(11,773)			2,572
Unallocated expenses			(18,896)			(19,094)
Finance costs			(44,577)			(44,518)
Profit before taxation			108,454			125,360
Taxation			-			-
Profit for the period			108,454			125,360

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.

There was no valuation performed during the current quarter.

A11. Subsequent Events

Nil.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

A12. Changes in Composition of the Trust

The changes to the composition of CMMT during the current quarter are as follows:

	Units
Balance at beginning of period	2,034,635,200
Units issued as satisfaction of the Manager's management fee payable in units	<u>3,117,500</u>
Total units in issue	<u>2,037,752,700</u>

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	<u>8,240</u>

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (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

	3Q 2017 (Unaudited) RM'000	3Q 2016 (Unaudited) RM'000	Change %	YTD 2017 (Unaudited) RM'000	YTD 2016 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	36,752	34,662	6.0	108,630	102,106	6.4
Sungei Wang Plaza	9,453	10,987	(14.0)	29,530	34,793	(15.1)
The Mines	18,869	20,077	(6.0)	57,088	60,255	(5.3)
Tropicana City Property	12,418	13,081	(5.1)	37,757	39,148	(3.6)
East Coast Mall	15,176	14,700	3.2	43,921	42,857	2.5
Total Gross Revenue	92,668	93,507	(0.9)	276,926	279,159	(0.8)
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	10,287	10,058	2.3	30,193	30,272	(0.3)
Sungei Wang Plaza	5,389	4,573	17.8	15,926	13,572	17.3
The Mines	6,830	7,081	(3.5)	20,638	21,577	(4.4)
Tropicana City Property	5,153	5,425	(5.0)	15,890	16,464	(3.5)
East Coast Mall	4,943	4,944	0.0	14,707	15,208	(3.3)
Total Property Operating Expenses	32,602	32,081	1.6	97,354	97,093	0.3
(c) Breakdown of Net Property Income						
Gurney Plaza	26,465	24,604	7.6	78,437	71,834	9.2
Sungei Wang Plaza	4,064	6,414	(36.6)	13,604	21,221	(35.9)
The Mines	12,039	12,996	(7.4)	36,450	38,678	(5.8)
Tropicana City Property	7,265	7,656	(5.1)	21,867	22,684	(3.6)
East Coast Mall	10,233	9,756	4.9	29,214	27,649	5.7
Total Net Property Income	60,066	61,426	(2.2)	179,572	182,066	(1.4)

¹ Tropicana City Mall and Tropicana City Office Tower (collectively known as Tropicana City Property)

CAPITALAND MALAYSIA MALL TRUST

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (3Q 2017 vs 3Q 2016)

The Group recorded gross revenue of RM92.7 million in 3Q 2017, a decrease of RM0.8 million or 0.9% against 3Q 2016. The decrease was mainly due to negative rental reversions from Sungei Wang Plaza ("SWP"), as SWP continues to be affected by the closure of BB Plaza. Lower gross revenue was recorded for The Mines ("TM") mainly due to lower rental rates and occupancy whilst lower gross revenue in Tropicana City Property ("TCP") was mainly due to lower occupancy at the office tower. The decrease was mitigated by better performance from Gurney Plaza ("GP") and East Coast Mall ("ECM") on the back of higher rental rates achieved.

Property operating expenses for 3Q 2017 were RM32.6 million, an increase of RM0.5 million or 1.6% against 3Q 2016. This was mainly attributed to the increase in service charge at SWP, higher property maintenance and higher utilities consumption. The increase was offset by lower reimbursable staff costs.

The net property income for 3Q 2017 of RM60.1 million was 2.2% lower than 3Q 2016.

Finance costs for 3Q 2017 of RM15.0 million were 0.7% higher than 3Q 2016. The increase in finance costs was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works, partly offset by lower average cost of debt and commitment fees. Average cost of debt for 3Q 2017 was 4.41% p.a. (3Q 2016: 4.46% p.a.).

CMMT has incurred RM3.2 million of capital expenditure during the quarter. This includes tenancy works mainly at ECM, asset enhancement works on Basement 1 at GP, chiller piping installation works at TCP and reconfiguration works on the Concourse level as well as development costs relating to the construction of a link bridge and external escalators at SWP.

Overall, distributable income to unitholders for 3Q 2017 was RM42.4 million, a decrease of RM0.9 million or 2.0% against 3Q 2016.

Financial Year-to-date Results (YTD 2017 vs YTD 2016)

The Group recorded gross revenue of RM276.9 million, a decrease of RM2.2 million or 0.8% over the previous financial period. The decrease was mainly due to negative rental reversions from SWP, as SWP was temporarily affected by the Mass Rapid Transit works in 1H 2017 and continues to be affected by the closure of BB Plaza. Lower gross revenue was recorded for TM mainly due to lower rental rates and occupancy in TM whilst lower gross revenue in TCP was mainly due to lower rental rates at the mall and lower occupancy at the office tower. The decrease was mitigated by better performance from GP and ECM on the back of higher rental rates achieved.

Property operating expenses for YTD 2017 were RM97.4 million, an increase of RM0.3 million or 0.3% over the previous financial period. This was mainly due to increase in service charge at SWP and higher property maintenance, offset by lower utilities consumption and reimbursable staff costs.

The net property income for YTD 2017 of RM179.6 million was 1.4% lower than YTD 2016.

CMMT registered a net fair value loss of RM11.8 million on investment properties in YTD 2017.

Finance costs for YTD 2017 of RM44.6 million were 0.1% higher than YTD 2016. The increase was mainly due to the additional revolving credit facilities being drawn down for capital expenditure works and partly offset by impact of lower average cost of debt and commitment fees. Average cost of debt for YTD 2017 was 4.40% p.a. (YTD 2016: 4.50% p.a.).

CMMT has incurred RM13.0 million of capital expenditure for the properties during the financial period. This includes tenancy works mainly at TM, TCP and ECM, asset enhancement works on Basement 1 at GP, chiller piping installation works at TCP and reconfiguration works on the Concourse level as well as development costs relating to the construction of a link bridge and external escalators at SWP.

Overall, distributable income to unitholders for the financial period was RM126.6 million, a decrease of RM1.8 million or 1.4% against YTD 2016.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

B2. Material Changes in Quarter Results

	Quarter ended 30 September 2017 RM'000	Quarter ended 30 June 2017 RM'000	Change %
Profit before taxation	40,076	28,138	42.4
Add/(Less) : Fair value loss of investment properties (net)	-	11,773	(100.0)
Profit before taxation, excluding net fair value loss of investment properties	<u>40,076</u>	<u>39,911</u>	<u>0.4</u>

Other than the net fair value loss of RM11.8 million resulting from the valuation as at 30 June 2017, there is no material change in the financial results of 3Q 2017 as compared to 2Q 2017.

B3. Investment Objectives and Strategies

The investment objectives 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

The Malaysian economy grew at a faster rate of 5.8% in the second quarter of 2017 on the back of strong private consumption and private investment. Given the strong performance in the first two quarters, the Malaysian economy is expected to expand by more than 4.8% for the whole of 2017 (source: Bank Negara Malaysia). Retail sales are projected to grow at 3.7% for the whole of 2017, amidst persistent concerns about the rising costs of living and uncertainties in the economy (source: Malaysia Retail Group Industry Report, August 2017).

In view of the challenges presented by economic uncertainty, the Manager expects consumer and business sentiments to remain cautious for the remaining part of the year. As more shopping malls are expected to open towards the year-end, particularly in the Klang Valley, the operating environment is expected to remain challenging. To mitigate these challenges, the Manager will continue to undertake proactive retail and asset management initiatives and introduce new offerings in CMMT's malls to cater to the changing needs of shoppers.

Despite challenging operating conditions, the Manager is confident that the underlying strength of CMMT's portfolio of quality assets located in key urban centres across Malaysia will continue to offer sustainable returns to unitholders.

B5. Profit Guarantee(s)

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

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 criterion, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT intends to distribute at least 90.0% of its distributable income for the financial year ending 31 December 2017 to its unitholders, no provision for tax has been made for the current quarter.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

B7. Status of Corporate Proposals

Nil

B8. Borrowings and Debt Securities

	As at 30 September 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
Long term borrowings		
Secured revolving credit	60,500	54,600
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(3,987)	(4,922)
	<u>1,274,943</u>	<u>1,268,108</u>
Short term borrowings		
Unsecured revolving credit	54,000	43,700
	<u>54,000</u>	<u>43,700</u>
Total borrowings	<u>1,328,943</u>	<u>1,311,808</u>

All the borrowings are denominated in Ringgit Malaysia.

During the period, additional revolving credit facilities of RM16.2 million were drawn down to fund the capital expenditure incurred by the properties. During the quarter, CMMT converted a floating rate term loan of RM128.7 million to a 3-year fixed rate term loan.

As of to date, two out of five properties of the Group, namely Sungei Wang Plaza and East Coast Mall, remain unencumbered. The fixed and floating rate borrowings stood at 81% and 19% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 25 August 2017, CMMT paid its first income distribution of RM84.2 million or 4.14 sen per unit for the period from 1 January 2017 to 30 June 2017.

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

Pursuant to 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 24.0%
(d) Institutional investors	Withholding tax at 10.0%
(e) Individuals	Withholding tax at 10.0%

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)

B11. Composition of Investment Portfolio as at 30 September 2017

As at 30 September 2017, CMMT's portfolio comprised the following investment properties:

Investment properties	Cost of Investment¹	Net Book Value²	Market Value	Market Value as % of NAV³
	RM'000	RM'000	RM'000	%
Gurney Plaza	1,130,558	1,550,804	1,550,000	58.9
Sungei Wang Plaza	759,297	583,780	583,000	22.1
The Mines	586,944	724,294	724,000	27.5
Tropicana City Property	574,580	570,836	570,000	21.6
East Coast Mall	393,225	509,489	509,000	19.3
Total	3,444,604	3,939,203	3,936,000	

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 2017. The market value of Gurney Plaza and Tropicana City Property were stated at valuations performed by Savills (Malaysia) Sdn. Bhd. and Henry Butcher Malaysia Sdn. Bhd. respectively as at 30 June 2017.

- ¹ Cost of investment comprises purchase consideration and capital expenditure incurred from inception up to the end of the reporting date.
- ² Net book value ("NBV") comprises of market value of the investment properties as at 30 June 2017 and subsequent capital expenditure incurred up to the reporting date.
- ³ This is computed based on market value of the investment properties over the NAV before income distribution of RM2,633,550,000 as at 30 September 2017. This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 30 September 2017	Quarter ended 30 June 2017
Number of units in circulation (units)	2,037,752,700	2,034,635,200
NAV before income distribution (RM'000)	2,633,550	2,672,933
NAV after income distribution (RM'000)	2,591,165	2,588,699
NAV per unit ¹ (RM)	1.2716	1.2723
Total comprehensive income (RM'000)	40,076	28,138
Weighted average number of units in issue ² (units)	2,035,211,260	2,034,635,200
EPU after manager's management fee (sen)	1.97	1.38
Distributable income (RM'000)	42,385	41,914
DPU (sen)	2.08	2.06
Market price (RM)	1.42	1.53
DPU yield (%)	1.46	1.35

- ¹ 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.
- ² Weighted average number of units in issue for YTD 2017 is 2,034,061,240.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

B14. Manager's Fees

For the quarter ended 30 September 2017, 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 were as follows:

	3Q 2017 Actual (Unaudited) RM'000	YTD 2017 Actual (Unaudited) RM'000
Base management fee	3,003	8,935
Performance fee	2,852	8,529
Total fees	5,855	17,464

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

	No of units units	Percentage of unitholdings⁴ %	Market value³ at 30 September 2017 RM
CMMT Investment Limited ¹	710,973,600	34.89	1,009,582,512
Menang Investment Limited ¹	33,832,200	1.66	48,041,724
Direct unitholdings of the Directors of the Manager:			
Mr Ng Kok Siong ²	100,000	N.M.	142,000
Ms Low Peck Chen	12,000	N.M.	17,040
Ms Tan Siew Bee	100,000	N.M.	142,000
Dr Peter Tay Buan Huat ²	100,000	N.M.	142,000
Mr Lee Hui Yeow ⁵	23,000	N.M.	32,660
	745,140,800	36.57	1,058,099,936

N.M. - Not meaningful

¹ An indirect wholly-owned subsidiary of CapitaLand Mall Asia Limited.

² Units held through nominees.

³ The market value of the units is computed based on the closing price of RM1.42 per unit as at 29 September 2017.

⁴ Approximation.

⁵ Alternate director to Mr Ng Kok Siong

The Manager disposed 3,117,500 units in CMMT at cost to a related party, Menang Investments Limited, on 19 September 2017.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

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 2017 and of their financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of Directors of the Manager on 25 October 2017.

BY ORDER OF THE BOARD

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

Date: 25 October 2017