

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
Assets		
Plant and equipment	3,448	3,491
Investment properties	3,895,580	3,895,000
Total non-current assets	<u>3,899,028</u>	<u>3,898,491</u>
Trade and other receivables	15,566	29,047
Cash and cash equivalents	69,615	71,876
Total current assets	<u>85,181</u>	<u>100,923</u>
Total assets	<u>3,984,209</u>	<u>3,999,414</u>
Equity		
Unitholders' capital	2,223,901	2,198,446
Undistributed profits	223,569	245,466
Total Unitholders' funds	<u>2,447,470</u>	<u>2,443,912</u>
Liabilities		
Borrowings	1,263,017	1,269,053
Tenants' deposits	34,651	33,256
Deferred tax liabilities	7,228	7,228
Total non-current liabilities	<u>1,304,896</u>	<u>1,309,537</u>
Borrowings	140,260	140,760
Tenants' deposits	46,143	50,295
Trade and other payables	45,440	54,910
Total current liabilities	<u>231,843</u>	<u>245,965</u>
Total liabilities	<u>1,536,739</u>	<u>1,555,502</u>
Total equity and liabilities	<u>3,984,209</u>	<u>3,999,414</u>
Number of units in circulation ('000 units)	2,110,549	2,063,846
Net asset value (NAV)		
- before income distribution	2,447,470	2,443,912
- after income distribution	2,429,319	2,402,841
NAV per unit (RM)		
- before income distribution	1.1596	1.1842
- after income distribution	1.1510	1.1643

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 2020.

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	30 JUNE		Change	30 JUNE		Change
	2021	2020		2021	2020	
(UNAUDITED)	(UNAUDITED)	%	(UNAUDITED)	(UNAUDITED)	%	
	RM'000	RM'000		RM'000	RM'000	
Gross rental income	43,169	42,856	0.7	89,494	101,119	(11.5)
Car park income	2,967	930	>100.0	6,589	6,001	9.8
Other revenue	6,577	6,095	7.9	13,286	17,293	(23.2)
Gross revenue	52,713	49,881	5.7	109,369	124,413	(12.1)
Maintenance expenses	(8,627)	(8,496)	1.5	(17,836)	(18,148)	(1.7)
Utilities	(8,709)	(9,168)	(5.0)	(17,491)	(20,862)	(16.2)
Other operating expenses ¹	(8,951)	(12,856)	(30.4)	(22,701)	(26,682)	(14.9)
Property operating expenses	(26,287)	(30,520)	(13.9)	(58,028)	(65,692)	(11.7)
Net property income	26,426	19,361	36.5	51,341	58,721	(12.6)
Interest income	301	359	(16.2)	587	986	(40.5)
Other non-operating income	1,625	-	-	1,625	-	-
Net investment income	28,352	19,720	43.8	53,553	59,707	(10.3)
Manager's management fee	(4,136)	(3,900)	6.1	(8,178)	(8,747)	(6.5)
Trustee's fee	(99)	(100)	(1.0)	(198)	(199)	(0.5)
Auditor's fee	(59)	(54)	9.3	(119)	(115)	3.5
Tax agent's fee	(9)	(7)	28.6	(17)	(15)	13.3
Valuation fee	(80)	(70)	14.3	(160)	(147)	8.8
Finance costs	(11,652)	(15,136)	(23.0)	(24,551)	(30,430)	(19.3)
Other non-operating expenses ¹	(828)	(261)	>100.0	(1,156)	(592)	95.3
	(16,863)	(19,528)	(13.6)	(34,379)	(40,245)	(14.6)
Profit before taxation	11,489	192	>100.0	19,174	19,462	(1.5)
Taxation	-	-	-	-	-	-
Profit for the quarter/ period	11,489	192	>100.0	19,174	19,462	(1.5)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the quarter/ period	11,489	192	>100.0	19,174	19,462	(1.5)
Distribution adjustments ²	(866)	511	(>100.0)	(880)	1,385	(>100.0)
Income available for distribution	10,623	703	>100.0	18,294	20,847	(12.2)
Distributable income³	10,569	616	>100.0	18,151	20,759	(12.6)
Realised	11,489	192	>100.0	19,174	19,462	(1.5)
Unrealised ⁴	-	-	-	-	-	-
	11,489	192	>100.0	19,174	19,462	(1.5)

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

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

	CURRENT QUARTER			YEAR TO DATE		
	30 JUNE		Change %	30 JUNE		Change %
	2021 (UNAUDITED)	2020 (UNAUDITED)		2021 (UNAUDITED)	2020 (UNAUDITED)	
Earnings per unit (sen)⁵						
- before Manager's management fee	0.74	0.20	>100.0	1.31	1.37	(4.4)
- after Manager's management fee	0.54	0.01	>100.0	0.92	0.95	(3.2)
Distribution per unit (DPU) (sen)	0.50	0.03	>100.0	0.86	1.01	(14.9)
DPU (sen) – annualised	2.01	0.12	>100.0	1.73	2.03	(14.8)

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 2020.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

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

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

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2021	2020	Change	2021	2020	Change
	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%
Impairment reversal/(losses) for trade receivables (net)	1,012	(3,276)	(>100.0)	(1,555)	(3,596)	(56.8)
Foreign exchange gain/(loss):						
- Unrealised	-	-	-	-	-	-
- Realised	*	*	-	*	*	-
	1,012	(3,276)	(>100.0)	(1,555)	(3,596)	(56.8)

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2021	2020	Change	2021	2020	Change
	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%	(UNAUDITED) RM'000	(UNAUDITED) RM'000	%
Manager's management fee payable in units *	854	757	12.8	1,714	2,160	(20.6)
Depreciation	337	309	9.1	668	627	6.5
Amortisation of transaction costs on borrowings	207	207	-	412	414	(0.5)
Deferred taxation	-	-	-	-	-	-
Tax and other adjustments	(2,264)	(762)	>100.0	(3,674)	(1,816)	>100.0
	(866)	511	(>100.0)	(880)	1,385	(>100.0)

* 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 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 SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' CAPITAL RM'000	UNDISTRIBUTED PROFITS RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2020	2,189,028	412,898	2,601,926
Total comprehensive income for the financial period	-	19,462	19,462
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	3,688	-	3,688
- Distribution paid to Unitholders ¹	-	(62,169)	(62,169)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	3,688	(62,169)	(58,481)
As at 30 June 2020 (Unaudited)	2,192,716	370,191	2,562,907
As at 1 January 2021	2,198,446	245,466	2,443,912
Total comprehensive income for the financial period	-	19,174	19,174
Unitholders' transactions			
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	22,700	-	22,700
- Units issued as part satisfaction of the Manager's management fee	2,755	-	2,755
- Distribution paid to Unitholders ²	-	(41,071)	(41,071)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	25,455	(41,071)	(15,616)
As at 30 June 2021 (Unaudited)	2,223,901	223,569	2,447,470

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 2020.

1. This refers to the 2019 final income distribution of 3.03 sen per unit for the period from 1 July 2019 to 31 December 2019 paid on 28 February 2020.
2. This refers to the 2020 final income distribution of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020 paid on 23 March 2021.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED	
	30 JUNE	30 JUNE
	2021	2020
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	19,174	19,462
Adjustments for:-		
Manager's management fee paid/ payable in units	1,714	2,160
Depreciation	668	627
Finance costs	24,551	30,430
Interest income	(587)	(986)
Impairment losses for trade receivables (net)	1,555	3,596
Operating profit before changes in working capital	47,075	55,289
Changes in working capital:		
Trade and other receivables	11,925	(14,528)
Trade and other payables	(6,154)	(3,025)
Tenants' deposits	(2,777)	(1,439)
Net cash generated from operating activities	50,069	36,297
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(626)	(527)
Capital expenditure on investment properties	(2,194)	(12,174)
Interest received	587	986
Net cash used in investing activities	(2,233)	(11,715)
Cash Flows From Financing Activities		
Distribution paid to Unitholders ¹	(18,229)	(62,169)
Interest paid	(24,779)	(30,329)
Payment of financing expenses	-	(110)
Payment of transaction costs related to Distribution Reinvestment Plan	(141)	-
Proceeds from interest bearing borrowings	25,552	66,622
Repayment of interest bearing borrowings	(32,500)	(28,200)
Net cash used in financing activities	(50,097)	(54,186)
Net decrease in cash and cash equivalents	(2,261)	(29,604)
Cash and cash equivalents at beginning of the period	65,646	78,354
Cash and cash equivalents at end of the period	63,385	48,750
Cash and cash equivalents at end of the period comprise:		
Deposits placed with licensed banks	56,853	38,617
Cash and bank balances	12,762	16,363
	69,615	54,980
Less: Pledged deposits	(6,230)	(6,230)
	63,385	48,750

¹Non-cash transaction

A portion of the income distribution was paid in new units in CMMT pursuant to the Distribution Reinvestment Plan.

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 2020.

CAPITALAND MALAYSIA MALL TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (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 second quarter ended 30 June 2021 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties 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), IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the amended and restated trust deed dated 28 October 2020 (the Trust Deed) and the Securities Commission’s Guidelines on Listed 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 2020.

A2. Changes in Accounting Policies

On 1 January 2021, the Group and CMMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020 and 1 January 2021:

Effective for annual periods beginning on or after 1 June 2020

Amendments to MFRS 16, Leases – Covid-19 – Related Rent Concessions.

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2.

The adoption of the above MFRSs, interpretation and amendments do 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 2020 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 demand and supply of retail properties which depend on market conditions, the economic cycle, the financial performance of its tenants, the availability of credit facilities and the interest rate environment.

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

There were no material unusual items except for the effects of COVID-19 global pandemic and the various phases of Movement Control Order (MCO), Conditional Movement Control Order (CMCO), Recovery Movement Control Order (RMCO) and Full Movement Control Order (FMCO) implemented in Malaysia as explained in Note B1.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

Save as disclosed in A12 and B8, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current period.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (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% of its distributable income to its Unitholders in each financial year.

A9. Segmental Reporting

Segmental results for the quarter/period ended 30 June 2021 are as follows:

BUSINESS SEGMENT	2Q 2021 (UNAUDITED)			2Q 2020 (UNAUDITED)		
	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000
Gross revenue	51,816	897	52,713	48,182	1,699	49,881
Net property income	25,973	453	26,426	18,197	1,164	19,361
Interest income			301			359
Other non-operating income			1,625			-
Unallocated expenses			(5,211)			(4,392)
Finance costs			(11,652)			(15,136)
Profit before taxation			11,489			192
Taxation			-			-
Profit for the quarter			11,489			192

BUSINESS SEGMENT	YTD 2021 (UNAUDITED)			YTD 2020 (UNAUDITED)		
	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000
Gross revenue	107,478	1,891	109,369	120,960	3,453	124,413
Net property income	50,412	929	51,341	56,345	2,376	58,721
Interest income			587			986
Other non-operating income			1,625			-
Unallocated expenses			(9,828)			(9,815)
Finance costs			(24,551)			(30,430)
Profit before taxation			19,174			19,462
Taxation			-			-
Profit for the period			19,174			19,462

A10. Valuation of Investment Properties

The investment properties are valued annually by independent professional valuers and the differences between the valuation and the carrying values of the respective investment properties are recognised to the profit or loss for the financial period in which they arise. The carrying amount of investment properties as at 30 June 2021 is based on the independent valuations as at 31 December 2020 and subsequent capital expenditure incurred up to the reporting date. As further explained in Note B4, the COVID-19 situation remains fluid and is evolving. Therefore, the valuation of investment properties may be subject to significant estimation uncertainties.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	UNITS
Balance as at 1 January 2021	2,063,846,364
Units issued under the Distribution Reinvestment Plan	42,314,470
Units issued as part satisfaction of the Manager's management fee payable in units	4,388,200
Total Units in Issue	<u>2,110,549,034</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>1,454</u>

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (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

	2Q 2021 (UNAUDITED) RM'000	2Q 2020 (UNAUDITED) RM'000	Change %	YTD 2021 (UNAUDITED) RM'000	YTD 2020 (UNAUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	23,778	20,977	13.4	50,243	55,051	(8.7)
East Coast Mall	12,113	8,541	41.8	23,397	22,445	4.2
Sungei Wang Plaza	3,558	4,879	(27.1)	7,875	11,050	(28.7)
3 Damansara Property	5,082	6,971	(27.1)	10,781	16,148	(33.2)
The Mines	8,182	8,513	(3.9)	17,073	19,719	(13.4)
Total Gross Revenue	52,713	49,881	5.7	109,369	124,413	(12.1)
Breakdown of Property Operating Expenses						
Gurney Plaza	8,206	9,199	(10.8)	19,048	19,991	(4.7)
East Coast Mall	3,648	4,143	(11.9)	8,131	9,197	(11.6)
Sungei Wang Plaza	4,850	5,938	(18.3)	10,626	12,439	(14.6)
3 Damansara Property	4,837	5,533	(12.6)	9,910	11,485	(13.7)
The Mines	4,746	5,707	(16.8)	10,313	12,580	(18.0)
Total Property Operating Expenses	26,287	30,520	(13.9)	58,028	65,692	(11.7)
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	15,572	11,778	32.2	31,195	35,060	(11.0)
East Coast Mall	8,465	4,398	92.5	15,266	13,248	15.2
Sungei Wang Plaza	(1,292)	(1,059)	22.0	(2,751)	(1,389)	98.1
3 Damansara Property	245	1,438	(83.0)	871	4,663	(81.3)
The Mines	3,436	2,806	22.5	6,760	7,139	(5.3)
Total Net Property Income	26,426	19,361	36.5	51,341	58,721	(12.6)

CAPITALAND MALAYSIA MALL TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (2Q 2021 vs 2Q 2020)

The Group recorded gross revenue of RM52.7 million in 2Q 2021, a increase of RM2.8 million or 5.7% against 2Q 2020. The increase was mainly attributable to: (i) lower rental relief for eligible tenants; and (ii) higher contribution from other revenue sources such as marcom and car park income as the movement controls implemented by the government during the quarter under review, in particular April to May 2021, were less restrictive as compared with MCO-1 (from 18 March 2020 to 3 May 2020) that has affected the results for 2Q 2020 significantly. The higher revenue contributed by the aforementioned factors was however offset by lower gross rental income year-on-year largely due to the effort of re-balancing occupancy and rental reversions.

Property operating expenses for 2Q 2021 was RM26.3 million, a decrease of RM4.2 million or 13.9% against 2Q 2020 mainly due to lower utility expenses and reversal of provision for doubtful debts arising from the additional rental relief provided for the period.

The net property income for 2Q 2021 of RM26.4 million was RM7.1 million or 36.5% higher than 2Q 2020.

Other non-operating income of RM1.6 million is due to scheduled compensation income received as a result of the termination of existing easement agreement in relation to the car park area between Sungei Wang Plaza (SWP) and Bukit Bintang Plaza and the restriction of access to the SWP rooftop car park.

Finance costs for 2Q 2021 of RM11.7 million was RM3.5 million or 23.0% lower than 2Q 2020. The savings was contributed by the interest rate re-fixing exercises in early August 2020 and early March 2021, which successfully lowered the average cost of debt to 3.25% p.a. (2Q 2020: 4.26% p.a.).

Capital expenditure incurred for investment properties in 2Q 2021 was RM0.3 million since non-critical capital expenditure was deferred.

Overall, distributable income to Unitholders for 2Q 2021 was RM10.6 million, an increase of RM10.0 million against 2Q 2020 mainly due to the abovementioned factors.

Financial Year-to-date Results (YTD 2021 vs YTD 2020)

The Group recorded gross revenue of RM109.4 million, a decrease of RM15.0 million or 12.1% against the corresponding financial period. The decrease was mainly due to lower gross rental income, lower recovery of utilities and lower marcom income. Lower gross rental income was attributable to the effort of re-balancing occupancy and rental reversions. The decrease in gross revenue was nevertheless mitigated by the overall lower rental relief provided to eligible tenants for YTD 2021 against the previous year corresponding period.

Property operating expenses for YTD 2021 were RM58.0 million, a decrease of RM7.7 million or 11.7% against the previous financial period due to lower utilities across the malls as a result of lower electricity consumption and electricity discount for the 6 months under review as compared to only 3 months period in YTD 2020. The various costs containment exercises implemented have also brought down maintenance expenses, marketing expenses, and general administration expenses. Provision for doubtful debts was also lower due to additional rental relief provided for the period.

The NPI for YTD 2021 of RM51.3 million was RM7.4 million or 12.6% lower than YTD 2020.

Other non-operating income of RM1.6 million is due to scheduled compensation income received as a result of the termination of existing easement agreement in relation to the car park area between SWP and Bukit Bintang Plaza and the restriction of access to the SWP rooftop car park.

Finance costs for YTD 2021 of RM24.6 million were RM5.9 million or 19.3% lower than YTD 2020. The decrease was mainly due to lower average cost of debt for YTD 2021 at 3.44% p.a. (YTD 2020: 4.30% p.a.) due to efforts to refix the interest rates for term loans in August 2020 and March 2021 respectively.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2021 vs YTD 2020) (cont'd)

CMMT has incurred RM0.6 million of capital expenditure primarily at Gurney Plaza during the period.

Overall, distributable income to Unitholders for the financial period was RM18.2 million, a decrease of RM 2.6 million or 12.6% against YTD 2020 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 30 JUNE 2021 (UNAUDITED) RM'000	QUARTER ENDED 31 MARCH 2021 (UNAUDITED) RM'000	Change %
Profit before taxation	11,489	7,685	49.5

Higher profit before tax quarter on quarter due mainly to lower operating expenses as a result of cost containment measures and reversal of provision for doubtful debts; lower interest expense and receipt of compensation income.

B3. Investment Objectives and Strategies

Pursuant to the Fourth Amended and Restated Deed, the investment objective and policy of CMMT is 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 ("SC"), with a view to providing Unitholders with long-term and sustainable distribution of income and potential capital growth.

On 14 June 2021, an Extraordinary General Meeting (EGM) was held and the Unitholders have voted in favour of the expansion of investment objective and policy of CMMT. CMMT's investment objective and policy will extend beyond the retail sector and includes commercial, office and industrial asset classes.

B4. Commentary on Prospects

Malaysia's economy continued to be impacted by the implementation of movement control, closure of international travel and restrictions on interstate domestic travel. Although 1Q 2021 GDP declined marginally by 0.5% year-on-year, the roll-out of stricter COVID-19 measures from May 2021, which led to the closure of major economic sectors, is expected to lower Malaysia's 2021 growth compared to the current estimates of 6.0% to 7.5%. The authorities are in the midst of revising Malaysia's GDP forecast for 2021.

In June 2021, the Government announced the National Recovery Plan (NRP), a four-phase exit strategy from the COVID-19 crisis which will be enforced from June to December 2021. Based on the NRP, the thresholds to transition to a more relaxed phase are premised on (i) the number of daily average cases; (ii) state of the healthcare system; and (iii) percentage of fully vaccinated population. Most of the states in Malaysia, including Kuala Lumpur and Selangor, are currently in Phase 1, whereby only essential services are allowed to operate. In July 2021, several states including Pahang and Penang transitioned to Phase 2, which allows for more economic sectors to operate.

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B4. Commentary on Prospects (cont'd)

Against this economic backdrop, the Manager maintains a cautious near-term outlook on the recovery of Malaysia's retail sector. During this difficult period, CMMT remains committed to support affected tenants in a targeted manner, whilst focusing on operational recovery and enhancing financial resilience through prudent capital management.

On 14 June 2021, CMMT Unitholders voted in favour of the expansion of CMMT's investment mandate beyond the retail sector to include other asset classes. This will enable CMMT to invest in a comprehensive range of income producing assets, diversify its revenue streams and build a geographical and sector-diversified portfolio for future growth.

Until the COVID-19 situation normalises, CMMT will continue to prioritise the safety and well-being of its stakeholders and strengthen the performance of the existing portfolio, whilst pursuing inorganic growth opportunities in the existing and new asset classes, with financial discipline.

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% or more of its total income for that year of assessment. If the REIT is unable to meet the 90% 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% of its distributable income for the financial year ending 31 December 2021 to its Unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Pursuant to the favorable outcome of the EGM held on 14 June 2021 (outlined in Note B3), the Fifth Amended and Restated Deed between CapitaLand Malaysia REIT Management Sdn. Bhd (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) and MTrustee Berhad has been submitted to the SC for registration.

The submission is meant to formalise the expansion of investment objectives and policy of CMMT and to reflect its new name, CapitaLand Malaysia Trust (CLMT). The Manager will announce the change of name upon the completion of registration with the SC.

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B8. Borrowings and Debt Securities

	AS AT 30 JUNE 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	45,929	52,377
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(1,342)	(1,754)
	<u>1,263,017</u>	<u>1,269,053</u>
Short term borrowings		
Secured revolving credit	25,600	25,600
Unsecured revolving credit	114,660	115,160
	<u>140,260</u>	<u>140,760</u>
Total borrowings	<u>1,403,277</u>	<u>1,409,813</u>

All the borrowings are denominated in Ringgit Malaysia.

During the period, the net decrease in total gross borrowings (before deducting unamortised transaction costs) of RM6.9 million was mainly due to partial repayment of revolving credit facilities (RCF) of RM32.5 million, offset by drawdown of RCF totalling RM25.6 million. A portion of the secured RCF facilities was also successfully extended for another 6 years to 2028.

As of to date, two out of five properties of the Group, namely Sungei Wang Plaza and East Coast Mall remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 82% and 18% respectively.

B9. Change in Material Litigation

Nil.

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B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER			YEAR TO DATE		
	30 JUNE		Change	30 JUNE		Change
	2021	2020		2021	2020	
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)		
RM'000	RM'000	%	RM'000	RM'000	%	
Gross rental income	43,169	42,856	0.7	89,494	101,119	(11.5)
Car park income	2,967	930	>100.0	6,589	6,001	9.8
Other revenue	6,577	6,095	7.9	13,286	17,293	(23.2)
Interest income	301	359	(16.2)	587	986	(40.5)
Other income	1,625	-	-	1,625	-	-
	54,639	50,240	8.8	111,581	125,399	(11.0)
Total property and trust expenses	(43,150)	(50,048)	(13.8)	(92,407)	(105,937)	(12.8)
Total comprehensive income for the quarter / period	11,489	192	>100.0	19,174	19,462	(1.5)
Distribution adjustments	(866)	511	(>100.0)	(880)	1,385	(>100.0)
Realised income for the quarter / period	10,623	703	>100.0	18,294	20,847	(12.2)
Previous quarter's / period's undistributed income	538	542	(0.7)	449	541	(17.0)
Total realised income available for distribution	11,161	1,245	>100.0	18,743	21,388	(12.4)
Proposed/ declared income distribution	(10,569)	(616)	>100.0	(18,151)	(20,759)	(12.6)
Balance undistributed income	592	629	(5.9)	592	629	(5.9)
Distribution per unit (DPU) (sen)	0.50	0.03	>100.0	0.86	1.01	(14.9)
DPU (sen) – annualised	2.01	0.12	>100.0	1.73	2.03	(14.8)

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B10. Income Distribution (cont'd)

CMMT intends to distribute its first income distribution of RM18.2 million or 0.86 sen per unit (of which 0.84 sen per unit is taxable and 0.02 sen per unit is tax exempt), based on the number of units in issue of 2,110,549,034 for the period from 1 January 2021 to 30 June 2021 (First Income Distribution).

The Board has determined that the Distribution Reinvestment Plan (DRP) shall apply accordingly where the gross electable portion will be 0.86 sen per unit of the first income distribution. The book closure date and date of income distribution will only be announced upon approval of Additional Listing Application in relation to the DRP exercise by Bursa Malaysia.

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%

Non-resident Unitholders:

(c)	Corporate	Withholding tax at 24%
(d)	Institutional investors	Withholding tax at 10%
(e)	Individuals	Withholding tax at 10%

B11. Composition of Investment Portfolio as at 30 June 2021

As at 30 June 2021, CMMT's portfolio comprised the following investment properties:

INVESTMENT PROPERTIES	COST OF INVESTMENT ¹	NET BOOK VALUE ²	MARKET VALUE	MARKET VALUE AS % of NAV ³
	RM'000	RM'000	RM'000	%
Gurney Plaza	1,158,550	1,665,404	1,665,000	68.0
East Coast Mall	405,851	579,001	579,000	23.7
Sungei Wang Plaza	813,004	475,064	475,000	19.4
3 Damansara Property	592,642	496,007	496,000	20.3
The Mines	602,358	680,104	680,000	27.8
Total	3,572,405	3,895,580	3,895,000	

The market values of Gurney Plaza, Sungei Wang Plaza, and The Mines were stated at valuations conducted by Nawawi Tie Leung Property Consultants Sdn Bhd as at 31 December 2020. The market values of 3 Damansara Property and East Coast Mall were stated at valuations performed by PPC International Sdn Bhd and Savills (Malaysia) Sdn Bhd respectively as at 31 December 2020.

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 31 December 2020 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 RM2,447,470,000 as at 30 June 2021. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 30 JUNE	QUARTER ENDED 31 MARCH
Number of units in circulation (units)	2,110,549,034	2,106,160,834
NAV before income distribution (RM'000)	2,447,470	2,433,241
NAV after income distribution (RM'000)	2,429,319	2,425,659
NAV per unit ¹ (RM)	1.1510	1.1517
Total comprehensive income (RM'000)	11,489	7,685
Weighted average number of units in issue (units)	2,108,620,155	2,067,607,650
EPU after manager's management fee (sen)	0.54	0.37
Distributable income (RM'000)	10,569	7,582
DPU (sen)	0.50	0.36
Market price (RM)	0.620	0.660
DPU yield (%)	0.81	0.55

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

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fees

For the quarter ended 30 June 2021, 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:

	2Q 2021 ACTUAL (UNAUDITED) RM'000	YTD 2021 ACTUAL (UNAUDITED) RM'000
Base management fee	2,881	5,739
Performance fee	1,255	2,439
Total fees	4,136	8,178

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

	NO OF UNITS	PERCENTAGE OF UNITHOLDINGS ³	MARKET VALUE ⁴ AT 30 JUNE 2021
	UNITS	%	RM
CMMT Investment Limited ¹	742,754,521	35.2	460,507,803
Menang Investment Limited ¹	60,406,655	2.9	37,452,126

Direct unitholdings of the Directors of the Manager:

Ms Low Peck Chen	12,486	N.M.	7,741
Mr Lim Cho Pin Andrew Geoffrey ²	48,909	N.M.	30,324
Mohd Yusof bin Hussian	62,402	N.M.	38,689
	803,284,973	38.1	498,036,683

N.M. - Not meaningful

¹ An indirect wholly-owned subsidiary of CapitaLand Limited.

² Units held through nominees.

³ Approximation.

⁴ The market value of the units is computed based on the closing price of RM0.62 per unit as at 30 June 2021.

BY ORDER OF THE BOARD

KHOO MING SIANG
COMPANY SECRETARY (MAICSA No. 7034037)
CapitaLand Malaysia REIT Management Sdn. Bhd. (200801018055 (819351-H))
(formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.)
(As Manager of CapitaLand Malaysia Mall Trust)
Kuala Lumpur

Date: 22 July 2021