

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2018 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2017 (AUDITED) RM'000
Assets		
Plant and equipment	1,841	2,039
Investment properties	3,967,020	3,966,000
Total non-current assets	<u>3,968,861</u>	<u>3,968,039</u>
Trade and other receivables	24,047	23,512
Cash and cash equivalents	140,900	186,323
Total current assets	<u>164,947</u>	<u>209,835</u>
Total assets	<u>4,133,808</u>	<u>4,177,874</u>
Equity		
Unitholders' capital	2,176,836	2,172,216
Undistributed profit	469,093	514,980
Total unitholders' funds	<u>2,645,929</u>	<u>2,687,196</u>
Liabilities		
Borrowings	1,280,810	1,279,081
Tenants' deposits	42,142	38,381
Total non-current liabilities	<u>1,322,952</u>	<u>1,317,462</u>
Borrowings	61,250	58,200
Tenants' deposits	49,382	54,944
Trade and other payables	54,295	60,072
Total current liabilities	<u>164,927</u>	<u>173,216</u>
Total liabilities	<u>1,487,879</u>	<u>1,490,678</u>
Total equity and liabilities	<u>4,133,808</u>	<u>4,177,874</u>
Number of units in circulation ('000 units)	2,040,635	2,037,753
Net asset value (NAV)		
- before income distribution	2,645,929	2,687,196
- after income distribution	2,604,708	2,604,056
NAV per unit (RM)		
- before income distribution	1.2966	1.3187
- after income distribution	1.2764	1.2779

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 2017.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	31 MARCH		Change	31 MARCH		Change
	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000		2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	
Gross rental income	69,395	72,993	(4.9)	69,395	72,993	(4.9)
Car park income	6,357	6,199	2.5	6,357	6,199	2.5
Other revenue	13,981	13,252	5.5	13,981	13,252	5.5
Gross revenue	89,733	92,444	(2.9)	89,733	92,444	(2.9)
Maintenance expenses	(7,140)	(8,047)	(11.3)	(7,140)	(8,047)	(11.3)
Utilities	(12,400)	(12,751)	(2.8)	(12,400)	(12,751)	(2.8)
Other operating expenses ¹	(13,148)	(11,930)	10.2	(13,148)	(11,930)	10.2
Property operating expenses	(32,688)	(32,728)	(0.1)	(32,688)	(32,728)	(0.1)
Net property income	57,045	59,716	(4.5)	57,045	59,716	(4.5)
Interest income	1,292	1,413	(8.6)	1,292	1,413	(8.6)
Net investment income	58,337	61,129	(4.6)	58,337	61,129	(4.6)
Manager's management fee	(5,664)	(5,773)	(1.9)	(5,664)	(5,773)	(1.9)
Trustee's fee	(99)	(99)	-	(99)	(99)	-
Auditor's fee	(53)	(48)	10.4	(53)	(48)	10.4
Tax agent's fee	(7)	(7)	-	(7)	(7)	-
Valuation fee	(82)	(68)	20.6	(82)	(68)	20.6
Finance costs	(14,958)	(14,660)	2.0	(14,958)	(14,660)	2.0
Other non-operating expenses ¹	(221)	(234)	(5.6)	(221)	(234)	(5.6)
	(21,084)	(20,889)	0.9	(21,084)	(20,889)	0.9
Profit before taxation	37,253	40,240	(7.4)	37,253	40,240	(7.4)
Taxation	-	-	-	-	-	-
Profit for the period	37,253	40,240	(7.4)	37,253	40,240	(7.4)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	37,253	40,240	(7.4)	37,253	40,240	(7.4)
Distribution adjustments ²	4,110	2,133	92.7	4,110	2,133	92.7
Income available for distribution	41,363	42,373	(2.4)	41,363	42,373	(2.4)
Distributable income³	41,221	42,320	(2.6)	41,221	42,320	(2.6)
Realised	37,253	40,240	(7.4)	37,253	40,240	(7.4)
Unrealised ⁴	*	*	*	*	*	*
	37,253	40,240	(7.4)	37,253	40,240	(7.4)

* less than RM1,000

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

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

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %
Earnings per unit (sen)⁵						
- before Manager's management fee	2.11	2.26	(6.6)	2.11	2.26	(6.6)
- after Manager's management fee	1.83	1.98	(7.6)	1.83	1.98	(7.6)
Distribution per unit (DPU) (sen)	2.02	2.08	(2.9)	2.02	2.08	(2.9)
DPU (sen) – annualised	8.19	8.44	(3.0)	8.19	8.44	(3.0)

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 2017.

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

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %
Allowance for impairment losses of trade receivables	(291)	(140)	>100.0	(291)	(140)	>100.0
Foreign exchange gain/(loss):						
- Unrealised	*	*	-	*	*	-
- Realised	(1)	(1)	-	(1)	(1)	-

* less than RM1,000

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

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

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %	2018 (UNAUDITED) RM'000	2017 (UNAUDITED) RM'000	Change %
Manager's management fee payable in units *	2,271	2,405	(5.6)	2,271	2,405	(5.6)
Depreciation	315	346	(9.0)	315	346	(9.0)
Amortisation of transaction costs on borrowings	229	349	(34.4)	229	349	(34.4)
Tax and other adjustments	1,295	(967)	>100.0	1,295	(967)	>100.0
	<u>4,110</u>	<u>2,133</u>	<u>92.7</u>	<u>4,110</u>	<u>2,133</u>	<u>92.7</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 FIRST QUARTER ENDED 31 MARCH 2018 (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 2017	2,162,544	16,673	506,372	2,685,589
Total comprehensive income for the financial period	-	40,240	-	40,240
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,897	-	-	4,897
- Distribution paid to unitholders ¹	-	(85,931)	-	(85,931)
Increase/(Decrease) in net assets resulting from unitholders' transactions	4,897	(85,931)	-	(81,034)
As at 31 March 2017 (Unaudited)	2,167,441	(29,018)	506,372	2,644,795
As at 1 January 2018	2,172,216	4,365	510,615	2,687,196
Total comprehensive income for the financial period	-	37,253	-	37,253
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,620	-	-	4,620
- Distribution paid to unitholders ²	-	(83,140)	-	(83,140)
Increase/(Decrease) in net assets resulting from unitholders' transactions	4,620	(83,140)	-	(78,520)
As at 31 March 2018 (Unaudited)	2,176,836	(41,522)	510,615	2,645,929

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 2017.

1. This refers to the 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.
2. This refers to the 2017 final income distribution of 4.08 sen per unit for the period from 1 July 2017 to 31 December 2017 paid on 28 February 2018.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	THREE MONTHS ENDED	
	31 MARCH 2018	31 MARCH 2017
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	37,253	40,240
Adjustments for:-		
Manager's management fee payable in units	2,271	2,405
Depreciation	315	346
Finance costs	14,958	14,660
Interest income	(1,292)	(1,413)
Operating profit before changes in working capital	53,505	56,238
Changes in working capital:		
Trade and other receivables	(535)	(2,075)
Trade and other payables	(1,473)	(2,030)
Tenants' deposits	(1,801)	(1,144)
Net cash generated from operating activities	49,696	50,989
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(117)	(215)
Capital expenditure on investment properties	(6,194)	(7,200)
Interest received	1,292	1,413
Net cash used in investing activities	(5,019)	(6,002)
Cash Flows From Financing Activities		
Distribution paid to unitholders	(83,140)	(85,931)
Interest paid	(11,504)	(11,102)
Payment of financing expenses	(6)	(9)
Placement of pledged deposits with a licensed bank	-	(3,210)
Proceeds from interest bearing borrowings	4,550	6,000
Net cash used in financing activities	(90,100)	(94,252)
Net decrease in cash and cash equivalents	(45,423)	(49,265)
Cash and cash equivalents at beginning of the period	179,840	188,857
Cash and cash equivalents at end of the period	134,417	139,592
Cash and cash equivalents at end of the period comprises :		
Deposits placed with licensed banks	100,891	113,816
Cash and bank balances	40,009	32,226
	140,900	146,042
Less: Pledged deposits	(6,483)	(6,450)
	134,417	139,592

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 2017.

CAPITALAND MALAYSIA MALL TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (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 first quarter ended 31 March 2018 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 2017.

A2. Changes in Accounting Policies

On 1 January 2018, the Group and CMMT adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2018:

Amendments to MFRS 9, Financial Instruments (2014)
Amendments to MFRS 15, Revenue from Contracts with Customers
Clarification to MFRS 15, Revenue from Contracts with Customers
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
Amendment to MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140, Investment Property – Transfer of Investment Property

The adoption of the above Amendments to MFRSs 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 2017 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, 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.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

A7. Debt and Equity Securities

CMMT issued 2,882,300 new units in CMMT at approximately RM1.603* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 July 2017 to 31 December 2017. The units were listed on the Main Market of Bursa Securities on 22 March 2018.

* Based on the 10-day volume weighted average price of the units up to and including 29 December 2017.

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 31 March 2018 are as follows:

Business Segment	1Q /YTD 2018			1Q / YTD 2017		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	88,407	1,326	89,733	90,761	1,683	92,444
Net property income	56,283	762	57,045	58,646	1,070	59,716
Interest income			1,292			1,413
Unallocated expenses			(6,126)			(6,229)
Finance costs			(14,958)			(14,660)
Profit before taxation			37,253			40,240
Taxation			-			-
Profit for the period			37,253			40,240

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.

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	2,037,752,700
Units issued as satisfaction of the Manager's management fee payable in units	2,882,300
Total units in issue	2,040,635,000

**CAPITALAND MALAYSIA MALL TRUST
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A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

Contracted but not provided for	RM'000 <u>20,652</u>
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Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

	1Q/YTD 2018 (Unaudited) RM'000	1Q/YTD 2017 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue			
Gurney Plaza	37,230	36,464	2.1
Sungei Wang	8,708	10,185	(14.5)
The Mines	18,009	19,177	(6.1)
Tropicana City Property ¹	11,635	12,627	(7.9)
East Coast Mall	14,151	13,991	1.1
Total Gross Revenue	<u>89,733</u>	<u>92,444</u>	<u>(2.9)</u>
(b) Breakdown of Property Operating Expenses			
Gurney Plaza	11,196	9,943	12.6
Sungei Wang	4,300	5,388	(20.2)
The Mines	6,825	7,233	(5.6)
Tropicana City Property	5,441	5,260	3.4
East Coast Mall	4,926	4,904	0.4
Total Property Operating Expenses	<u>32,688</u>	<u>32,728</u>	<u>(0.1)</u>
(c) Breakdown of Net Property Income			
Gurney Plaza	26,034	26,521	(1.8)
Sungei Wang	4,408	4,797	(8.1)
The Mines	11,184	11,944	(6.4)
Tropicana City Property	6,194	7,367	(15.9)
East Coast Mall	9,225	9,087	1.5
Total Net Property Income	<u>57,045</u>	<u>59,716</u>	<u>(4.5)</u>

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

CAPITALAND MALAYSIA MALL TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (1Q 2018 vs 1Q 2017)

The Group recorded gross revenue of RM89.7 million in 1Q 2018, a decrease of RM2.7 million or 2.9% against 1Q 2017. The decrease was mainly due to lower rental rates and occupancy, mitigated by the one-off compensation and forfeiture of rental deposit for premature termination of a mini anchor tenant at Sungei Wang (SW). Lower gross revenue was recorded for The Mines (TM) mainly due to lower rental rates whilst lower gross revenue in Tropicana City Property (TCP) was mainly due to lower occupancy. The decrease was mitigated by better performance from Gurney Plaza (GP) and East Coast Mall (ECM) on the back of higher rental rates.

Property operating expenses for 1Q 2018 were RM32.7 million, a decrease of 0.1% against 1Q 2017. This was mainly attributed to lower utilities consumption, reimbursable staff costs and the one-off service charge rebate at SW. The decrease was, however, offset by a one-off additional property assessment fees for prior years at GP.

The net property income for 1Q 2018 of RM57.0 million was 4.5% lower than 1Q 2017.

Finance costs for 1Q 2018 of RM15.0 million were 2.0% higher than 1Q 2017. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works and higher average cost of debt post the Overnight Policy Rate hike of 0.25% by Bank Negara Malaysia on 25 January 2018. Average cost of debt for 1Q 2018 was 4.44% p.a. (1Q 2017: 4.39% p.a.).

CMMT has incurred RM1.0 million of capital expenditure during the quarter. This was mainly attributed to the commencement of the assets enhancement works of anchor space on Level 1 and new escalators on Ground Floor at ECM and design fee of the new retail layout at SW.

Overall, distributable income to unitholders for 1Q 2018 was RM41.2 million, a decrease of RM1.1 million or 2.6% against 1Q 2017.

Financial Year-to-date Results (YTD 2018 vs YTD 2017)

Review of financial year-to-date results is the same as above.

B2. Material Changes in Quarter Results

	Quarter ended 31 March 2018 RM'000	Quarter ended 31 December 2017 RM'000	Change %
Profit before taxation	37,253	53,646	(30.6)
Add/(Less) : Fair value loss/(gain) of investment properties (net)	-	(16,016)	(100.0)
Profit before taxation, excluding net fair value gain/loss of investment properties	37,253	37,630	(1.0)

Other than the net fair value gain of RM16.0 million resulting from the valuation as at 31 December 2017, there is no material change in the financial results of 1Q 2018 as compared to 4Q 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.

**CAPITALAND MALAYSIA MALL TRUST
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B4. Commentary on Prospects

The Malaysian economy grew 5.9% in 2017, driven mainly by continued improvement in domestic demand. Moving into 2018, the Malaysian economy is expected to remain on a steady growth path and expand by 5.5% to 6.0%, underpinned by strong domestic fundamentals and a resilient export sector in view of strengthening global economic conditions (source: Bank Negara Malaysia Annual Report 2017). Retail sales are estimated to grow by 4.7% this year (source: Malaysia Retail Group Industry Report, March 2018).

Despite the global economic recovery, we expect business and consumer sentiments in Malaysia to remain cautious amidst ongoing concerns about rising costs of living. The retail real estate environment will remain challenging, with growing competition arising from new shopping malls coming onstream, particularly in the Klang Valley, and e-commerce.

We are cognisant of the changing competitive landscape and will implement asset enhancement, tenant remixing, introduce new retail concepts and marketing initiatives with the goal of stabilising yields and returns, while continuing to seek quality acquisition opportunities.

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 ended 31 December 2018 to its unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Nil

B8. Borrowings and Debt Securities

	As at 31 March 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
Long term borrowings		
Secured revolving credit	65,900	64,400
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(3,520)	(3,749)
	<u>1,280,810</u>	<u>1,279,081</u>
Short term borrowings		
Unsecured revolving credit	61,250	58,200
	<u>61,250</u>	<u>58,200</u>
Total borrowings	<u>1,342,060</u>	<u>1,337,281</u>

All the borrowings are denominated in Ringgit Malaysia.

CAPITALAND MALAYSIA MALL TRUST FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)

B8. Borrowings and Debt Securities (cont'd)

During the quarter, additional revolving credit facilities of RM4.6 million were drawn down to fund the capital expenditure incurred by the properties. In terms of interest rate risk management, CMMT re-fixed the interest rate of the existing RM430.0 million term loans and converted RM70.0 million floating rate term loan to fixed rate term loan for three years.

As of to date, two out of five properties of the Group, namely Sungei Wang and East Coast Mall, remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 85% and 15% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 28 February 2018, CMMT paid its final income distribution of RM83.1 million or 4.08 sen per unit for the period from 1 July 2017 to 31 December 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 FIRST QUARTER ENDED 31 MARCH 2018 (UNAUDITED)**

B11. Composition of Investment Portfolio as at 31 March 2018

As at 31 March 2018, CMMT's portfolio comprised the following investment properties:

Investment properties	Cost of Investment¹ RM'000	Net Book Value² RM'000	Market Value RM'000	Market Value as % of NAV³ %
Gurney Plaza	1,134,320	1,575,071	1,575,000	59.5
Sungei Wang	759,908	583,271	583,000	22.0
The Mines	589,002	727,000	727,000	27.5
Tropicana City Property	578,535	570,277	570,000	21.5
East Coast Mall	394,640	511,401	511,000	19.3
Total	3,456,405	3,967,020	3,966,000	

The market value of Sungei Wang, The Mines and East Coast Mall were stated at valuations conducted by PPC International Sdn. Bhd. as at 31 December 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 31 December 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 31 December 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 RM2,645,929,000 as at 31 March 2018. This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 31 March 2018	Quarter ended 31 December 2017
Number of units in circulation (units)	2,040,635,000	2,037,752,700
NAV before income distribution (RM'000)	2,645,929	2,687,196
NAV after income distribution (RM'000)	2,604,708	2,604,056
NAV per unit ¹ (RM)	1.2764	1.2779
Total comprehensive income (RM'000)	37,253	53,646
Weighted average number of units in issue (units)	2,038,072,956	2,037,752,700
EPU after manager's management fee (sen)	1.83	2.63
Distributable income (RM'000)	41,221	40,755
DPU (sen)	2.02	2.00
Market price (RM)	1.08	1.83
DPU yield (%)	1.87	1.09

- 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.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

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B14. Manager's Fees

For the financial period ended 31 March 2018, 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:

	1Q/YTD 2018 Actual (Unaudited) RM'000
Base management fee	2,954
Performance fee	2,710
Total fees	<u>5,664</u>

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

	No of units units	Percentage of unitholdings⁵ %	Market value⁴ at 30 March 2018 RM
CMMT Investment Limited ¹	710,973,600	34.84	767,851,488
Menang Investment Limited ¹	33,832,200	1.66	36,538,776
CapitaLand Malaysia Mall REIT Management Sdn Bhd (CMRM) ²	2,882,300	0.14	3,112,884
Direct unitholdings of the Directors of the Manager:			
Ms Low Peck Chen	12,000	N.M.	12,960
Ms Tan Siew Bee	100,000	N.M.	108,000
Dr Peter Tay Buan Huat ³	100,000	N.M.	108,000
Mr Lee Hui Yeow ⁶	23,000	N.M.	24,840
	<u>747,923,100</u>	<u>36.65</u>	<u>807,756,948</u>

N.M. - Not meaningful

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

² CMRM is the Manager of CMMT

³ Units held through nominees.

⁴ The market value of the units is computed based on the closing price of RM1.08 per unit as at 30 March 2018.

⁵ Approximation.

⁶ Ceased to be alternate director to Mr Ng Kok Siong on 15 April 2018 and was appointed as alternate director to Mr Lim Cho Pin Andrew Geoffrey on 15 April 2018.

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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 31 March 2018 and of their financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 24 April 2018.

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: 24 April 2018