

**CAPITALAND MALAYSIA MALL TRUST**  
**CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30-Sep 2020 (UNAUDITED) RM'000	As at 31-Dec 2019 (AUDITED) RM'000
<b>Assets</b>		
Plant and equipment	3,163	3,201
Investment properties	4,046,472	4,035,000
Total non-current assets	<u>4,049,635</u>	<u>4,038,201</u>
Trade and other receivables	31,182	21,059
Cash and cash equivalents	77,391	84,584
Total current assets	<u>108,573</u>	<u>105,643</u>
<b>Total assets</b>	<b><u>4,158,208</u></b>	<b><u>4,143,844</u></b>
<b>Equity</b>		
Unitholders' capital	2,192,716	2,189,028
Undistributed profit	396,418	412,898
Total unitholders' funds	<u>2,589,134</u>	<u>2,601,926</u>
<b>Liabilities</b>		
Borrowings	1,265,025	1,242,539
Tenants' deposits	32,406	35,492
Deferred tax liability	19,495	19,495
Total non-current liabilities	<u>1,316,926</u>	<u>1,297,526</u>
Borrowings	143,260	131,610
Tenants' deposits	53,530	53,930
Trade and other payables	55,358	58,852
Total current liabilities	<u>252,148</u>	<u>244,392</u>
Total liabilities	<u>1,569,074</u>	<u>1,541,918</u>
<b>Total equity and liabilities</b>	<b><u>4,158,208</u></b>	<b><u>4,143,844</u></b>
<b>Number of units in circulation ('000 units)</b>	<b>2,055,387</b>	<b>2,051,753</b>
<b>Net asset value (NAV)</b>		
- before income distribution	2,589,134	2,601,926
- after income distribution	2,545,149	2,539,757
<b>NAV per unit (RM)</b>		
- before income distribution	1.2597	1.2681
- after income distribution	1.2383	1.2378

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 2019.

**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER			YEAR TO DATE		
	30-Sep		Change	30-Sep		Change
	2020	2019		2020	2019	
(UNAUDITED)	(UNAUDITED)	%	(UNAUDITED)	(UNAUDITED)	%	
	RM'000	RM'000		RM'000	RM'000	
Gross rental income	56,237	65,736	(14.5)	157,356	200,561	(21.5)
Car park income	4,624	5,395	(14.3)	10,625	17,164	(38.1)
Other revenue	9,184	12,590	(27.1)	26,477	38,749	(31.7)
<b>Gross revenue</b>	<b>70,045</b>	<b>83,721</b>	<b>(16.3)</b>	<b>194,458</b>	<b>256,474</b>	<b>(24.2)</b>
Maintenance expenses	(7,855)	(8,507)	(7.7)	(26,003)	(26,264)	(1.0)
Utilities	(8,478)	(13,268)	(36.1)	(29,340)	(39,959)	(26.6)
Other operating expenses <sup>1</sup>	(12,962)	(12,750)	1.7	(39,644)	(37,975)	4.4
Property operating expenses	(29,295)	(34,525)	(15.1)	(94,987)	(104,198)	(8.8)
<b>Net property income</b>	<b>40,750</b>	<b>49,196</b>	<b>(17.2)</b>	<b>99,471</b>	<b>152,276</b>	<b>(34.7)</b>
Interest income	252	661	(61.9)	1,238	2,318	(46.6)
Fair value gain of investment properties (net)	-	-	-	-	(30,042)	(100.0)
Other non-operating income	4,958	-	-	4,958	-	-
<b>Net investment income</b>	<b>45,960</b>	<b>49,857</b>	<b>(7.8)</b>	<b>105,667</b>	<b>124,552</b>	<b>(15.2)</b>
Manager's management fee	(4,965)	(5,346)	(7.1)	(13,712)	(16,205)	(15.4)
Trustee's fee	(101)	(101)	-	(300)	(300)	-
Auditor's fee	(69)	(38)	81.6	(184)	(153)	20.3
Tax agent's fee	(7)	(5)	40.0	(22)	(20)	10.0
Valuation fee	(73)	(77)	(5.2)	(220)	(231)	(4.8)
Finance costs	(14,284)	(15,616)	(8.5)	(44,714)	(46,326)	(3.5)
Other non-operating expenses <sup>1</sup>	(235)	(265)	(11.3)	(827)	(829)	(0.2)
	(19,734)	(21,448)	(8.0)	(59,979)	(64,064)	(6.4)
<b>Profit before taxation</b>	<b>26,226</b>	<b>28,409</b>	<b>(7.7)</b>	<b>45,688</b>	<b>60,488</b>	<b>(24.5)</b>
Taxation	-	-	-	-	-	-
Deferred taxation	-	-	-	-	(9,752)	(100.0)
<b>Profit for the quarter/ period</b>	<b>26,226</b>	<b>28,409</b>	<b>(7.7)</b>	<b>45,688</b>	<b>50,736</b>	<b>(10.0)</b>
Other comprehensive income, net of tax	-	-	-	-	-	-
<b>Total comprehensive income for the quarter/ period</b>	<b>26,226</b>	<b>28,409</b>	<b>(7.7)</b>	<b>45,688</b>	<b>50,736</b>	<b>(10.0)</b>
Distribution adjustments <sup>2</sup>	(3,057)	2,425	(>100.0)	(1,672)	46,110	(>100.0)
<b>Income available for distribution</b>	<b>23,169</b>	<b>30,834</b>	<b>(24.9)</b>	<b>44,016</b>	<b>96,846</b>	<b>(54.6)</b>
<b>Distributable income<sup>3</sup></b>	<b>23,226</b>	<b>30,982</b>	<b>(25.0)</b>	<b>43,985</b>	<b>96,804</b>	<b>(54.6)</b>
Realised	26,226	28,409	(7.7)	45,688	90,530	(49.5)
Unrealised <sup>4</sup>	-	-	-	-	(39,794)	(100.0)
	26,226	28,409	(7.7)	45,688	50,736	(10.0)

**CAPITALAND MALAYSIA MALL TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

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

	CURRENT QUARTER			YEAR TO DATE		
	30-Sep			30-Sep		
	2020 (UNAUDITED)	2019 (UNAUDITED)	Change %	2020 (UNAUDITED)	2019 (UNAUDITED)	Change %
<b>Earnings per unit (sen)<sup>5</sup></b>						
- before Manager's management fee	1.52	1.65	(7.9)	2.89	3.28	(11.9)
- after Manager's management fee	1.27	1.39	(8.6)	2.22	2.48	(10.5)
<b>Distribution per unit (DPU) (sen)</b>	1.13	1.51	(25.2)	2.14	4.73	(54.8)
<b>DPU (sen) – annualised</b>	4.50	5.99	(24.9)	2.86	6.32	(54.7)

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 2019.

**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (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			YEAR TO DATE		
	30-Sep			30-Sep		
	2020	2019	Change	2020	2019	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
RM'000	RM'000	%	RM'000	RM'000	%	
Impairment losses for trade receivables	(2,340)	(263)	>100.0	(6,969)	(771)	>100.0
Bad debts recovered	-	-	-	1,033	-	-
Bad debts written off	-	(19)	(100.0)	-	(19)	(100.0)
Foreign exchange gain/(loss):						
- Unrealised	-	*	-	-	*	-
- Realised	*	-	-	(1)	(2)	(33.4)
	(2,340)	(282)	>100.0	(5,937)	(792)	>100.0

\* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER			YEAR TO DATE		
	30-Sep			30-Sep		
	2020	2019	Change	2020	2019	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
RM'000	RM'000	%	RM'000	RM'000	%	
Fair value loss of investment properties (net)	-	-	-	-	30,042	(100.0)
Manager's management fee payable in units *	1,501	1,834	(18.1)	3,661	5,729	(36.1)
Depreciation	302	312	(3.2)	929	785	18.4
Amortisation of transaction costs on borrowings	210	215	(2.3)	624	640	(2.5)
Deferred taxation	-	-	-	-	9,752	(100.0)
Tax and other adjustments	(5,070)	64	(>100.0)	(6,886)	(838)	>100.0
	(3,057)	2,425	(>100.0)	(1,672)	46,110	(>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 THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

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

	Unitholders' Capital RM'000	Undistributed Profit RM'000	Total Unitholders' Funds RM'000
<b>As at 1 January 2019</b>	2,181,132	485,434	2,666,566
Total comprehensive income for the financial period	-	50,736	50,736
<b>Unitholders' transactions</b>			
- Units issued as part satisfaction of the Manager's management fee	7,896	-	7,896
- Distribution paid to unitholders <sup>1</sup>	-	(145,136)	(145,136)
<b>Increase/(Decrease) in net assets resulting from unitholders' transactions</b>	7,896	(145,136)	(137,240)
<b>As at 30 September 2019 (Unaudited)</b>	<b>2,189,028</b>	<b>391,034</b>	<b>2,580,062</b>
<b>As at 1 January 2020</b>	2,189,028	412,898	2,601,926
Total comprehensive income for the financial period	-	45,688	45,688
<b>Unitholders' transactions</b>			
- Units issued as part satisfaction of the Manager's management fee	3,688	-	3,688
- Distribution paid to unitholders <sup>2</sup>	-	(62,168)	(62,168)
<b>Increase/(Decrease) in net assets resulting from unitholders' transactions</b>	<b>3,688</b>	<b>(62,168)</b>	<b>(58,480)</b>
<b>As at 30 September 2020 (Unaudited)</b>	<b>2,192,716</b>	<b>396,418</b>	<b>2,589,134</b>

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 2019.

1. This refers to (i) 2018 final income distribution of 3.88 sen per unit for the period from 1 July 2018 to 31 December 2018 paid on 8 March 2019, and (ii) first income distribution of 3.22 sen per unit for the period 1 January 2019 to 30 June 2019 paid on 3 September 2019.
2. 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.

**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>NINE MONTHS ENDED</b>	
	<b>30-Sep-20</b>	<b>30-Sep-19</b>
	<b>(UNAUDITED)</b>	<b>(UNAUDITED)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	45,688	60,488
Adjustments for:-		
Manager's management fee payable in units	3,661	5,729
Depreciation	929	785
Fair value loss of investment properties (net)	-	30,042
Finance costs	44,714	46,326
Interest income	(1,238)	(2,318)
Impairment losses for trade receivables	6,969	771
<b>Operating profit before changes in working capital</b>	<b>100,723</b>	<b>141,823</b>
Changes in working capital:		
Trade and other receivables	(17,092)	(3,572)
Trade and other payables	(423)	(1,305)
Tenants' deposits	(3,719)	590
<b>Net cash generated from operating activities</b>	<b>79,489</b>	<b>137,536</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of plant and equipment	(891)	(2,593)
Capital expenditure on investment properties	(15,979)	(51,610)
Interest received	1,238	2,318
<b>Net cash used in investing activities</b>	<b>(15,632)</b>	<b>(51,885)</b>
<b>Cash Flows From Financing Activities</b>		
Distribution paid to unitholders	(62,168)	(145,136)
Interest paid	(42,272)	(42,112)
Payment of financing expenses	(132)	(102)
Proceeds from interest bearing borrowings	77,722	132,207
Repayment of interest bearing borrowings	(44,200)	(63,675)
<b>Net cash used in financing activities</b>	<b>(71,050)</b>	<b>(118,818)</b>
Net decrease in cash and cash equivalents	(7,193)	(33,167)
Cash and cash equivalents at beginning of the period	78,354	94,897
<b>Cash and cash equivalents at end of the period</b>	<b>71,161</b>	<b>61,730</b>
<b>Cash and cash equivalents at end of the period comprise :</b>		
Deposits placed with licensed banks	58,424	43,831
Cash and bank balances	18,967	24,382
	77,391	68,213
Less: Pledged deposits	(6,230)	(6,483)
	<b>71,161</b>	<b>61,730</b>

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 2019.

# CAPITALAND MALAYSIA MALL TRUST

## FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (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 2020 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) 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 5 October 2018 (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 2019.

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

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

Amendments to MFRS 3, Business Combinations – Definition of a Business  
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform  
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

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 2019 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**

None except for the effects of the COVID-19 global pandemic and the various phases of Movement Control Order (MCO), Conditional Movement Control Order (CMCO) and Recovery Movement Control Order (RMCO) 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 B8, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter.



**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (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.

**A9. Segmental Reporting**

Segmental results for the quarter/period ended 30 September 2020 are as follows:

Business Segment	3Q 2020			3Q 2019		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	69,029	1,016	70,045	82,045	1,676	83,721
Net property income	40,195	555	40,750	48,087	1,109	49,196
Interest income			252			661
Other non-operating income			4,958			-
Unallocated expenses			(5,450)			(5,832)
Finance costs			(14,284)			(15,616)
<b>Profit before taxation</b>			<b>26,226</b>			<b>28,409</b>
Taxation			-			-
Deferred taxation			-			-
<b>Profit for the quarter</b>			<b>26,226</b>			<b>28,409</b>

Business Segment	YTD 2020			YTD 2019		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	189,989	4,469	194,458	251,438	5,036	256,474
Net property income	96,540	2,931	99,471	148,890	3,386	152,276
Interest income			1,238			2,318
Other non-operating income			4,958			-
Fair value gain of investment properties (net)			-			(30,042)
Unallocated expenses			(15,265)			(17,738)
Finance costs			(44,714)			(46,326)
<b>Profit before taxation</b>			<b>45,688</b>			<b>60,488</b>
Taxation			-			-
Deferred taxation			-			(9,752)
<b>Profit for the period</b>			<b>45,688</b>			<b>50,736</b>

## CAPITALAND MALAYSIA MALL TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)

### 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. Effective FY2020, the property revaluation exercise will be changed from semi-annual to annual basis, to be in line with industry practices and CapitaLand Limited Group's policies.

The carrying amount of investment properties as at 30 September 2020 is based on the independent valuations as at 31 December 2019 and subsequent capital expenditure incurred up to the reporting date, and has not taken into account the impact of COVID-19.

The outbreak of the COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global markets. Travel and movement restrictions have been implemented by many countries including Malaysia and market activity is being abruptly impacted in many sectors. The potential impact of COVID-19 remains fluid and is evolving. Therefore, the carrying amount of investment properties based on the valuation methodology involving significant judgement and estimation used in the underlying key assumptions applied may materially change.

### A11. Subsequent Events

Nil.

### A12. Changes in Composition of the Trust

Nil.

### 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	<b>RM'000</b> <u>2,817</u>
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**CAPITALAND MALAYSIA MALL TRUST**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

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

**B1. Review of Performance**

	<b>3Q 2020</b>	<b>3Q 2019</b>	<b>Change</b>	<b>YTD 2020</b>	<b>YTD 2019</b>	<b>Change</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Breakdown of Gross Revenue</b>						
Gurney Plaza	32,649	37,456	(12.8)	87,700	114,544	(23.4)
East Coast Mall	13,610	15,824	(14.0)	36,055	47,627	(24.3)
Sungei Wang	4,894	6,093	(19.7)	15,944	18,510	(13.9)
3 Damansara Property	7,359	10,527	(30.1)	23,507	32,498	(27.7)
The Mines	11,533	13,821	(16.6)	31,252	43,295	(27.8)
<b>Total Gross Revenue</b>	<b>70,045</b>	<b>83,721</b>	<b>(16.3)</b>	<b>194,458</b>	<b>256,474</b>	<b>(24.2)</b>
<b>Breakdown of Property Operating Expenses</b>						
Gurney Plaza	9,323	10,727	(13.1)	29,314	32,864	(10.8)
East Coast Mall	4,468	5,238	(14.7)	13,665	15,968	(14.4)
Sungei Wang	4,744	6,671	(28.9)	17,183	18,401	(6.6)
3 Damansara Property	5,012	5,823	(13.9)	16,497	16,940	(2.6)
The Mines	5,748	6,066	(5.2)	18,328	20,025	(8.5)
<b>Total Property Operating Expenses</b>	<b>29,295</b>	<b>34,525</b>	<b>(15.1)</b>	<b>94,987</b>	<b>104,198</b>	<b>(8.8)</b>
<b>Breakdown of Net Property Income</b>						
Gurney Plaza	23,326	26,729	(12.7)	58,386	81,680	(28.5)
East Coast Mall	9,142	10,586	(13.6)	22,390	31,659	(29.3)
Sungei Wang	150	(578)	(>100.0)	(1,239)	109	(>100.0)
3 Damansara Property	2,347	4,704	(50.1)	7,010	15,558	(54.9)
The Mines	5,785	7,755	(25.4)	12,924	23,270	(44.5)
<b>Total Net Property Income</b>	<b>40,750</b>	<b>49,196</b>	<b>(17.2)</b>	<b>99,471</b>	<b>152,276</b>	<b>(34.7)</b>

## **CAPITALAND MALAYSIA MALL TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

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

#### **Quarter Results (3Q 2020 vs 3Q 2019)**

The Group recorded gross revenue of RM70.0 million in 3Q 2020, a decrease of RM13.7 million or 16.3% against 3Q 2019. The decrease was mainly due to targeted rental waivers and rebates extended to affected tenants who fall under the category of non-essential services across portfolio during the recovery phase of movement control, lower car park and marcom income as well as lower recovery of utilities since the electricity rebates received were passed on to tenants. Lower gross rental income was also due to lower occupancies amidst the uncertainties arising from the pandemic and economic recovery post-MCOs. The decrease was partially mitigated by revenue contribution from Jumpa (JP) following the completion of the asset enhancement initiatives (AEI) and the soft opening on 25 September 2019.

Property operating expenses for 3Q 2020 was RM29.3 million, a decrease of 15.1% against 3Q 2019 mainly due to lower utilities expenses as a result of lower electricity consumption and lower marketing expenses across portfolio which was offset by higher impairment losses for trade receivables.

The net property income (NPI) for 3Q 2020 of RM40.8 million was RM8.4 million or 17.2% lower than 3Q 2019.

Finance costs for 3Q 2020 of RM14.3 million were RM1.3 million or 8.5% lower than 3Q 2019. The decrease was mainly due to lower cost of debts for 3Q 2020 at 3.96% p.a. (3Q 2019: 4.42% p.a.) arising from the reductions in Overnight Policy Rate (OPR) and refixing of interest rate for a term loan of RM348 million.

Capital expenditure incurred for 3Q 2020 was RM 5.1 million.

Overall, distributable income to unitholders for 3Q 2020 was RM23.2 million, a decrease of RM7.8 million or 25.0% against 3Q 2019 mainly due to abovementioned factors.

#### **Financial Year-to-date Results (YTD 2020 vs YTD 2019)**

The Group recorded gross revenue of RM194.5 million, a decrease of RM62.0 million or 24.2% against the previous financial period. The decrease was mainly due to targeted rental waivers and rebates extended to affected tenants who fall under the category of non-essential services across portfolio during the various phases of the MCO/ CMCO/ RMCO, lower car park and marcom income as well as lower recovery of utilities during the MCO/ CMCO/ RMCO periods since the electricity rebates received were passed on to tenants. Lower gross rental income also attributed to lower occupancies amidst the uncertainties arising from the pandemic and economic recovery post-MCOs. The decrease was partially mitigated by revenue contribution from JP following the completion of the AEI and the soft opening on 25 September 2019. Additionally, GP experienced downtime due to the delay in launching its food hall which was originally scheduled to launch in June 2020 but only take off in October 2020.

Property operating expenses for YTD 2020 were RM95.0 million, a decrease of RM9.2 million or 8.8% against the previous financial period mainly due to lower utilities at all malls except for Sungei Wang as a result of lower electricity consumption and lower electricity surcharge with effect from 1 January 2020. Lower marketing expenses during the MCO/ CMCO/ RMCO also contributed to the lower operating expenses recorded. The decrease was offset by higher maintenance and marketing expenses at JP since the commencement of its operation, higher adhoc repair expenses at 3 Damansara Property and higher impairment losses for trade receivables across portfolio.

The NPI for YTD 2020 of RM99.5 million was RM52.8 million or 34.7% lower than YTD 2019.

Effective FY2020, the property revaluation exercise will be changed from semi-annual to annual basis, to be in line with industry practices and CapitaLand Limited Group's policies. Therefore, CMMT has not registered any fair value gain or loss amount and the corresponding deferred tax impact on the investment properties for the period ended 30 September 2020.

**CAPITALAND MALAYSIA MALL TRUST  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

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

**Financial Year-to-date Results (YTD 2020 vs YTD 2019) (cont'd)**

Finance costs for YTD 2020 of RM44.7 million were RM1.6 million or 3.5% lower than YTD 2019. The decrease was mainly due to lower average cost of debt for YTD 2020 at 4.21% p.a. (YTD 2019: 4.45% p.a.) arising from the reductions in OPR during the period under review and refixing of interest rate for a term loan of RM348 million.

CMMT incurred RM 11.5 million of capital expenditure during the period mainly due to AEI works of the food hall on Level 4 at Gurney Plaza which was completed in September 2020.

Overall, distributable income to unitholders for the financial period was RM44.0 million, a decrease of RM52.8 million or 54.6% against YTD 2019 due to abovementioned factors.

**B2. Material Changes in Quarter Results**

	<b>Quarter ended 30-Sep-20 RM'000</b>	<b>Quarter ended 30-Jun-20 RM'000</b>	<b>Change %</b>
Profit before taxation	<u>26,226</u>	<u>192</u>	<u>&gt;100.0</u>

The significant improvement in the financial results of 3Q 2020 as compared to 2Q 2020 was mainly due to the higher rental waivers and rebates given to tenants affected by the various phases of MCO during 2Q 2020 as compared with the current quarter under review where most of the business activities were allowed to resume under the RMCO.

**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**

Malaysia's economy contracted by 17.1% in 2Q 2020 as a result of the movement control order measures implemented to contain the spread of COVID-19. Following the resumption of economic activities under the Recovery Movement Control Order (RMCO) from 10 June 2020, Bank Negara Malaysia expects improvements in the Malaysian economy in 2H 2020 on the back of recovery in global growth as well as gradual improvements in domestic consumption. However, given the highly challenging global and local economic outlook this year arising from the COVID-19 pandemic, Bank Negara Malaysia expects the country's economy to contract between 3.5% and 5.5% for the full year of 2020.

To slow the transmission of COVID-19, the Malaysian Government has extended the RMCO until the end of 2020. Further, following the recent increases in COVID-19 cases in Malaysia, Selangor, Kuala Lumpur and Putrajaya have been placed under the Conditional Movement Control Order (CMCO) from 14 October 2020 to 9 November 2020. The operating environment continues to be challenging in the near term as consumer and retailer sentiments are expected to remain subdued against the backdrop of economic uncertainties, border closures, interstate travel restrictions and safe distancing measures resulting from COVID-19.

## **CAPITALAND MALAYSIA MALL TRUST FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

### **B4. Commentary on Prospects (cont'd)**

With most of its tenants having reopened under RMCO, CMMT's shopper traffic for the first nine months of 2020 had recovered about 60% of last year's level. As at 30 September 2020, CMMT has renewed more than 50% of the portfolio's expiring leases and is in advanced negotiations for the remaining leases due this year. In addition to rolling out a comprehensive rental relief support of up to RM35.0 million for 2020, CMMT is accelerating its tenants' digital adoption strategy with cashback and online marketing campaigns to encourage shopper spending.

The CMCO reintroduced on 14 October 2020 affects three of CMMT's malls in the Klang Valley. At Gurney Plaza, a contemporary food hall has been added to improve shoppers' dining experience. The completion of this asset enhancement initiative amidst COVID-19 demonstrates CMMT's commitment to value creation.

CMMT remains focused in ensuring a safe environment for shoppers, tenants and employees. Further to implementing the necessary precautionary measures in accordance with local health guidelines, CMMT has recently rolled out innovative technological solutions to step up the cleaning and disinfection of its properties.

With the refinancing of a fixed rate term loan at a lower interest rate, CMMT will be able to enjoy annual interest savings under the current low interest rate environment. As a result of prudent capital management, CMMT maintains a healthy and adequate financial position to meet its financial and operational obligations with no near-term refinancing requirements until 2022. Until the challenging situation normalises, CMMT's focus remains on stabilising its portfolio and building greater resilience in its retail ecosystem, in line with the long-term interests of 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 2020 to its unitholders, no provision for tax has been made for the current quarter.

### **B7. Status of Corporate Proposals**

Nil.

**CAPITALAND MALAYSIA MALL TRUST  
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**B8. Borrowings and Debt Securities**

	<b>As at 30-Sep 2020 (Unaudited) RM'000</b>	<b>As at 31-Dec 2019 (Audited) RM'000</b>
<b>Long term borrowings</b>		
Secured revolving credit	48,558	26,687
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(1,963)	(2,578)
	<u>1,265,025</u>	<u>1,242,539</u>
<b>Short term borrowings</b>		
Secured revolving credit	10,100	-
Unsecured revolving credit	133,160	131,610
	<u>143,260</u>	<u>131,610</u>
<b>Total borrowings</b>	<u><b>1,408,285</b></u>	<u><b>1,374,149</b></u>

All the borrowings are denominated in Ringgit Malaysia.

During the period, the net increase in total gross borrowings (before deducting unamortised transaction costs) of RM33.5 million was mainly due to additional revolving credit facilities (RCF) of RM77.7 million drawn down to reimburse the cash balances previously utilised for capital expenditure settlement, offset by the partial repayment of RCF totalling RM44.2 million.

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 81% and 19% respectively.

**B9. Change in Material Litigation**

Nil.

**CAPITALAND MALAYSIA MALL TRUST**  
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**B10. Income Distribution**

Distribution to unitholders is from the following sources:-

	CURRENT QUARTER			YEAR TO DATE		
	30-Sep			30-Sep		
	2020	2019	Change	2020	2019	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Gross rental income	56,237	65,736	(14.5)	157,356	200,561	(21.5)
Car park income	4,624	5,395	(14.3)	10,625	17,164	(38.1)
Other revenue	9,184	12,590	(27.1)	26,477	38,749	(31.7)
Interest income	252	661	(61.9)	1,238	2,318	(46.6)
Other income	4,958	-	-	4,958	-	-
Fair value loss of investment properties (net)	-	-	-	-	(30,042)	(100.0)
	<b>75,255</b>	<b>84,382</b>	<b>(10.8)</b>	<b>200,654</b>	<b>228,750</b>	<b>(12.3)</b>
Total property and trust expenses	(49,029)	(55,973)	(12.4)	(154,966)	(168,262)	(7.9)
Deferred Taxation	-	-	-	-	(9,752)	(100.0)
<b>Total comprehensive income for the quarter / period</b>	<b>26,226</b>	<b>28,409</b>	<b>(7.7)</b>	<b>45,688</b>	<b>50,736</b>	<b>(10.0)</b>
Distribution adjustments	(3,057)	2,425	(>100.0)	(1,672)	46,110	(>100.0)
<b>Realised income for the quarter / period</b>	<b>23,169</b>	<b>30,834</b>	<b>(24.9)</b>	<b>44,016</b>	<b>96,846</b>	<b>(54.6)</b>
Previous quarter / period's undistributed income	629	726	(13.4)	541	536	0.9
<b>Total realised income available for distribution</b>	<b>23,798</b>	<b>31,560</b>	<b>(24.6)</b>	<b>44,557</b>	<b>97,382</b>	<b>(54.2)</b>
Proposed/ declared income distribution	(23,226)	(30,982)	(25.0)	(43,985)	(96,804)	(54.6)
<b>Balance undistributed income</b>	<b>572</b>	<b>578</b>	<b>(1.0)</b>	<b>572</b>	<b>578</b>	<b>(1.0)</b>
<b>Distribution per unit (DPU) (sen)</b>	<b>1.13</b>	<b>1.51</b>	<b>(25.2)</b>	<b>2.14</b>	<b>4.73</b>	<b>(54.8)</b>



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**B10. Income Distribution (cont'd)**

On 13 October 2020, CMMT paid its First Income Distribution of RM 20.8 million or 1.01 sen per unit for the period from 1 January 2020 to 30 June 2020. The Distribution Reinvestment Plan (DRP) established on 19 June 2020 was applicable to the First Income Distribution, in which a total of 5,783,864 of new units was issued out of 14,697,431 units eligible under the DRP, this represents a take up rate of 39.4%.

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%

**B11. Composition of Investment Portfolio as at 30 September 2020**

As at 30 September 2020, CMMT's portfolio comprised the following investment properties:

<b>Investment properties</b>	<b>Cost of Investment<sup>1</sup></b>	<b>Net Book Value<sup>2</sup></b>	<b>Market Value</b>	<b>Market Value as % of NAV<sup>3</sup></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Gurney Plaza	1,156,842	1,677,213	1,665,000	64.3
East Coast Mall	405,623	577,203	577,000	22.3
Sungei Wang	812,842	537,130	538,000	20.8
3 Damansara Property	589,441	539,736	540,000	20.9
The Mines	600,699	715,190	715,000	27.6
<b>Total</b>	<b>3,565,447</b>	<b>4,046,472</b>	<b>4,035,000</b>	

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 2019. The market value of Gurney Plaza and 3 Damansara Property were stated at valuations performed by Savills (Malaysia) Sdn. Bhd. and Henry Butcher Malaysia Sdn. Bhd. respectively as at 31 December 2019.

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

<sup>2</sup> Net book value (NBV) comprises of market value of the investment properties as at 31 December 2019 and subsequent capital expenditure incurred up to the reporting date.

<sup>3</sup> This is computed based on market value of the investment properties over the NAV before income distribution of RM2,589,134,000 as at 30 September 2020. This is calculated in accordance with the REITs Guidelines.

**CAPITALAND MALAYSIA MALL TRUST  
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**B12. Changes in NAV, EPU, DPU and Market Price**

	<b>Quarter ended 30-Sep-20</b>	<b>Quarter ended 30-Jun-20</b>
Number of units in circulation (units)	2,055,387,000	2,055,387,000
NAV before income distribution (RM'000)	2,589,134	2,562,907
NAV after income distribution (RM'000)	2,545,149	2,542,148
NAV per unit <sup>1</sup> (RM)	1.2383	1.2368
Total comprehensive income (RM'000)	26,226	192
Weighted average number of units in issue <sup>2</sup> (units)	2,055,387,000	2,055,387,000
EPU after manager's management fee (sen)	1.27	0.01
Distributable income (RM'000)	23,226	616
DPU (sen)	1.13	0.03
Market price (RM)	0.645	0.795
DPU yield (%)	1.75	0.04

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

<sup>2</sup> Weighted average number of units in issue for YTD 2020 is 2,054,392,237.

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

Nil.

**B14. Manager's Fees**

For the period ended 30 September 2020, 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:

	<b>3Q 2020 Actual (Unaudited) RM'000</b>	<b>YTD 2020 Actual (Unaudited) RM'000</b>
Base management fee	3,029	8,987
Performance fee	1,936	4,725
<b>Total fees</b>	<b>4,965</b>	<b>13,712</b>

**CAPITALAND MALAYSIA MALL TRUST  
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**B15. Unitholdings of the Manager and Parties Related to the Manager**

	No of units	Percentage of Unitholdings <sup>3</sup>	Market value <sup>4</sup> at 30-Sep-20
	units	%	RM
CMMT Investment Limited <sup>1</sup>	710,973,600	34.59	458,577,972
Menang Investment Limited <sup>1</sup>	51,466,500	2.50	33,195,893
Direct unitholdings of the Directors of the Manager:			
Ms Low Peck Chen	12,000	N.M.	7,740
Mr Lim Cho Pin Andrew Geoffrey <sup>2</sup>	47,000	N.M.	30,315
	<b>762,499,100</b>	<b>37.09</b>	<b>491,811,920</b>

N.M. - Not meaningful

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

<sup>2</sup> Units held through nominees.

<sup>3</sup> Approximation.

<sup>4</sup> The market value of the units is computed based on the closing price of RM0.645 per unit as at 30 September 2020.

**BY ORDER OF THE BOARD**

**KHOO MING SIANG**

**COMPANY SECRETARY (MAICSA No. 7034037)**

**CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (200801018055 (819351-H))**

**(As Manager of CapitaLand Malaysia Mall Trust)**

**Kuala Lumpur**

**Date: 28 October 2020**