

Financial Results (v12)

RELEASED

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COMPANY INFORMATION SECTION			
Announcement Type	☒ New Announcement ☐ Amended Announcement		
Company Name	CAPITALAND MALAYSIA MALL TRUST		
Stock Name	CMMT		
Stock Code	5180		
Board	Main Market		

CONTACT DETAIL			
Contact Person	Designation	Contact No	Email Address
CAPITALAND MALAYSIA MALL TRUST		012-9764812	Khoo.MingSiang@capitaland.com

MAIN			
General Information			
Financial Year End	31 Dec 2016		
Quarter	2 Qtr		
Quarterly report for the financial period ended	30 Jun 2016		
The figures	have not been audited		
Remarks			
Please attach the full Quarterly Report here	No	File Name	Size
	1	CMMT_2Q2016_Results.pdf	441.0KB

DEFAULT CURRENCY

Currency	Malaysian Ringgit (MYR)
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Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of the Key Financial Information for the financial period ended	30 Jun 2016			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue	92,009	79,616	185,652	160,599
2. Profit/(loss) before Tax	42,771	88,630	83,820	126,874
3. Profit/(loss) for the period	42,771	88,630	83,820	126,874
4. Profit/(loss) attributable to ordinary equity holders of the parent	42,771	88,630	83,820	126,874
5. Basic earnings/(loss) per share (Subunit)	2.11	4.98	4.14	7.13
6. Proposed/Declared dividend per share (Subunit)	4.20	4.61	4.20	4.61
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the parent (\$\$)	1.2803		1.2811	
Remarks	First income distribution of 4.20 sen per unit (of which 4.07 sen per unit is taxable and 0.13 sen is non-taxable in 1			

hands of unitholders) for the period from 1 January 2016 to 30 June 2016 is announced on 19 July 2016.

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

Country	Base unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Part A3 : ADDITIONAL INFORMATION (This Information is for Exchange's Internal Use only)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Gross interest income	1,438	1,026	2,907	2,168
2. Gross interest expense	14,361	11,057	28,626	21,624
Remarks				

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2016

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2016 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2015 (AUDITED) RM'000
Assets		
Plant and equipment	2,563	2,474
Investment properties	3,905,000	3,886,000
Total non-current assets	<u>3,907,563</u>	<u>3,888,474</u>
Trade and other receivables	17,033	16,367
Cash and cash equivalents	187,912	186,976
Total current assets	<u>204,945</u>	<u>203,343</u>
Total assets	<u>4,112,508</u>	<u>4,091,817</u>
Equity		
Unitholders' capital	2,157,664	2,153,529
Undistributed profit	524,296	521,265
Total unitholders' funds	<u>2,681,960</u>	<u>2,674,794</u>
Liabilities		
Borrowings	945,469	951,067
Tenants' deposits	52,497	58,031
Total non-current liabilities	<u>997,966</u>	<u>1,009,098</u>
Borrowings	334,308	307,297
Tenants' deposits	43,817	38,901
Trade and other payables	54,457	61,727
Total current liabilities	<u>432,582</u>	<u>407,925</u>
Total liabilities	<u>1,430,548</u>	<u>1,417,023</u>
Total equity and liabilities	<u>4,112,508</u>	<u>4,091,817</u>
Number of units in circulation ('000 units)	2,028,315	2,024,799
Net asset value ("NAV")		
- before income distribution	2,681,960	2,674,794
- after income distribution	2,596,771	2,594,005
NAV per unit (RM)		
- before income distribution	1.3223	1.3210
- after income distribution	1.2803	1.2811

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 2015.

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 JUNE		YEAR TO DATE 30 JUNE	
	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000
Gross rental income	72,727	63,639	146,811	127,851
Car park income	5,866	4,611	12,290	9,890
Other revenue	13,416	11,366	26,551	22,858
Gross revenue	92,009	79,616	185,652	160,599
Maintenance expenses	(7,588)	(6,104)	(14,607)	(12,201)
Utilities	(13,256)	(10,419)	(26,836)	(21,813)
Other operating expenses ¹	(11,121)	(10,651)	(23,569)	(20,544)
Property operating expenses	(31,965)	(27,174)	(65,012)	(54,558)
Net property income	60,044	52,442	120,640	106,041
Interest income	1,438	1,026	2,907	2,168
Fair value gain of investment properties (net)	2,572	52,103	2,572	52,103
Net investment income	64,054	105,571	126,119	160,312
Manager's management fee	(5,826)	(5,033)	(11,638)	(10,320)
Trustee's fee	(100)	(99)	(200)	(198)
Auditors' fee	(56)	(48)	(113)	(95)
Tax agent's fee	(8)	(8)	(17)	(17)
Valuation fee	(73)	(52)	(145)	(105)
Finance costs	(14,835)	(11,262)	(29,567)	(22,048)
Other non-operating expenses	(385)	(439)	(619)	(655)
	(21,283)	(16,941)	(42,299)	(33,438)
Profit before taxation	42,771	88,630	83,820	126,874
Taxation	-	-	-	-
Profit for the period	42,771	88,630	83,820	126,874
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	42,771	88,630	83,820	126,874
Distribution adjustments ²	(524)	(49,823)	1,449	(47,893)
Income available for distribution	42,247	38,807	85,269	78,981
Distributable income³	42,263	38,782	85,189	78,809
Realised	40,199	36,527	81,248	74,771
Unrealised ⁴	2,572	52,103	2,572	52,103
	42,771	88,630	83,820	126,874

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER 30 JUNE		YEAR TO DATE 30 JUNE	
	2016 (UNAUDITED)	2015 (UNAUDITED)	2016 (UNAUDITED)	2015 (UNAUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	2.40	5.26	4.71	7.71
- after Manager's management fee (sen)	2.11	4.98	4.14	7.13
Distribution per unit ("DPU") (sen)	2.08	2.18	4.20	4.43
DPU (sen) – annualised	8.37	8.74	8.45	8.93

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 2015.

^{1.} Included in the other operating expenses are the following:

	CURRENT QUARTER 30 JUNE		YEAR TO DATE 30 JUNE	
	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000
Allowance for impairment losses of trade receivables	(56)	(148)	(222)	(155)
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- Realised	(5)	(5)	(8)	(7)

* less than RM1,000

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

^{2.} Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 JUNE		YEAR TO DATE 30 JUNE	
	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000
Fair value gain of investment properties (net)	(2,572)	(52,103)	(2,572)	(52,103)
Manager's management fee payable in units [*]	2,419	2,110	4,880	4,271
Depreciation	310	279	659	567
Amortisation of transaction costs on borrowings	356	196	713	393
Tax and other adjustments	(1,037)	(305)	(2,231)	(1,021)
	<u>(524)</u>	<u>(49,823)</u>	<u>1,449</u>	<u>(47,893)</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 SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Unrealised RM'000	Total Unitholders' Funds RM'000
As at 1 January 2015	1,832,286	23,721	431,451	2,287,458
Total comprehensive income for the period	-	74,771	52,103	126,874
Unitholders' transactions				
- Distribution paid to unitholders ¹	-	(77,919)	-	(77,919)
Decrease in net assets resulting from unitholders' transactions	-	(77,919)	-	(77,919)
As at 30 June 2015 (Unaudited)	1,832,286	20,573	483,554	2,336,413
As at 1 January 2016	2,153,529	18,925	502,340	2,674,794
Total comprehensive income for the period	-	81,248	2,572	83,820
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,820	-	-	4,820
- Placement expenses	(685)	-	-	(685)
- Distribution paid to unitholders ²	-	(80,789)	-	(80,789)
Decrease in net assets resulting from unitholders' transactions	4,135	(80,789)	-	(76,654)
As at 30 June 2016 (Unaudited)	2,157,664	19,384	504,912	2,681,960

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 2015.

- ^{1.} This refers to 2014 final income distribution of 4.38 sen per unit for the period from 1 July 2014 to 31 December 2014 paid on 27 February 2015.
- ^{2.} This refers to 2015 final income distribution of 3.99 sen per unit for the period from 9 July 2015 to 31 December 2015 paid on 29 February 2016.

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 JUNE 2016 (UNAUDITED) RM'000	SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	83,820	126,874
Adjustments for:-		
Manager's management fee paid/payable in units	4,880	4,271
Depreciation	659	567
Fair value gain of investment properties (net)	(2,572)	(52,103)
Finance costs	29,567	22,048
Interest income	(2,907)	(2,168)
Plant and equipment written off	27	-
Operating profit before changes in working capital	113,474	99,489
Changes in working capital:		
Trade and other receivables	(666)	(4,429)
Trade and other payables	(1,351)	(182)
Tenants' deposits	(618)	618
Net cash from operating activities	110,839	95,496
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(775)	(677)
Capital expenditure on investment properties	(22,796)	(31,221)
Deposit paid for acquisition of investment properties	-	(54,000)
Interest received	2,907	2,168
Net cash used in investing activities	(20,664)	(83,730)
Cash Flows From Financing Activities		
Interest paid	(28,003)	(23,200)
Distribution paid to unitholders	(80,789)	(77,919)
Payment of financing expenses	(164)	(49)
Payment of placement expenses	(983)	-
Proceeds from interest bearing borrowings	43,600	171,200
Repayment of interest bearing borrowings	(22,900)	(95,300)
Net cash used in financing activities	(89,239)	(25,268)
Net increase/(decrease) in cash and cash equivalents	936	(13,502)
Cash and cash equivalents at beginning of the period	180,236	149,771
Cash and cash equivalents at end of the period	181,172	136,269
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	160,128	127,285
Cash and bank balances	27,784	15,724
	187,912	143,009
Less: Pledged deposits	(6,740)	(6,740)
	181,172	136,269

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 2015.

CAPITALAND MALAYSIA MALL TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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 2016 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 2015.

A2. Changes in Accounting Policies

On 1 January 2016, the Group and CMMT adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2016:

Amendments to MFRS 7, Financial Instruments: Disclosure (Annual Improvements 2012 – 2014 Cycle)
Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interest in Other Entities
Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116, Property, Plant and Equipment
Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)

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

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2015 was not qualified.

A4. Comment on Seasonality or Cyclicity of Operations

The business operations of the Group and of CMMT may be affected by seasonal or cyclical factors, including but not limited to changes in rental demand and supply of properties which depend on market conditions, economic cycle, financial performance of its tenants, availability of credit facilities and interest rate environment.

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

A7. Debt and Equity Securities

CMMT issued 3,515,700 new units in CMMT at approximately RM1.37* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 July 2015 to 31 December 2015. The units were listed on the Main Market of Bursa Securities on 20 April 2016.

* Based on the 10-day volume weighted average price of the units up to and including 31 December 2015.

A8. Income Distribution Policy

In line with the distribution policy as set out in the Trust Deed, the Manager will distribute at least 90.0% of its distributable income to its unitholders in each financial year. CMMT will make distributions to its unitholders on a semi-annual basis for each six-month period ending 30 June and 31 December of each year.

A9. Segmental Reporting

Segmental results for the quarter/period ended 30 June 2016 are as follows:

Business Segment	2Q 2016			YTD 2016		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	90,202	1,807	92,009	182,057	3,595	185,652
Net property income	58,935	1,109	60,044	118,349	2,291	120,640
Interest income			1,438			2,907
Fair value gain of investment properties (net)			2,572			2,572
Unallocated expenses			(6,448)			(12,732)
Finance costs			(14,835)			(29,567)
Profit before taxation			42,771			83,820
Taxation			-			-
Profit for the period			42,771			83,820

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.

For the quarter ended 30 June 2016, the investment properties were valued based on valuations performed by independent professional valuers on 30 June 2016. The net fair value gain arising from the valuations amounting to RM2.6 million was recognised during the quarter.

A11. Subsequent Events

Nil.

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

A12. Changes in Composition of the Trust

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

	Units
Balance at beginning of period	2,024,799,200
Units issued as satisfaction of the Manager's management fee payable in units	<u>3,515,700</u>
Total units in issue	<u>2,028,314,900</u>

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	<u>19,306</u>

CAPITALAND MALAYSIA MALL TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (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 2016 (Unaudited) RM'000	2Q 2015 (Unaudited) RM'000	Change %	YTD 2016 (Unaudited) RM'000	YTD 2015 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	33,414	31,786	5.1	67,444	63,565	6.1
Sungei Wang Plaza	11,599	14,065	(17.5)	23,806	29,016	(18.0)
The Mines	19,992	20,481	(2.4)	40,178	41,433	(3.0)
Tropicana City Property	12,891	-	N.M.	26,067	-	N.M.
East Coast Mall	14,113	13,284	6.2	28,157	26,585	5.9
Total Gross Revenue	92,009	79,616	15.6	185,652	160,599	15.6
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	9,829	10,036	(2.1)	20,214	20,178	0.2
Sungei Wang Plaza	4,554	4,536	0.4	8,999	8,953	0.5
The Mines	7,031	7,344	(4.3)	14,496	14,974	(3.2)
Tropicana City Property	5,538	-	N.M.	11,039	-	N.M.
East Coast Mall	5,013	5,258	(4.7)	10,264	10,453	(1.8)
Total Property Operating Expenses	31,965	27,174	17.6	65,012	54,558	19.2
(c) Breakdown of Net Property Income						
Gurney Plaza	23,585	21,750	8.4	47,230	43,387	8.9
Sungei Wang Plaza	7,045	9,529	(26.1)	14,807	20,063	(26.2)
The Mines	12,961	13,137	(1.3)	25,682	26,459	(2.9)
Tropicana City Property	7,353	-	N.M.	15,028	-	N.M.
East Coast Mall	9,100	8,026	13.4	17,893	16,132	10.9
Total Net Property Income	60,044	52,442	14.5	120,640	106,041	13.8

N.M. - Not meaningful

CAPITALAND MALAYSIA MALL TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (2Q 2016 vs 2Q 2015)

The Group recorded gross revenue of RM92.0 million in 2Q 2016, an increase of RM12.4 million or 15.6% over 2Q 2015. The increase was mainly driven by contribution from Tropicana City Property ("TCP") upon its acquisition in 3Q 2015 and better performance from Gurney Plaza ("GP") and East Coast Mall ("ECM") on the back of higher rental rates achieved from new and renewed leases.

The above was offset mainly by lower contribution from Sungei Wang Plaza ("SWP"), largely due to negative rental reversions as SWP continues to be temporarily affected by the ongoing Mass Rapid Transit ("MRT") works and closure of BB Plaza. The lower revenue from The Mines ("TM") was mainly due to the absence of one-off income from utilities recovery in 2Q 2015.

Property operating expenses for 2Q 2016 were RM32.0 million, an increase of RM4.8 million or 17.6% over 2Q 2015. This was mainly due to TCP's operating expenses.

The net property income for 2Q 2016 of RM60.0 million was 14.5% higher than 2Q 2015.

CMMT registered a net fair value gain of RM2.6 million on investment properties in 2Q 2016.

Manager's management fee was RM5.8 million, an increase of RM0.8 million or 15.8% over 2Q 2015 mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

Finance costs for 2Q 2016 of RM14.8 million were RM3.6 million or 31.7% higher than 2Q 2015. The increase was mainly due to the term loan being drawn down to part finance the acquisition of TCP and the additional revolving credit facilities being drawn down for capital expenditure. Average cost of debt for 2Q 2016 was 4.50% p.a. (2Q 2015: 4.49% p.a.).

CMMT has incurred RM11.2 million of capital expenditure during the quarter. This includes expenditures on mall network infrastructure and tenancy works. During the quarter, the completed works are Phase 2 chiller replacement and asset enhancement works on the ground floor (adjacent to the office tower) at TCP, upgrading of lifts and prayer room at TM, upgrading of main atrium lighting, installation of parking guidance system and smoke spill system at ECM. TM has also commenced its cooling tower upgrading works during the quarter.

Overall, distributable income to unitholders for 2Q 2016 was RM42.3 million, an increase of RM3.5 million or 9.0% against 2Q 2015.

Financial Year-to-date Results (YTD 2016 vs YTD 2015)

The Group recorded gross revenue of RM185.7 million, an increase of RM25.1 million or 15.6% over previous financial period. The increase was mainly driven by contribution from TCP upon its acquisition in 3Q 2015 and better performance from GP and ECM on the back of higher rental rates achieved from new and renewed leases.

SWP's revenue was lower largely due to negative rental reversions as it continues to be temporarily affected by the ongoing MRT works and closure of BB Plaza. The lower revenue from TM was mainly due to the absence of one-off income from utilities recovery.

Property operating expenses for YTD 2016 were RM65.0 million, an increase of RM10.5 million or 19.2% over the previous financial period. This was mainly due to TCP's property operating expenses.

The net property income for YTD 2016 of RM120.6 million was 13.8% higher than YTD 2015.

CMMT registered a net fair value gain of RM2.6 million on investment properties in YTD 2016.

Manager's management fee was RM11.6 million, an increase of RM1.3 million or 12.8% over YTD 2015 mainly due to the corresponding increase in net property income and asset base after the acquisition of TCP.

CAPITALAND MALAYSIA MALL TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2016 (UNAUDITED)

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2016 vs YTD 2015) (cont'd)

Finance costs for YTD 2016 of RM29.6 million were RM7.5 million or 34.1% higher than YTD 2015. The increase was mainly due to the new term loan being drawn down to part finance the acquisition of TCP and additional revolving credit facilities being drawn down for capital expenditures. Average cost of debt for YTD 2016 was 4.50% p.a. (YTD 2015: 4.44% p.a.).

CMMT has incurred RM16.4 million capital expenditure for the properties during the financial period. This includes mall network infrastructure and tenancy works. During the period, the completed works are Phase 2 chiller replacement and asset enhancement works on the ground floor (adjacent to the office tower) at TCP, upgrading of main atrium lighting, installation of parking guidance system and smoke spill system at ECM and upgrading of lifts and prayer room at TM. TM has also commenced its cooling tower upgrading works during the period.

Overall, distributable income to unitholders for the financial period was RM85.2 million, an increase of RM6.4 million or 8.1% against YTD 2015.

B2. Material Changes in Quarter Results

	Quarter ended 30 June 2016 RM'000	Quarter ended 31 March 2016 RM'000
Profit before taxation	42,771	41,049
Less: Fair value gain of investment properties (net)	(2,572)	-
Profit before taxation, excluding fair value gain of investment properties	<u>40,199</u>	<u>41,049</u>

Other than the net fair value gain of RM2.6 million resulting from the valuation as at 30 June 2016, there is no material change in the financial results of 2Q 2016 as compared to 1Q 2016.

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

In the first quarter of 2016, the Malaysian economy grew 4.2%, underpinned by domestic demand and private sector spending (source: Bank Negara Malaysia). Meanwhile, retail sales for the same quarter fell 4.4%. While this was expected after taking into account the pre-Goods and Services Tax ("GST") sales rush in 1Q 2015, the prices of goods and services have also increased further since the beginning of 2016 – further decreasing consumers' spending power (source: Retail Group Malaysia Industry Report, June 2016).

In light of the current uncertainties on the economic front, consumer and business sentiments are expected to remain cautious throughout 2016 as concerns over rising costs of living persist. Through proactive retail and asset management, the Manager has introduced several new brands to the market and unique marketing initiatives have taken place to ensure the malls remain attractive to shoppers. The Manager is confident that CMMT is well positioned to sustain our performance and is committed to deliver steady income distributions to unitholders in the second half of this year.

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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 2016 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 30 June 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
Long term borrowings		
Secured revolving credit	32,000	38,200
Secured term loans	918,430	918,430
Less: Unamortised transaction costs	(4,961)	(5,563)
	<u>945,469</u>	<u>951,067</u>
Short term borrowings		
Unsecured revolving credit	34,400	7,500
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(92)	(203)
	<u>334,308</u>	<u>307,297</u>
Total borrowings	<u>1,279,777</u>	<u>1,258,364</u>

All the borrowings are denominated in Ringgit Malaysia.

During the period, additional revolving credit facilities were drawn down to fund the capital expenditure incurred by the properties.

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

B9. Change in Material Litigation

Nil.

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B10. Income Distribution

CMMT intends to distribute its first income distribution of RM85.2 million or 4.20 sen per unit on 26 August 2016 (book closure date: 2 August 2016), based on the number of units in issue of 2,028,314,900 for the period from 1 January 2016 to 30 June 2016. This means CMMT will distribute approximately 100.0% of its distributable income to its unitholders for the financial period ended 30 June 2016.

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 June 2016

As at 30 June 2016, CMMT's portfolio comprised the following shopping malls:

Investment properties	Cost of Investment ¹ RM'000	Net Book Value ² RM'000	Market Value RM'000	Market Value as % of NAV ³ %
Gurney Plaza	1,116,701	1,375,261	1,455,000	54.3
Sungei Wang Plaza	755,642	781,573	675,000	25.2
The Mines	578,849	701,970	720,000	26.8
Tropicana City Property	557,867	572,761	573,000	21.4
East Coast Mall	391,029	470,863	482,000	18.0
Total	3,400,088	3,902,428	3,905,000	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by Savills (Malaysia) Sdn. Bhd. as at 30 June 2016. The market value of Gurney Plaza and Tropicana City Property were stated at valuations performed by PPC International Sdn. Bhd. as at 30 June 2016.

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 comprises market value of the investment properties as at 31 December 2015 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 RM2,681,960,000 as at 30 June 2016. 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 2016	Quarter ended 31 March 2016
Number of units in circulation (units)	2,028,314,900	2,024,799,200
NAV before income distribution (RM'000)	2,681,960	2,634,369
NAV after income distribution (RM'000)	2,596,771	2,591,443
NAV per unit ¹ (RM)	1.2803	1.2799
Total comprehensive income (RM'000)	42,771	41,049
Weighted average number of units in issue ² (units)	2,027,580,853	2,024,799,200
EPU after manager's management fee (sen)	2.11	2.03
Distributable income (RM'000)	42,263	42,926
DPU (sen)	2.08	2.12
Market price (RM)	1.55	1.44
DPU yield (%)	1.34	1.47

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

² Weighted average number of units in issue for YTD 2016 is 2,026,190,026.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fee

For the quarter ended 30 June 2016, 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 2016 Actual (Unaudited) RM'000	YTD 2016 Actual (Unaudited) RM'000
Base management fee	2,974	5,908
Performance fee	2,852	5,730
Total fees	5,826	11,638

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

	No of units units	Percentage of unitholdings %	Market value³ at 30 June 2016 RM
CMMT Investment Limited ¹	710,973,600	35.05	1,102,009,080
Menang Investment Limited ¹	31,916,300	1.57	49,470,265
Direct unitholdings of the Directors of the Manager:			
Mr Ng Kok Siong ²	100,000	0.00	155,000
Ms Low Peck Chen	12,000	0.00	18,600
Ms Tan Siew Bee	100,000	0.00	155,000
Dr Peter Tay Buan Huat ²	100,000	0.00	155,000
	743,201,900	36.62⁴	1,151,962,945

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B15. Unitholdings of the Manager and Parties Related to the Manager (cont'd)

- ¹ An indirect wholly-owned subsidiary of CapitaLand Mall Asia Limited.
- ² Units held through nominees.
- ³ The market value of the units is computed based on the closing price of RM1.55 per unit as at 30 June 2016.
- ⁴ Approximation.

The Manager disposed 3,515,700 units in CMMT at cost to a related party, Menang Investment Limited, on 26 April 2016.

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

In the opinion of the Directors of the Manager, the quarterly condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Securities, provisions of the Trust Deed and the REITs Guidelines so as to give a true and fair view of the financial position of the Group and of CMMT as at 30 June 2016 and of their financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of Directors of the Manager on 19 July 2016.

BY ORDER OF THE BOARD

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

Date: 19 July 2016