

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	3 Qtr		
Quarterly report for the financial period ended	30 Sep 2016		
The figures	have not been audited		
Remarks			
Please attach the full Quarterly Report here	No	File Name	Size
	1	Ann_CMMT_3Q2016_FinancialResults.pdf	452.2KB

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 Sep 2016			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue	93,507	90,940	279,159	251,539
2. Profit/(loss) before Tax	41,540	52,467	125,360	179,341
3. Profit/(loss) for the period	41,540	52,467	125,360	179,341
4. Profit/(loss) attributable to ordinary equity holders of the parent	41,540	52,467	125,360	179,341
5. Basic earnings/(loss) per share (Subunit)	2.05	2.63	6.18	9.68
6. Proposed/Declared dividend per share (Subunit)	0.00	0.00	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 (\$\$)	1.2798		1.2811	
Remarks				

10/20/2016

Bursa LINK

Country	Base unit	Subunit
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

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2016 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2015 (AUDITED) RM'000
Assets		
Plant and equipment	2,634	2,474
Investment properties	3,916,178	3,886,000
Total non-current assets	<u>3,918,812</u>	<u>3,888,474</u>
Trade and other receivables	17,456	16,367
Cash and cash equivalents	151,028	186,976
Total current assets	<u>168,484</u>	<u>203,343</u>
Total assets	<u>4,087,296</u>	<u>4,091,817</u>
Equity		
Unitholders' capital	2,162,544	2,153,529
Undistributed profit	480,646	521,265
Total unitholders' funds	<u>2,643,190</u>	<u>2,674,794</u>
Liabilities		
Borrowings	953,471	951,067
Tenants' deposits	52,125	58,031
Total non-current liabilities	<u>1,005,596</u>	<u>1,009,098</u>
Borrowings	337,163	307,297
Tenants' deposits	44,223	38,901
Trade and other payables	57,124	61,727
Total current liabilities	<u>438,510</u>	<u>407,925</u>
Total liabilities	<u>1,444,106</u>	<u>1,417,023</u>
Total equity and liabilities	<u>4,087,296</u>	<u>4,091,817</u>
Number of units in circulation ('000 units)	2,031,458	2,024,799
Net asset value ("NAV")		
- before income distribution	2,643,190	2,674,794
- after income distribution	2,599,920	2,594,005
NAV per unit (RM)		
- before income distribution	1.3011	1.3210
- after income distribution	1.2798	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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000	2016 (UNAUDITED) RM'000	2015 (UNAUDITED) RM'000
Gross rental income	73,328	72,000	220,139	199,851
Car park income	6,122	5,610	18,412	15,500
Other revenue	14,057	13,330	40,608	36,188
Gross revenue	93,507	90,940	279,159	251,539
Maintenance expenses	(6,944)	(6,919)	(21,551)	(19,120)
Utilities	(12,860)	(13,499)	(39,696)	(35,312)
Other operating expenses ¹	(12,277)	(10,756)	(35,846)	(31,300)
Property operating expenses	(32,081)	(31,174)	(97,093)	(85,732)
Net property income	61,426	59,766	182,066	165,807
Interest income	1,427	1,151	4,334	3,319
Fair value gain of investment properties (net)	-	12,679	2,572	64,782
Net investment income	62,853	73,596	188,972	233,908
Manager's management fee	(5,903)	(5,800)	(17,541)	(16,120)
Trustee's fee	(100)	(101)	(300)	(299)
Auditors' fee	(31)	(61)	(144)	(156)
Tax agent's fee	(9)	(9)	(26)	(26)
Valuation fee	(72)	(36)	(217)	(141)
Finance costs	(14,951)	(14,568)	(44,518)	(36,616)
Other non-operating expenses	(247)	(554)	(866)	(1,209)
	(21,313)	(21,129)	(63,612)	(54,567)
Profit before taxation	41,540	52,467	125,360	179,341
Taxation	-	-	-	-
Profit for the period	41,540	52,467	125,360	179,341
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	41,540	52,467	125,360	179,341
Distribution adjustments ²	1,666	(10,861)	3,115	(58,754)
Income available for distribution	43,206	41,606	128,475	120,587
Distributable income³	43,270	41,673	128,459	120,482
Realised	41,540	39,788	122,788	114,559
Unrealised ⁴	-	12,679	2,572	64,782
	41,540	52,467	125,360	179,341

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2016	2015	2016	2015
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	2.34	2.92	7.05	10.55
- after Manager's management fee (sen)	2.05	2.63	6.18	9.68
Distribution per unit ("DPU") (sen)	2.13	2.08	6.33	6.51
DPU (sen) – annualised	8.47	8.25	8.46	8.70

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 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2016	2015	2016	2015
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses of trade receivables	(114)	(226)	(336)	(381)
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- Realised	(7)	1	(15)	(6)

* less than RM1,000

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

² Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2016	2015	2016	2015
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000	RM'000	RM'000
Fair value gain of investment properties (net)	-	(12,679)	(2,572)	(64,782)
Manager's management fee payable in units [*]	2,455	2,381	7,335	6,652
Depreciation	326	277	985	844
Amortisation of transaction costs on borrowings	357	350	1,070	743
Tax and other adjustments	(1,472)	(1,190)	(3,703)	(2,211)
	<u>1,666</u>	<u>(10,861)</u>	<u>3,115</u>	<u>(58,754)</u>

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

³ The difference between distributable income and income available for distribution is due to rollover adjustment for rounding effect of DPU.

⁴ This refers to unrealised profit, if any, which is not available for income distribution.

⁵ Earnings per unit ("EPU") is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	114,559	64,782	179,341
Unitholders' transactions				
Creation of units				
- Placement of units	316,319	-	-	316,319
- Units issued as part satisfaction of the Manager's management fee	8,573	-	-	8,573
- Placement expenses	(3,651)	-	-	(3,651)
- Distribution paid to unitholders ¹	-	(159,930)	-	(159,930)
Increase/(Decrease) in net assets resulting from unitholders' transactions	321,241	(159,930)	-	161,311
As at 30 September 2015 (Unaudited)	2,153,527	(21,650)	496,233	2,628,110
As at 1 January 2016	2,153,529	18,925	502,340	2,674,794
Total comprehensive income for the period	-	122,788	2,572	125,360
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	9,700	-	-	9,700
- Placement expenses	(685)	-	-	(685)
- Distribution paid to unitholders ²	-	(165,979)	-	(165,979)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,015	(165,979)	-	(156,964)
As at 30 September 2016 (Unaudited)	2,162,544	(24,266)	504,912	2,643,190

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 the (i) 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, and (ii) advance distribution of 4.61 sen per unit for the period 1 January 2015 to 8 July 2015 paid on 7 August 2015.
- ² This refers to the (i) 2015 final income distribution of 3.99 sen per unit for the period from 9 July 2015 to 31 December 2015 paid on 29 February 2016, and (ii) first income distribution of 4.20 sen per unit for the period 1 January 2016 to 30 June 2016 paid on 26 August 2016.

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NINE MONTHS ENDED	
	30 SEPTEMBER	30 SEPTEMBER
	2016	2015
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	125,360	179,341
Adjustments for:-		
Manager's management fee paid/payable in units	7,335	6,652
Depreciation	985	844
Fair value gain of investment properties (net)	(2,572)	(64,782)
Finance costs	44,518	36,616
Interest income	(4,334)	(3,319)
Plant and equipment written off	28	-
Operating profit before changes in working capital	171,320	155,352
Changes in working capital:		
Trade and other receivables	(1,089)	(32,902)
Trade and other payables	804	4,194
Tenants' deposits	(584)	12,562
Net cash from operating activities	170,451	139,206
Cash Flows From Investing Activities		
Acquisition of investment properties	-	(546,573)
Acquisition of plant and equipment	(1,173)	(1,123)
Capital expenditure on investment properties	(33,653)	(43,218)
Interest received	4,334	3,319
Net cash used in investing activities	(30,492)	(587,595)
Cash Flows From Financing Activities		
Interest paid	(39,810)	(32,032)
Distribution paid to unitholders	(165,979)	(159,930)
Payment of financing expenses	(335)	(4,341)
Payment of placement expenses	(983)	(2,884)
Proceeds from interest bearing borrowings	54,100	534,380
Proceeds from placement of new units	-	316,319
Repayment of interest bearing borrowings	(22,900)	(215,700)
Net cash (used in)/generated from financing activities	(175,907)	435,812
Net decrease in cash and cash equivalents	(35,948)	(12,577)
Cash and cash equivalents at beginning of the period	180,236	149,771
Cash and cash equivalents at end of the period	144,288	137,194
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	118,094	95,425
Cash and bank balances	32,934	48,509
	151,028	143,934
Less: Pledged deposits	(6,740)	(6,740)
	144,288	137,194

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

A7. Debt and Equity Securities

CMMT issued 3,143,200 new units in CMMT at approximately RM1.55* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 January 2016 to 30 June 2016. The units were listed on the Main Market of Bursa Securities on 6 September 2016.

* Based on the 10-day volume weighted average price of the units up to and including 30 June 2016.

A8. Income Distribution Policy

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

A9. Segmental Reporting

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

Business Segment	3Q 2016			3Q 2015		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	91,711	1,796	93,507	89,348	1,592	90,940
Net property income	60,249	1,177	61,426	58,669	1,097	59,766
Interest income			1,427			1,151
Fair value gain of investment properties (net)			-			12,679
Unallocated expenses			(6,362)			(6,561)
Finance costs			(14,951)			(14,568)
Profit before taxation			41,540			52,467
Taxation			-			-
Profit for the period			41,540			52,467

	YTD 2016			YTD 2015		
	Retail RM'000	Office RM'000	Total RM'000	Retail RM'000	Office RM'000	Total RM'000
Gross revenue	273,768	5,391	279,159	249,947	1,592	251,539
Net property income	178,598	3,468	182,066	164,710	1,097	165,807
Interest income			4,334			3,319
Fair value gain of investment properties (net)			2,572			64,782
Unallocated expenses			(19,094)			(17,951)
Finance costs			(44,518)			(36,616)
Profit before taxation			125,360			179,341
Taxation			-			-
Profit for the period			125,360			179,341

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (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.

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	2,028,314,900
Units issued as satisfaction of the Manager's management fee payable in units	<u>3,143,200</u>
Total units in issue	<u>2,031,458,100</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>21,181</u>

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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

	3Q 2016 (Unaudited) RM'000	3Q 2015 (Unaudited) RM'000	Change %	YTD 2016 (Unaudited) RM'000	YTD 2015 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	34,662	31,730	9.2	102,106	95,295	7.1
Sungei Wang Plaza	10,987	13,142	(16.4)	34,793	42,158	(17.5)
The Mines	20,077	20,007	0.3	60,255	61,440	(1.9)
Tropicana City Property	13,081	11,687	11.9	39,148	11,687	N.M.
East Coast Mall	14,700	14,374	2.3	42,857	40,959	4.6
Total Gross Revenue	93,507	90,940	2.8	279,159	251,539	11.0
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	10,058	9,524	5.6	30,272	29,702	1.9
Sungei Wang Plaza	4,573	4,417	3.5	13,572	13,370	1.5
The Mines	7,081	7,473	(5.2)	21,577	22,447	(3.9)
Tropicana City Property	5,425	5,021	8.0	16,464	5,021	N.M.
East Coast Mall	4,944	4,739	4.3	15,208	15,192	0.1
Total Property Operating Expenses	32,081	31,174	2.9	97,093	85,732	13.3
(c) Breakdown of Net Property Income						
Gurney Plaza	24,604	22,206	10.8	71,834	65,593	9.5
Sungei Wang Plaza	6,414	8,725	(26.5)	21,221	28,788	(26.3)
The Mines	12,996	12,534	3.7	38,678	38,993	(0.8)
Tropicana City Property	7,656	6,666	14.9	22,684	6,666	N.M.
East Coast Mall	9,756	9,635	1.3	27,649	25,767	7.3
Total Net Property Income	61,426	59,766	2.8	182,066	165,807	9.8

N.M. - Not meaningful

CAPITALAND MALAYSIA MALL TRUST

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (3Q 2016 vs 3Q 2015)

The Group recorded gross revenue of RM93.5 million in 3Q 2016, an increase of RM2.6 million or 2.8% over 3Q 2015. The increase was mainly driven by full quarter 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.

Property operating expenses for 3Q 2016 were RM32.1 million, an increase of RM0.9 million or 2.9% over 3Q 2015. This was mainly attributed to higher reimbursable staff costs and marketing expenses. The increase was offset by lower utility consumption.

The net property income for 3Q 2016 of RM61.4 million was 2.8% higher than 3Q 2015.

Finance costs for 3Q 2016 of RM15.0 million were RM0.4 million or 2.6% higher than 3Q 2015. The increase was mainly due to the full quarter impact of 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 works. Average cost of debt for 3Q 2016 was 4.46% p.a. (3Q 2015: 4.48% p.a.).

CMMT has incurred RM11.2 million of capital expenditure during the quarter. This includes the upgrading of mall network infrastructure and tenancy works. During the quarter, The Mines ("TM") has commenced its replacement of smoke ventilators, GP has commenced its asset enhancement works at Basement 1 and Level 7 and upgrading of the sky light ceiling at the centre atrium while TCP has commenced its asset enhancement works at Levels 1 and 2. GP has also completed its chiller upgrading during the quarter.

Overall, distributable income to unitholders for 3Q 2016 was RM43.3 million, an increase of RM1.6 million or 3.8% against 3Q 2015.

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

The Group recorded gross revenue of RM279.2 million, an increase of RM27.6 million or 11.0% over the 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 RM97.1 million, an increase of RM11.4 million or 13.3% over the previous financial period. This was mainly due to TCP's property operating expenses.

The net property income for YTD 2016 of RM182.1 million was 9.8% 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 RM17.5 million, an increase of RM1.4 million or 8.8% 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 RM44.5 million were RM7.9 million or 21.6% 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 expenditure works. Average cost of debt for YTD 2016 was 4.50% p.a. (YTD 2015: 4.46% p.a.).

CMMT has incurred RM27.6 million capital expenditure for the properties during the financial period. This includes the upgrading of mall network infrastructure and tenancy works. During the period, the major completed works are upgrading of a chiller at GP, 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. In addition, TM has commenced its cooling tower upgrading works and replacement of smoke ventilators, GP has commenced its asset enhancement works at Basement 1 and Level 7 and upgrading of the sky light ceiling at the centre atrium while TCP has commenced its asset enhancement works at Levels 1 and 2 during the period.

Overall, distributable income to unitholders for the financial period was RM128.5 million, an increase of RM8.0 million or 6.6% against YTD 2015.

B2. Material Changes in Quarter Results

	Quarter ended 30 September 2016 RM'000	Quarter ended 30 June 2016 RM'000
Profit before taxation	41,540	42,771
Less: Fair value gain of investment properties (net)	-	(2,572)
Profit before taxation, excluding fair value gain of investment properties	<u>41,540</u>	<u>40,199</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 3Q 2016 as compared to 2Q 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

Malaysia's economy grew 4.0% in 2Q 2016 on the back of stronger expansion in domestic demand and private sector spending, and is expected to remain on a steady growth path for the rest of the year (source: Bank Negara Malaysia). Rebounding from the implementation of the Goods & Services Tax a year ago, Malaysia's retail sales increased 7.5% in 2Q 2016. However, the retail sales growth rate is projected to remain at 3.5% for the whole of 2016 amidst a weak outlook for the global economy and persistent concerns about the rising costs of living (source: Malaysia Retail Group Industry Report, August 2016).

Meanwhile, the scheduled completion of new retail supply towards the end of 2016 is expected to intensify the competition level for the retail sub-sector. While Sungei Wang Plaza's net property income is temporarily being affected by the ongoing Mass Rapid Transit ("MRT") works nearby, the mall will stand to be a long-term beneficiary once the Bukit Bintang Central MRT station located close to the mall becomes operational, which is expected to be in the second half of 2017.

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B4. Commentary on Prospects (cont'd)

Despite challenging operating conditions, the Manager is confident that the steady performances of CMMT's portfolio of quality assets located in key urban centres across Malaysia are able to provide both income and geographical diversification to unitholders. The Manager continually reinvents and upgrades CMMT's assets to ensure they remain relevant and continue to attract shoppers. Leveraging on its proven track record in proactive asset management and retail management, the Manager remains committed to deliver stable income distribution to unitholders.

B5. Profit Guarantee(s)

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

B6. Tax Expense

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, effective from the Year of Assessment 2007, the total income of a REIT for a year of assessment will be exempted from income tax provided that the REIT distributes 90.0% or more of its total income for that year of assessment. If the REIT is unable to meet the 90.0% distribution criterion, the entire taxable income of the REIT for the year would be subject to income tax.

As CMMT intends to distribute at least 90.0% of its distributable income for the financial year ending 31 December 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 September 2016 (Unaudited) RM'000	As at 31 December 2015 (Audited) RM'000
Long term borrowings		
Secured revolving credit	39,700	38,200
Secured term loans	918,430	918,430
Less: Unamortised transaction costs	(4,659)	(5,563)
	<u>953,471</u>	<u>951,067</u>
Short term borrowings		
Unsecured revolving credit	37,200	7,500
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(37)	(203)
	<u>337,163</u>	<u>307,297</u>
Total borrowings	<u>1,290,634</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.

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B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 26 August 2016, CMMT paid its first income distribution of RM85.2 million or 4.20 sen per unit for the period from 1 January 2016 to 30 June 2016.

No income distribution was proposed for the current quarter as CMMT's distribution 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% |

B11. Composition of Investment Portfolio as at 30 September 2016

As at 30 September 2016, CMMT's portfolio comprised the following investment properties:

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	1,122,784	1,461,082	1,455,000	55.0
Sungei Wang Plaza	756,098	675,456	675,000	25.5
The Mines	580,674	721,825	720,000	27.2
Tropicana City Property	560,584	575,717	573,000	21.7
East Coast Mall	391,126	482,098	482,000	18.2
Total	3,411,266	3,916,178	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 30 June 2016 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 RM2,643,190,000 as at 30 September 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 September 2016	Quarter ended 30 June 2016
Number of units in circulation (units)	2,031,458,100	2,028,314,900
NAV before income distribution (RM'000)	2,643,190	2,681,960
NAV after income distribution (RM'000)	2,599,920	2,596,771
NAV per unit ¹ (RM)	1.2798	1.2803
Total comprehensive income (RM'000)	41,540	42,771
Weighted average number of units in issue ² (units)	2,029,169,030	2,027,580,853
EPU after manager's management fee (sen)	2.05	2.11
Distributable income (RM'000)	43,270	42,263
DPU (sen)	2.13	2.08
Market price (RM)	1.55	1.55
DPU yield (%)	1.37	1.34

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 2,027,190,276.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fee

For the quarter ended 30 September 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:

	3Q 2016 Actual (Unaudited) RM'000	YTD 2016 Actual (Unaudited) RM'000
Base management fee	2,985	8,893
Performance fee	2,918	8,648
Total fees	5,903	17,541

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

	No of units units	Percentage of unitholdings %	Market value³ at 30 September 2016 RM
CMMT Investment Limited ¹	710,973,600	35.00	1,102,009,080
Menang Investment Limited ¹	30,537,600	1.50	47,333,280
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
	741,823,200	36.50⁴	1,149,825,960

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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 September 2016.
- ⁴ Approximation.

The Manager disposed 3,143,200 units in CMMT at cost to a related party, Menang Investment Limited, on 14 September 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 September 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 20 October 2016.

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: 20 October 2016