Financial Results (v13)

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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		
Submitting Secretarial Firm	TMF GLOBAL SERVICES (MALAYSIA) SDN BHD		

CONTACT DETAIL			
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MAIN	
General Information	
Financial Year End	31 Dec 2019
Quarter	3 Qtr
Quarterly report for the financial period ended	30 Sep 2019
The figures	have not been audited
Remarks	
Please attach the full Quarterly Report here	**No** **File Name** **Size** 1 CMMT_3Q 2019_Quarterly Results.pdf 316.1KB

DEFAULT CURRENCY

Currency	Malaysian Ringgit (MYR)			
Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of the Key Financial Information for the financial period ended	30 Sep 2019			
	INDIVIDUAL PERIOD		**CUMULATIVE PERIOD**	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018

	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000
1. Revenue	83,721	86,150	256,474	263,237
2. Profit/(loss) before Tax	28,409	31,556	60,488	101,002
3. Profit/(loss) for the period	28,409	31,556	50,736	101,002
4. Profit/(loss) attributable to ordinary equity holders of the parent	28,409	31,556	50,736	101,002
5. Basic earnings/(loss) per share (Subunit)	1.39	1.55	2.48	4.95
6. Proposed/Declared dividend per share (Subunit)	0.00	0.00	3.22	4.02
	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 ($$)	1.2424		1.2657	
Remarks				

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 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000
1. Gross interest income	661	1,213	2,318	3,824
2. Gross interest expense	15,353	15,135	45,539	44,865
Remarks				

CAPITALAND MALAYSIA MALL TRUST

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2019 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2018 (AUDITED) RM'000
Assets		
Plant and equipment	3,237	1,429
Investment properties	4,024,975	4,019,000
Total non-current assets	4,028,212	4,020,429
Trade and other receivables	23,955	21,154
Cash and cash equivalents	68,213	101,380
Total current assets	92,168	122,534
Total assets	**4,120,380**	**4,142,963**
Equity		
Unitholders' capital	2,189,028	2,181,132
Undistributed profit	391,034	485,434
Total unitholders' funds	2,580,062	2,666,566
Liabilities		
Borrowings	945,588	949,131
Tenants' deposits	40,030	41,817
Deferred tax liability	9,752	-
Total non-current liabilities	995,370	990,948
Borrowings	442,643	369,928
Tenants' deposits	49,857	47,480
Trade and other payables	52,448	68,041
Total current liabilities	544,948	485,449
Total liabilities	1,540,318	1,476,397
Total equity and liabilities	**4,120,380**	**4,142,963**
Number of units in circulation ('000 units)	**2,051,753**	**2,044,176**
Net asset value (NAV)		
- before income distribution	**2,580,062**	**2,666,566**
- after income distribution	**2,549,080**	**2,587,252**
NAV per unit (RM)		
- before income distribution	**1.2575**	**1.3045**
- after income distribution	**1.2424**	**1.2657**

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 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %
Gross rental income	65,736	66,290	(0.8)	200,561	204,096	(1.7)
Car park income	5,395	6,376	(15.4)	17,164	18,315	(6.3)
Other revenue	12,590	13,484	(6.6)	38,749	40,826	(5.1)
Gross revenue	**83,721**	**86,150**	**(2.8)**	**256,474**	**263,237**	**(2.6)**
Maintenance	(8,507)	(8,512)	(0.1)	(26,264)	(24,640)	6.6
Utilities	(13,268)	(13,291)	(0.2)	(39,959)	(38,238)	4.5
Other operating expenses[1]	(12,750)	(12,609)	1.1	(37,975)	(38,217)	(0.6)
Property operating expenses	(34,525)	(34,412)	0.3	(104,198)	(101,095)	3.1
Net property income	**49,196**	**51,738**	**(4.9)**	**152,276**	**162,142**	**(6.1)**
Interest income	661	1,213	(45.5)	2,318	3,834	(39.5)
Fair value loss of investment properties (net)	-	-	-	(30,042)	(1,245)	>100.0
Net investment income	**49,857**	**52,951**	**(5.8)**	**124,552**	**164,731**	**(24.4)**
Manager's management fee	(5,346)	(5,467)	(2.2)	(16,205)	(16,679)	(2.8)
Trustee's fee	(101)	(101)	-	(300)	(300)	-
Auditor's fee	(38)	(52)	(26.9)	(153)	(153)	-
Tax agent's fee	(5)	(7)	(28.6)	(20)	(20)	-
Valuation fee	(77)	(73)	5.5	(231)	(220)	5.0
Finance costs	(15,616)	(15,420)	1.3	(46,326)	(45,623)	1.5
Other non-operating expenses[1]	(265)	(275)	(3.6)	(829)	(734)	12.9
	(21,448)	(21,395)	0.2	(64,064)	(63,729)	0.5
Profit before taxation	**28,409**	**31,556**	**(10.0)**	**60,488**	**101,002**	**(40.1)**
Taxation	-	-	-	-	-	-
Deferred Taxation	-	-	-	(9,752)	-	N.M.
Profit for the period	**28,409**	**31,556**	**(10.0)**	**50,736**	**101,002**	**(49.8)**
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	**28,409**	**31,556**	**(10.0)**	**50,736**	**101,002**	**(49.8)**
Distribution adjustments[2]	2,425	7,298	(66.8)	46,110	19,920	>100.0
Income available for distribution	**30,834**	**38,854**	**(20.6)**	**96,846**	**120,922**	**(19.9)**
Distributable income[3]	**30,982**	**38,839**	**(20.2)**	**96,804**	**120,873**	**(19.9)**
Realised	28,409	31,556	(10.0)	90,530	102,247	(11.5)
Unrealised	-	-	-	(39,794)	(1,245)	>100.0
	28,409	31,556	(10.0)	50,736	101,002	(49.8)

CAPITALAND MALAYSIA MALL TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2019 (UNAUDITED)	2018 (UNAUDITED)	Change %	2019 (UNAUDITED)	2018 (UNAUDITED)	Change %
Earnings per unit (sen)[4]						
- before Manager's management fee	**1.65**	**1.81**	**(8.8)**	**3.28**	**5.77**	**(43.2)**
- after Manager's management fee	**1.39**	**1.55**	**(10.3)**	**2.48**	**4.95**	**(49.9)**
Distribution per unit (DPU) (sen)	**1.51**	**1.90**	**(20.5)**	**4.73**	**5.92**	**(20.1)**
DPU (sen) – annualised	**5.99**	**7.54**	**(20.6)**	**6.32**	**7.92**	**(20.2)**

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 2018.

N.M. - Not meaningful

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

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %
Allowance for impairment losses of trade receivables	(263)	(534)	(50.7)	(771)	(1,082)	(28.7)
Bad Debts written off	(19)	-	N.M.	(19)	-	N.M.
Foreign exchange gain/(loss):						
- Unrealised	*	*	-	*	*	-
- Realised	-	2	(100.0)	(2)	-	N.M.

* less than RM1,000

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		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %
Fair value loss of investment properties (net)	-	-	-	30,042	1,245	>100.0
Manager's management fee payable in units *	1,834	1,970	(6.9)	5,729	6,266	(8.6)
Depreciation	312	286	9.1	785	899	(12.7)
Amortisation of transaction costs on borrowings	215	215	-	640	658	(2.7)
Deferred taxation	-	-	-	9,752	-	N.M.
Tax and other adjustments	64	4,827	(98.7)	(838)	10,852	(>100.0)
	2,425	7,298	(66.8)	46,110	19,920	>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 rollover adjustment for rounding effect of DPU.
4. 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 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' CAPITAL RM'000	UNDISTRIBUTED PROFIT RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2018	2,172,216	514,980	2,687,196
Total comprehensive income for the financial period	-	101,002	101,002
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	8,916	-	8,916
- Distribution paid to unitholders[1]	-	(165,174)	(165,174)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**8,916**	**(165,174)**	**(156,258)**
As at 30 September 2018 (Unaudited)	**2,181,132**	**450,808**	**2,631,940**
As at 1 January 2019	2,181,132	485,434	2,666,566
Total comprehensive income for the financial period	-	50,736	50,736
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	7,896	-	7,896
- Distribution paid to unitholders[2]	-	(145,136)	(145,136)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**7,896**	**(145,136)**	**(137,240)**
As at 30 September 2019 (Unaudited)	**2,189,028**	**391,034**	**2,580,062**

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 2018.

1. This refers to the (i) 2017 final income distribution of 4.08 sen per unit for the period from 1 July 2017 to 31 December 2017 paid on 28 February 2018, and (ii) first income distribution of 4.02 sen per unit for the period 1 January 2018 to 30 June 2018 paid on 30 August 2018.
2. This refers to the (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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		NINE MONTHS ENDED
	30 SEPTEMBER 2019 (UNAUDITED) RM'000	**30 SEPTEMBER 2018 (UNAUDITED) RM'000**
Cash Flows From Operating Activities		
Profit before taxation	60,488	101,002
Adjustments for:-		
Manager's management fee payable in units	5,729	6,266
Depreciation	785	899
Fair value loss of investment properties (net)	30,042	1,245
Finance costs	46,326	45,623
Interest income	(2,318)	(3,834)
Plant and equipment written off	-	2
Operating profit before changes in working capital	**141,052**	**151,203**
Changes in working capital:		
Trade and other receivables	(2,801)	(4)
Trade and other payables	(1,305)	1,714
Tenants' deposits	590	(3,858)
Net cash generated from operating activities	**137,536**	**149,055**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(2,593)	(433)
Capital expenditure on investment properties	(51,610)	(23,990)
Interest received	2,318	3,834
Net cash used in investing activities	**(51,885)**	**(20,589)**
Cash Flows From Financing Activities		
Distribution paid to unitholders	(145,136)	(165,174)
Interest paid	(42,112)	(41,592)
Payment of financing expenses	(102)	(109)
Repayment of interest bearing borrowings	(63,675)	(9,130)
Proceeds from interest bearing borrowings	132,207	10,700
Net cash used in financing activities	**(118,818)**	**(205,305)**
Net decrease in cash and cash equivalents	(33,167)	(76,839)
Cash and cash equivalents at beginning of the period	94,897	179,840
Cash and cash equivalents at end of the period	**61,730**	**103,001**
Cash and cash equivalents at end of the period comprises :		
Deposits placed with licensed banks	43,831	82,625
Cash and bank balances	24,382	26,859
	68,213	109,484
Less: Pledged deposits	(6,483)	(6,483)
	61,730	**103,001**

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 2018.

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 2019 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 2018.

A2. Changes in Accounting Policies

On 1 January 2019, the Group and CMMT adopted the following MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019:

MFRS 16, Leases
IC Interpretation 23, Uncertainty over Income Tax Treatments
Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

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 2018 was not qualified.

A4. Comment on Seasonality or Cyclicality of Operations

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

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

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.

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 2019 are as follows:

		3Q 2019			**3Q 2018**	
Business Segment	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**
Gross revenue	82,045	1,676	83,721	84,487	1,663	86,150
Net property income	48,087	1,109	49,196	50,646	1,092	51,738
Interest income			661			1,213
Unallocated expenses			(5,832)			(5,975)
Finance costs			(15,616)			(15,420)
Profit before taxation			**28,409**			**31,556**
Taxation			-			-
Deferred Taxation			-			-
Profit for the quarter			**28,409**			**31,556**

		YTD 2019			**YTD 2018**	
Business Segment	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**
Gross revenue	251,438	5,036	256,474	258,990	4,247	263,237
Net property income	148,890	3,386	152,276	159,454	2,688	162,142
Interest income			2,318			3,834
Fair value loss of investment properties (net)			(30,042)			(1,245)
Unallocated expenses			(17,738)			(18,106)
Finance costs			(46,326)			(45,623)
Profit before taxation			**60,488**			**101,002**
Taxation			-			-
Deferred Taxation			(9,752)			-
Profit for the period			**50,736**			**101,002**

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	2,044,176,200
Units issued as satisfaction of the Manager's management fee payable in units	7,576,600
Total units in issue	**2,051,752,800**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	10,918

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 2019 (UNAUDITED) RM'000	3Q 2018 (UNAUDITED) RM'000	Change %	YTD 2019 (UNAUDITED) RM'000	YTD 2018 (UNAUDITED) RM'000	Change %
(a)	**Breakdown of Gross Revenue**						
	Gurney Plaza	37,456	36,820	1.7	114,544	109,986	4.1
	East Coast Mall	15,824	15,223	3.9	47,627	45,172	5.4
	Sungei Wang	6,093	6,580	(7.4)	18,510	22,154	(16.4)
	3 Damansara Property	10,527	11,237	(6.3)	32,498	34,404	(5.5)
	The Mines	13,821	16,290	(15.2)	43,295	51,521	(16.0)
	Total Gross Revenue	**83,721**	**86,150**	(2.8)	**256,474**	**263,237**	(2.6)
(b)	**Breakdown of Property Operating Expenses**						
	Gurney Plaza	10,727	10,161	5.6	32,864	32,053	2.5
	East Coast Mall	5,238	4,954	5.7	15,968	14,940	6.9
	Sungei Wang	6,671	5,743	16.2	18,401	15,261	20.6
	3 Damansara Property	5,823	6,446	(9.7)	16,940	17,881	(5.3)
	The Mines	6,066	7,108	(14.7)	20,025	20,960	(4.5)
	Total Property Operating Expenses	**34,525**	**34,412**	0.3	**104,198**	**101,095**	3.1
(c)	**Breakdown of Net Property Income**						
	Gurney Plaza	26,729	26,659	0.3	81,680	77,933	4.8
	East Coast Mall	10,586	10,269	3.1	31,659	30,232	4.7
	Sungei Wang	(578)	837	(>100.0)	109	6,893	(98.4)
	3 Damansara Property	4,704	4,791	(1.8)	15,558	16,523	(5.8)
	The Mines	7,755	9,182	(15.5)	23,270	30,561	(23.9)
	Total Net Property Income	**49,196**	**51,738**	(4.9)	**152,276**	**162,142**	(6.1)

B1. Review of Performance (cont'd)

Quarter Results (3Q 2019 vs 3Q 2018)

The Group recorded gross revenue of RM83.7 million in 3Q 2019, a decrease of RM2.4 million or 2.8% against 3Q 2018. The decrease was mainly due to lower occupancies at The Mines (TM) and Sungei Wang (SW) and lower rental rates at TM. The decrease was partially mitigated by better performance from Gurney Plaza (GP) and East Coast Mall (ECM) due to higher rental rates and higher rental income following the completion of the asset enhancement initiative (AEI) at ECM. AEI for Jumpa at Sungei Wang was completed and soft opened on 25 September 2019.

Property operating expenses for 3Q 2019 were RM34.5 million, an increase of RM0.1 million or 0.3% against 3Q 2018 mainly due to higher utilities at GP and ECM as a result of higher electricity surcharge with effect from 1 March 2019 and higher consumption.

The net property income (NPI) for 3Q 2019 of RM49.2 million was RM2.5 million or 4.9% lower than 3Q 2018. This is mainly due to lower revenue and increase in operating expenses as outlined and branding and social media marketing costs for the soft launch of Jumpa.

Finance costs for 3Q 2019 of RM15.6 million were RM0.2 million or 1.3% higher than 3Q 2018. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works.

CMMT has incurred RM4.0 million of capital expenditure during the quarter which was mainly due to Jumpa retail layout design and reconfiguration works at SW.

Overall, distributable income to unitholders for 3Q 2019 was RM31.0 million, a decrease of RM7.8 million or 20.2% against 3Q 2018 due to abovementioned factors and lower tax and other adjustments.

Financial Year-to-date Results (YTD 2019 vs YTD 2018)

The Group recorded gross revenue of RM256.5 million, a decrease of RM6.8 million or 2.6% against the same period last year. The decrease was mainly due to lower occupancies at TM and SW, lower rental rates at TM and downtime from AEI at SW and TM. The decrease was partially mitigated by better performance from GP, ECM and Tropicana City Office Tower (TCOT) due to higher rental rates and higher rental income, following the completion of the AEI at ECM and full occupancy at TCOT. AEI for Jumpa at Sungei Wang was completed and soft opened on 25 September 2019.

Property operating expenses for YTD 2019 were RM104.2 million, an increase of RM3.1 million or 3.1% against the same period last year due to higher utilities at GP, ECM and 3 Damansara Property (3DP) as a result of electricity surcharge with effect from 1 July 2018 as well as 1 March 2019 and one-time rebate of service charge at SW in March 2018.

The NPI for YTD 2019 of RM152.3 million was RM9.9 million or 6.1% lower than YTD 2018.

CMMT registered a net fair value loss of RM30.0 million on investment properties in YTD 2019.

Finance costs for YTD 2019 of RM46.3 million were RM0.7 million or 1.5% higher than YTD 2018. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works. Average cost of debt for YTD 2019 was 4.45% p.a. (YTD 2018: 4.47% p.a.)

Following the change in Real Property Gains Tax (RPGT) Act effective 1 January 2019, deferred tax liability of RM9.8 million was provided based on the RPGT rate on the net fair value gain of three (3) freehold investment properties.

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2019 vs YTD 2018) (cont'd)

CMMT has incurred RM36.0 million of capital expenditure during the period which was mainly due to Jumpa retail layout design and reconfiguration works at SW and enhancement works of the food and beverage area on Level 2 at TM.

Overall, distributable income to unitholders for the financial period was RM96.8 million, a decrease of RM24.1 million or 19.9% against YTD 2018 due to abovementioned factors and lower tax and other adjustments.

B2. Material Changes in Quarter Results

	QUARTER ENDED 30 SEPTEMBER 2019 RM'000	QUARTER ENDED 30 JUNE 2019 RM'000	Change %
Profit / (Loss) before taxation	28,409	(401)	>100.0
Adjusted for : Fair value loss of investment properties (net)	-	30,042	-
Profit before taxation, excluding net fair value loss of investment properties	**28,409**	**29,641**	**(4.2)**

Other than the net fair value loss of RM30.0 million resulting from the valuation as at 30 June 2019, the change in the financial results of 3Q 2019 as compared to 2Q 2019 was mainly due to lower net property income as disclosed in B1.

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

The Malaysian economy grew 4.9% in the second quarter of 2019 (2Q 2019), largely supported by the continued expansion in domestic demand and is on track to achieve a full-year growth of 4.7% in 2019 (source: Ministry of Finance).

Meanwhile, uncertainties in the global economy continue to weigh on consumer and business sentiments. As competition in the retail landscape intensifies, the Manager has embarked on asset enhancement initiatives and adopted proactive asset management strategies to enhance the attractiveness of CMMT malls. The completion of JUMPA @ Sungei Wang annex block with its curated retail offerings will present a new experience for shoppers and is expected to boost the appeal of Sungei Wang.

The Manager remains committed to deliver sustainable income distributions to unitholders and is confident that the underlying strength of CMMT's portfolio of quality assets, located in key urban centres across Malaysia, will sustain its performance through different economic cycles.

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 2019 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 2019 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2018 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	28,925	32,943
Secured term loans	918,430	918,430
Less: Unamortised transaction costs	(1,767)	(2,242)
	945,588	949,131
Short term borrowings		
Unsecured revolving credit	143,110	70,560
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(467)	(632)
	442,643	369,928
Total borrowings	**1,388,231**	**1,319,059**

All the borrowings are denominated in Ringgit Malaysia.

During the quarter, the net increase in total gross borrowings (before deducting unamortised transaction costs) of RM26.3 million was mainly due to additional revolving credit facilities drawn down for purposes of funding the AEI at SW and TM.

As of to-date, two out of five properties of the Group, namely SW and ECM, remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 83% and 17% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 3 September 2019, CMMT paid its first income distribution of RM65.8 million or 3.22 sen per unit for the period from 1 January 2019 to 30 June 2019.

No income distribution was proposed for the current quarter as CMMT's distribution of income is paid on a half yearly basis.

Pursuant to Section 109D(2) of the Income Tax Act, 1967, the applicable final withholding tax on distributions of income which is tax exempt at CMMT level is as follows:

Resident unitholders:

(a)	Corporate	Tax flow through, no withholding tax
(b)	Other than corporate	Withholding tax at 10.0%

Non-resident unitholders:

(c)	Corporate	Withholding tax at 24.0%
(d)	Institutional investors	Withholding tax at 10.0%
(e)	Individuals	Withholding tax at 10.0%

B11. Composition of Investment Portfolio as at 30 September 2019

As at 30 September 2019, 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	1,142,283	1,648,276	1,647,000	63.8
East Coast Mall	405,951	569,001	569,000	22.1
Sungei Wang	809,072	539,219	538,000	20.9
3 Damansara Property	587,523	546,422	546,000	21.2
The Mines	598,462	722,057	721,000	27.9
Total	**3,543,291**	**4,024,975**	**4,021,000**	

The market value of Sungei Wang, The Mines and East Coast Mall were stated at valuations conducted by PPC International Sdn. Bhd. as at 30 June 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 30 June 2019.

[1] Cost of investment comprises purchase consideration and capital expenditure incurred from inception up to the end of the reporting date.

[2] Net book value (NBV) comprises market value of the investment properties as at 30 June 2019 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 RM2,580,062,000 as at 30 September 2019. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 30 SEPTEMBER 2019	QUARTER ENDED 30 JUNE 2019
Number of units in circulation (units)	2,051,752,800	2,044,176,200
NAV before income distribution (RM'000)	2,580,062	2,609,579
NAV after income distribution (RM'000)	2,549,080	2,543,757
NAV per unit[1] (RM)	1.2424	1.2444
Total comprehensive income / (deficit) (RM'000)	28,409	(10,153)
Weighted average number of units in issue[2] (units)	2,046,399,767	2,044,176,200
EPU after manager's management fee (sen)	1.39	(0.50)
Distributable income (RM'000)	30,982	30,867
DPU (sen)	1.51	1.51
Market price (RM)	1.08	1.04
DPU yield (%)	1.40	1.45

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 of units in issue for YTD 2019 is 2,044,925,534.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fees

For the period ended 30 September 2019, 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 2019 ACTUAL (UNAUDITED) RM'000	YTD 2019 ACTUAL (UNAUDITED) RM'000
Base management fee	3,009	8,972
Performance fee	2,337	7,233
Total fees	**5,346**	**16,205**

B15. Unitholdings of the Manager[1] and Parties Related to the Manager

	NO OF UNITS	PERCENTAGE OF UNITHOLDINGS[4]	MARKET VALUE[5] AT 30 SEPTEMBER 2019
	UNITS	%	RM
CMMT Investment Limited[2]	710,973,600	34.65	767,851,488
Menang Investment Limited[2]	40,255,700	1.96	43,476,156
CapitaLand Malaysia Mall REIT Management Sdn. Bhd.[1]	7,576,600	0.4	8,182,728
Direct unitholdings of the Directors of the Manager:			
Ms Low Peck Chen	12,000	N.M.	12,960
Mr Lim Cho Pin Andrew Geoffrey[3]	47,000	N.M.	50,760
	758,864,900	**36.99**	**819,574,092**

N.M. - Not meaningful

1 CapitaLand Malaysia Mall REIT Management Sdn. Bhd. is the Manager of CMMT.
2 An indirect wholly-owned subsidiary of CapitaLand Mall Asia Limited.
3 Units held through nominees.
4 Approximation.
5 The market value of the units is computed based on the closing price of RM1.08 per unit as at 30 September 2019.

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 2019 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 24 October 2019.

BY ORDER OF THE BOARD

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

Date: 24 October 2019