CAPITALAND MALAYSIA TRUST

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2022 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2021 (AUDITED) RM'000
Assets		
Plant and equipment	3,022	3,490
Investment properties	3,829,307	3,826,000
Total non-current assets	3,832,329	3,829,490
Trade and other receivables	27,229	27,283
Cash and cash equivalents	81,314	76,176
Total current assets	108,543	103,459
Total assets	**3,940,872**	**3,932,949**
Equity		
Unitholders' capital	2,272,366	2,235,447
Undistributed profits	158,037	155,851
Total Unitholders' funds	**2,430,403**	**2,391,298**
Liabilities		
Borrowings	946,273	1,267,324
Tenants' deposits	33,841	26,131
Deferred tax liabilities	1,738	1,738
Total non-current liabilities	981,852	1,295,193
Borrowings	427,868	144,945
Tenants' deposits	43,578	50,684
Trade and other payables	57,171	50,829
Total current liabilities	528,617	246,458
Total liabilities	**1,510,469**	**1,541,651**
Total equity and liabilities	**3,940,872**	**3,932,949**
Number of units in circulation ('000 units)	**2,202,573**	**2,130,856**
Net asset value (NAV)		
- before income distribution	**2,430,403**	**2,391,298**
- after income distribution	**2,408,157**	**2,370,416**
NAV per unit (RM)		
- before income distribution	**1.1034**	**1.1222**
- after income distribution	**1.0933**	**1.1124**

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 2021.

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %
Gross rental income	56,312	41,691	35.1	165,528	131,185	26.2
Car park income	5,009	1,580	217.0	14,448	8,169	76.9
Other revenue	9,682	5,405	79.1	26,942	18,691	44.1
Gross revenue	**71,003**	**48,676**	**45.9**	**206,918**	**158,045**	**30.9**
Maintenance expenses	(9,517)	(8,562)	11.2	(27,922)	(26,398)	5.8
Utilities	(12,135)	(6,854)	77.0	(34,862)	(24,345)	43.2
Other operating expenses[1]	(11,137)	(14,689)	(24.2)	(32,428)	(37,390)	(13.3)
Property operating expenses	(32,789)	(30,105)	8.9	(95,212)	(88,133)	8.0
Net property income	**38,214**	**18,571**	**105.8**	**111,706**	**69,912**	**59.8**
Interest income	530	274	93.4	1,314	861	52.6
Other non-operating income	-	-	-	1,625	1,625	-
Net investment income	**38,744**	**18,845**	**105.6**	**114,645**	**72,398**	**58.4**
Manager's management fee	(4,694)	(3,806)	23.3	(13,847)	(11,984)	15.5
Trustee's fee	(101)	(101)	-	(299)	(299)	-
Auditor's fee	(50)	(59)	(15.3)	(150)	(178)	(15.7)
Tax agent's fee	(4)	(6)	(33.3)	(16)	(23)	(30.4)
Valuation fee	(70)	(80)	(12.5)	(214)	(240)	(10.8)
Finance costs	(12,081)	(11,741)	2.9	(33,946)	(36,292)	(6.5)
Other non-operating expenses[1]	(304)	(230)	32.2	(1,078)	(1,386)	(22.2)
	(17,304)	(16,023)	8.0	(49,550)	(50,402)	(1.7)
Profit before taxation	**21,440**	**2,822**	**659.7**	**65,095**	**21,996**	**195.9**
Taxation	-	-	-	-	-	-
Profit for the quarter/ period	**21,440**	**2,822**	**659.7**	**65,095**	**21,996**	**195.9**
Profit and total comprehensive income for the quarter/ period	**21,440**	**2,822**	**659.7**	**65,095**	**21,996**	**195.9**
Distribution adjustments[2]	626	135	363.7	(1,037)	(745)	39.2
Income available for distribution	**22,066**	**2,957**	**646.2**	**64,058**	**21,251**	**201.4**
Distributable income[3]	**22,246**	**3,192**	**596.9**	**64,273**	**21,343**	**201.1**
Realised	21,440	2,822	659.7	65,095	21,996	195.9
Unrealised[4]	-	-	-	-	-	-
	21,440	2,822	659.7	65,095	21,996	195.9

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2022 (UNAUDITED)	2021 (UNAUDITED)	Change %	2022 (UNAUDITED)	2021 (UNAUDITED)	Change %
Earnings per unit (sen)[5]						
- before Manager's management fee	**1.21**	**0.31**	**290.3**	**3.67**	**1.62**	**126.5**
- after Manager's management fee	**0.99**	**0.13**	**661.5**	**3.03**	**1.05**	**188.6**
Distribution per unit (DPU) (sen)	**1.01**	**0.15**	**573.3**	**2.96**	**1.01**	**193.1**
DPU (sen) – annualised	**4.01**	**0.60**	**568.3**	**3.96**	**1.35**	**193.3**

The unaudited condensed consolidated statement of profit or loss and other 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 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %
Reversal/ (loss) on impairment for trade receivables (net)	923	(2,985)	(130.9)	2,290	(4,540)	(150.4)
Foreign exchange (loss)/ gain:						
- Unrealised	-	-	-	-	-	-
- Realised	(3)	(1)	200.0	(5)	(1)	400.0
	920	(2,986)	(130.8)	2,285	(4,541)	(150.3)

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %
Manager's management fee payable in units *	1,303	562	131.9	3,744	2,276	64.5
Depreciation	338	333	1.5	1,052	1,001	5.1
Amortisation of transaction costs on borrowings	242	210	15.2	711	622	14.3
Tax and other adjustments	(1,257)	(970)	29.6	(6,544)	(4,644)	40.9
	626	135	363.7	(1,037)	(745)	39.2

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

3. The difference between distributable income and income available for distribution is due to rounding effect of DPU.
4. This refers to unrealised profit, if any, which is not available for income distribution.
5. Earnings per unit (EPU) is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' CAPITAL RM'000	UNDISTRIBUTED PROFITS RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2021	2,198,446	245,466	2,443,912
Total comprehensive income for the financial period	-	21,996	21,996
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	2,755	-	2,755
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	32,528	-	32,528
- Distribution paid to Unitholders[1]	-	(59,222)	(59,222)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	35,283	(59,222)	(23,939)
As at 30 September 2021 (Unaudited)	**2,233,729**	**208,240**	**2,441,969**
As at 1 January 2022	2,235,447	155,851	2,391,298
Total comprehensive income for the financial period	-	65,095	65,095
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	1,630	-	1,630
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	35,289	-	35,289
- Distribution paid to Unitholders[2]	-	(62,909)	(62,909)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	**36,919**	**(62,909)**	**(25,990)**
As at 30 September 2022 (Unaudited)	**2,272,366**	**158,037**	**2,430,403**

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 2021.

1. This refers to the (i) 2020 final income distribution of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020 paid on 23 March 2021, and (ii) first income distribution of 0.86 sen per unit for the period from 1 January 2021 to 30 June 2021 paid on 22 September 2021.
2. This refers to the 2021 final income distribution of 0.98 sen per unit for the period from 1 July 2021 to 31 December 2021 paid on 28 March 2022, and (ii) first income distribution of 1.95 sen per unit for the period from 1 January 2022 to 30 June 2022 paid on 19 September 2022.

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NINE MONTHS ENDED	
	30 SEPTEMBER 2022 (UNAUDITED) RM'000	30 SEPTEMBER 2021 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	65,095	21,996
Adjustments for:-		
Manager's management fee paid/ payable in units	3,744	2,276
Depreciation	1,052	1,001
Finance costs	33,946	36,292
Interest income	(1,314)	(861)
(Gain)/ loss on disposal of plant and equipment	(1)	2
(Reversal)/ loss on impairment for trade receivables (net)	(2,290)	4,540
Operating profit before changes in working capital	**100,232**	**65,246**
Changes in working capital:		
Trade and other receivables	11,618	(10,276)
Trade and other payables	(962)	(6,676)
Tenants' deposits	604	(5,326)
Net cash generated from operating activities	**111,492**	**42,968**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(584)	(774)
Capital expenditure on investment properties	(5,661)	(2,932)
Deposit paid on acquisition of investment property	(8,000)	-
Proceeds from disposal of plant and equipment	1	-
Interest received	1,314	861
Net cash used in investing activities	**(12,930)**	**(2,845)**
Cash Flows From Financing Activities		
Distribution paid to Unitholders[1]	(25,240)	(25,484)
Interest expense and other financing costs paid	(30,500)	(33,150)
Transaction costs related to Distribution Reinvestment Plan	(196)	(270)
Proceeds from drawdown of interest bearing borrowings	47,797	55,239
Repayment of interest bearing borrowings	(85,285)	(40,700)
Net cash used in financing activities	**(93,424)**	**(44,365)**
Net increase/ (decrease) in cash and cash equivalents	5,138	(4,242)
Cash and cash equivalents at beginning of the period	71,246	65,646
Cash and cash equivalents at end of the period	**76,384**	**61,404**
Cash and cash equivalents at end of the period comprise:		
Deposits placed with licensed banks	67,447	51,277
Cash and bank balances	13,867	16,357
	81,314	67,634
Less: Pledged deposits	(4,930)	(6,230)
	76,384	**61,404**

[1] Non-cash transactions
A portion of the income distribution was paid in new CLMT units pursuant to the Distribution Reinvestment Plan and a portion of management fees were paid in new CLMT units to the Manager.

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 2021.

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 2022 comprise CLMT 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), IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the Fifth Amended and Restated Trust Deed dated 13 July 2021 (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 financial year ended 31 December 2021.

A2. Changes in Accounting Policies

On 1 January 2022, the Group and CLMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework;
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018−2020);
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018−2020);
Amendments to MFRS 116, Property, Plant and Equipment − Proceeds before Intended Use; and
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts, Cost of Fulfilling a Contract.

The adoption of the above MFRSs, interpretations and amendments do not have significant impact on the financial results of the Group and of CLMT.

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2021 was not qualified.

A4. Comment on Seasonality or Cyclicality of Operations

The business operations of the Group and of CLMT 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, the economic cycle, the financial performance of its tenants, the availability of credit facilities and the 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 A12 and B8, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current period.

A8. Income Distribution Policy

In line with the distribution policy as set out in the Trust Deed, the Manager will distribute at least 90% of its distributable income to its Unitholders in each financial year.

A9. Segmental Reporting

Segmental results for the quarter/period ended 30 September 2022 are as follows:

	3Q 2022 (UNAUDITED)			3Q 2021 (UNAUDITED)		
BUSINESS SEGMENT	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**
Gross revenue	70,648	355	71,003	47,981	695	48,676
Net property income	38,428	(214)	38,214	18,345	226	18,571
Interest income			530			274
Other non-operating income			-			-
Unallocated expenses			(5,223)			(4,282)
Finance costs			(12,081)			(11,741)
Profit before taxation			**21,440**			**2,822**
Taxation			-			-
Profit for the quarter			**21,440**			**2,822**

	YTD 2022 (UNAUDITED)			YTD 2021 (UNAUDITED)		
BUSINESS SEGMENT	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OFFICE RM'000**	**TOTAL RM'000**
Gross revenue	205,610	1,308	206,918	155,459	2,586	158,045
Net property income	111,960	(254)	111,706	68,757	1,155	69,912
Interest income			1,314			861
Other non-operating income			1,625			1,625
Unallocated expenses			(15,604)			(14,110)
Finance costs			(33,946)			(36,292)
Profit before taxation			**65,095**			**21,996**
Taxation			-			-
Profit for the period			**65,095**			**21,996**

A10. Valuation of Investment Properties

The investment properties are valued annually by independent professional valuers and the differences between the valuation and the carrying values of the respective investment properties are recognised to the profit or loss for the financial period in which they arise. The carrying amount of investment properties as at 30 September 2022 is based on the independent valuations as at 31 December 2021 and subsequent capital expenditure incurred up to the reporting date. The valuation of investment properties may be subject to estimation uncertainties. For the period ended 30 September 2022, CLMT incurred RM 3.3 million of capital expenditure on investment properties, primarily in Gurney Plaza and 3 Damansara Property.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	3Q 2022 UNITS
Balance as at 1 January	2,130,855,734
Units issued under the Distribution Reinvestment Plan	68,882,861
Units issued as part satisfaction of the Manager's management fee payable in units	2,834,100
As at 30 September 2022	**2,202,572,695**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED) RM'000
Contracted but not provided for	19,261

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 2022 (UNAUDITED) RM'000	3Q 2021 (UNAUDITED) RM'000	Change %	YTD 2022 (UNAUDITED) RM'000	YTD 2021 (UNAUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	34,758	23,022	51.0	100,300	73,265	36.9
East Coast Mall	16,363	11,069	47.8	48,307	34,466	40.2
Sungei Wang Plaza	4,369	3,104	40.8	12,742	10,979	16.1
3 Damansara Property	4,949	4,089	21.0	14,183	14,870	(4.6)
The Mines	10,564	7,392	42.9	31,386	24,465	28.3
Total Gross Revenue	**71,003**	**48,676**	**45.9**	**206,918**	**158,045**	**30.9**
Breakdown of Property Operating Expenses						
Gurney Plaza	10,581	9,586	10.4	30,694	28,634	7.2
East Coast Mall	5,573	4,333	28.6	15,424	12,464	23.7
Sungei Wang Plaza	5,371	6,208	(13.5)	16,003	16,834	(4.9)
3 Damansara Property	4,921	4,627	6.4	15,771	14,537	8.5
The Mines	6,343	5,351	18.5	17,320	15,664	10.6
Total Property Operating Expenses	**32,789**	**30,105**	**8.9**	**95,212**	**88,133**	**8.0**
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	24,177	13,436	79.9	69,606	44,631	56.0
East Coast Mall	10,790	6,736	60.2	32,883	22,002	49.5
Sungei Wang Plaza	(1,002)	(3,104)	(67.7)	(3,261)	(5,855)	(44.3)
3 Damansara Property	28	(538)	(105.2)	(1,588)	333	(576.9)
The Mines	4,221	2,041	106.8	14,066	8,801	59.8
Total Net Property Income	**38,214**	**18,571**	**105.8**	**111,706**	**69,912**	**59.8**

B1. Review of Performance (cont'd)

Quarter Results (3Q 2022 vs 3Q 2021)

The Group recorded gross revenue of RM71.0 million in 3Q 2022, an increase of RM22.3 million or 45.9% against 3Q 2021. The substantial increase in revenue is attributed to the overall improvement in all categories of revenue sources on the back of the continued improvement in retail sentiment and the absence of rental relief for the quarter under review.

Property operating expenses for 3Q 2022 were RM32.8 million, an increase of RM2.7 million or 8.9% against 3Q 2021 mainly due to (i) higher consumption of utilities attributed to higher level of mall activities, higher electricity surcharge coupled with absence of electricity discount in the current quarter as compared to the same period last year, and (ii) higher maintenance costs and other related expenses, which was offset by RM0.9 million write-back of doubtful debts provisions as a result of improvement in collection.

The net property income (NPI) for 3Q 2022 of RM38.2 million, has doubled the NPI for 3Q 2021 of RM18.6 million.

Finance costs for 3Q 2022 of RM12.1 million was slightly higher than 3Q 2021 notwithstanding a cumulative year-to-date (YTD) Overnight Policy Rate ("OPR") hikes of 75 basis points as the Group's fixed rate loans portfolio ratio of more than 80% has cushioned the effect of the OPR hikes. The average cost of debt was 3.35% p.a. for this quarter against 3Q 2021's 3.25% p.a.

Overall, distributable income to Unitholders for 3Q 2022 was RM22.2 million, an increase of RM19.1 million compared to 3Q 2021 mainly due to the abovementioned factors.

Financial Year-to-date Results (YTD 2022 vs YTD 2021)

The Group recorded gross revenue of RM206.9 million, an increase of RM48.9 million or 30.9% against the same period last year. Tenant businesses continued to improve as they ride on the wave of recovery and more business operators were willing to renew their tenancies as the Covid-19 phenomenon now becomes an endemic. As compared to the same period last year, gross revenue were affected by the rental relief provided to targeted tenants.

Property operating expenses for YTD 2022 were RM95.2 million, an increase of RM7.1 million or 8.0% against the previous financial period mainly due to higher utilities costs. The higher operating expenses were cushioned by the write-back of doubtful debts provision of RM 2.3 million.

The NPI for YTD 2022 of RM111.7 million was RM41.8 million or 59.8% higher than YTD 2021.

Other non-operating income of RM 1.6 million was due to scheduled compensation income received in 2Q 2022 as a result of the termination of an easement agreement in relation to the car park area between Sungei Wang Plaza and Bukit Bintang Plaza.

Finance costs for YTD 2022 of RM33.9 million was RM2.3 million or 6.5% lower than YTD 2021. The decrease was mainly due to the interest rate re-fixing exercise carried out in December 2021 for the RM300 million MTN and lower weighted average borrowings for the period under review, offset by the effects of the OPR hikes. YTD average cost of debt was 3.17% p.a. (YTD 2021: 3.25% p.a.).

Overall, distributable income to Unitholders for the financial period was RM64.3 million, an increase of RM 42.9 million against YTD 2021 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED) RM'000	QUARTER ENDED 30 JUNE 2022 (UNAUDITED) RM'000	Change %
Profit before taxation	21,440	23,118	(7.3)
Profit before taxation, excluding net fair value loss on investment properties	**21,440**	**23,118**	**(7.3)**

The quarter to quarter results showed a slight decline as the previous quarter includes the receipt of compensation income as mentioned in B1 above.

B3. Investment Objectives and Strategies

Pursuant to the Fifth Amended and Restated Deed (Trust Deed), CLMT's investment objective and policy is to invest, on a long-term basis, in a portfolio of income producing real estate as deemed fit by the Manager, that are used for retail, commercial, office and industrial purposes or such other non-real estate investments, as may be permitted under the Trust Deed and the REITs Guidelines or by the Securities Commission of Malaysia (SC), with a view to providing Unitholders with long-term and sustainable distributions of income and potential capital growth.

B4. Commentary on Prospects

Malaysia's economy continued its recovery momentum and registered a stronger year-on-year growth of 8.9% in 2Q 2022 compared to 5.0% in 1Q 2022 following the normalisation of economic activity as the country moved towards COVID-19 endemicity and reopened its international borders.

Retail indicators continued to show signs of recovery as shopper footfall and retail sales have continued to improve, driven by expansion in domestic consumption and easing of border restrictions. Despite the strengthening of economic indicators in 2022, business confidence continues to moderate due to macroeconomic uncertainties, rising business costs, labour shortage and the expectation that interest rates will likely increase in the coming months.

The Manager will remain proactive in managing CLMT portfolio by maintaining healthy portfolio occupancy and sustainable rental income while ensuring cost efficiencies. Inorganic growth opportunities to enhance portfolio diversification will remain a key consideration in the Manager's strategy to deliver long-term and sustainable income distribution to Unitholders.

B5. Profit Guarantee

CLMT is not involved in any arrangement whereby it provides profit guarantee.

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% or more of its total income for that year of assessment. If the REIT is unable to meet the 90% distribution criterion, the entire taxable income of the REIT for the year would be subject to income tax.

As CLMT intends to distribute at least 90% of its distributable income for the financial year ending 31 December 2022 to its Unitholders, no provision for tax has been made for the period.

B7. Status of Corporate Proposals

Following the expansion of CLMT's investment mandate in the last financial year, CLMT has entered into a sale and purchase agreement on 7 June 2022 to acquire two plots of contiguous freehold land and industrial properties located in Sungai Jawi, Penang. Barring unforeseen circumstances, the acquisition is expected to be completed in 4Q 2022.

B8. Borrowings and Debt Securities

	AS AT 30 SEPTEMBER 2022 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2021 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	29,028	49,816
Secured term loans	918,430	918,430
Unrated medium term notes	-	300,000
Less: Unamortised transaction costs	(1,185)	(922)
	946,273	1,267,324
Short term borrowings		
Secured revolving credit	10,660	19,700
Unsecured revolving credit	117,650	125,310
Unrated medium term note	300,000	-
Less: Unamortised transaction costs	(442)	(65)
	427,868	144,945
Total borrowings	**1,374,141**	**1,412,269**

All the borrowings are denominated in Ringgit Malaysia.

The net decrease in total gross borrowings (before deducting unamortised transaction costs) was mainly due to net repayment of revolving credit facilities (RCF) of RM37.5 million.

The unrated medium term note is reclassified from long term borrowings to short term borrowings as it will mature on 20 June 2023, which is less than one year from the balance sheet date.

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

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2022	2021	Change	2022	2021	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Gross rental income	56,312	41,691	35.1	165,528	131,185	26.2
Car park income	5,009	1,580	217.0	14,448	8,169	76.9
Other revenue	9,682	5,405	79.1	26,942	18,691	44.1
Interest income	530	274	93.4	1,314	861	52.6
Other income	-	-	-	1,625	1,625	-
	71,533	**48,950**	**46.1**	**209,857**	**160,531**	**30.7**
Total property and trust expenses	(50,093)	(46,128)	8.6	(144,762)	(138,535)	4.5
Total comprehensive income for the quarter / period	**21,440**	**2,822**	**659.7**	**65,095**	**21,996**	**195.9**
Distribution adjustments	626	135	363.7	(1,037)	(745)	39.2
Realised income for the quarter / period	**22,066**	**2,957**	**646.2**	**64,058**	**21,251**	**201.4**
Previous quarter's / period's undistributed income	511	592	(13.7)	546	449	21.6
Total realised income available for distribution	**22,577**	**3,549**	**536.2**	**64,604**	**21,700**	**197.7**
Proposed/ declared income distribution	(22,246)	(3,192)	596.9	(64,273)	(21,343)	201.1
Balance undistributed income	**331**	**357**	**(7.2)**	**331**	**357**	**(7.2)**
Distribution per unit (DPU) (sen)	**1.01**	**0.15**	**573.3**	**2.96**	**1.01**	**193.1**
DPU (sen) – annualised	**4.01**	**0.60**	**568.3**	**3.96**	**1.35**	**193.3**

B10. Income Distribution (cont'd)

On 19 September 2022, CLMT paid its First Income Distribution of RM42.0 million or 1.95 sen per unit for the period from 1 January 2022 to 30 June 2022. The Distribution Reinvestment Plan (DRP) was applied on the 1H 2022 income distribution, in which a total of 47,363,371 units were issued out of 77,828,938 units eligible under the DRP. This represents a take up rate of 60.86%.

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 CLMT level is as follows:

Resident Unitholders:

(a)	Corporate	Tax flow through, no withholding tax
(b)	Other than corporate	Withholding tax at 10%

Non-resident Unitholders:

(c)	Corporate	Withholding tax at 24%
(d)	Institutional investors	Withholding tax at 10%
(e)	Individuals	Withholding tax at 10%

B11. Composition of Investment Portfolio as at 30 September 2022

As at 30 September 2022, CLMT's portfolio comprised the following investment properties:

INVESTMENT PROPERTIES	COST OF INVESTMENT[1]	NET BOOK VALUE[2]	MARKET VALUE	MARKET VALUE AS % of NAV[3]
	RM'000	RM'000	RM'000	%
Gurney Plaza	1,164,329	1,666,266	1,665,000	68.5
East Coast Mall	406,792	579,299	579,000	23.8
Sungei Wang Plaza	813,176	442,077	442,000	18.2
3 Damansara Property	594,903	481,440	480,000	19.7
The Mines	603,321	660,225	660,000	27.2
Total	**3,582,521**	**3,829,307**	**3,826,000**	

The market values of Gurney Plaza, Sungei Wang Plaza, and The Mines were stated at valuations conducted by Nawawi Tie Leung Property Consultants Sdn Bhd as at 31 December 2021. The market values of 3 Damansara Property and East Coast Mall were stated at valuations performed by PPC International Sdn Bhd and Savills (Malaysia) Sdn Bhd respectively as at 31 December 2021.

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

2 Net book value (NBV) comprises of market value of the investment properties as at 31 December 2021 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 RM2,430,403,000 as at 30 September 2022. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 30 September,2022	QUARTER ENDED 30 June, 2022
Number of units in circulation (units)	2,202,572,695	2,155,209,324
NAV before income distribution (RM'000)	2,430,403	2,426,812
NAV after income distribution (RM'000)	2,408,157	2,384,785
NAV per unit[1] (RM)	1.0933	1.1065
Total comprehensive income (RM'000)	21,440	23,118
Weighted average number of units in issue (units)	2,160,872,336	2,153,932,422
EPU after manager's management fee (sen)	0.99	1.07
Distributable income (RM'000)	22,246	21,579
DPU (sen)	1.01	1.00
Market price (RM)	0.540	0.570
DPU yield (%)	1.87	1.75

[1] NAV per unit is arrived at by dividing the NAV after income distribution with the number of units in circulation at the end of the quarter.

B13. Soft Commission Received By The Manager and its Delegates

Nil.

B14. Manager's Fees

For the quarter ended 30 September 2022, 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 2022 ACTUAL (UNAUDITED) RM'000	YTD 2022 ACTUAL (UNAUDITED) RM'000
Base management fee	2,879	8,541
Performance fee	1,815	5,306
Total fees	**4,694**	**13,847**

Date: 26 October 2022