

CAPITALAND MALAYSIA TRUST
(FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
Assets		
Plant and equipment	3,490	3,491
Investment properties	3,826,000	3,895,000
Total non-current assets	<u>3,829,490</u>	<u>3,898,491</u>
Trade and other receivables	27,283	29,047
Cash and cash equivalents	76,176	71,876
Total current assets	<u>103,459</u>	<u>100,923</u>
Total assets	<u>3,932,949</u>	<u>3,999,414</u>
Equity		
Unitholders' capital	2,235,447	2,198,446
Undistributed profits	155,851	245,466
Total Unitholders' funds	<u>2,391,298</u>	<u>2,443,912</u>
Liabilities		
Borrowings	1,267,324	1,269,053
Tenants' deposits	26,131	33,256
Deferred tax liabilities	1,738	7,228
Total non-current liabilities	<u>1,295,193</u>	<u>1,309,537</u>
Borrowings	144,945	140,760
Tenants' deposits	50,684	50,295
Trade and other payables	50,829	54,910
Total current liabilities	<u>246,458</u>	<u>245,965</u>
Total liabilities	<u>1,541,651</u>	<u>1,555,502</u>
Total equity and liabilities	<u>3,932,949</u>	<u>3,999,414</u>
Number of units in circulation ('000 units)	2,130,856	2,063,846
Net asset value (NAV)		
- before income distribution	2,391,298	2,443,912
- after income distribution	2,370,416	2,402,841
NAV per unit (RM)		
- before income distribution	1.1222	1.1842
- after income distribution	1.1124	1.1643

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 2020.

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	31 DECEMBER		Change	31 DECEMBER		Change
	2021 (UNAUDITED) RM'000	2020 (UNAUDITED) RM'000		2021 (UNAUDITED) RM'000	2020 (AUDITED) RM'000	
Gross rental income	54,435	52,932	2.8	185,620	210,288	(11.7)
Car park income	4,746	3,977	19.3	12,915	14,602	(11.6)
Other revenue	6,881	10,032	(31.4)	25,572	36,509	(30.0)
Gross revenue	66,062	66,941	(1.3)	224,107	261,399	(14.3)
Maintenance expenses	(8,677)	(9,260)	(6.3)	(35,075)	(35,263)	(0.5)
Utilities	(10,008)	(11,096)	(9.8)	(34,353)	(40,436)	(15.0)
Other operating expenses ¹	(14,151)	(12,555)	12.7	(51,541)	(52,199)	(1.3)
Property operating expenses	(32,836)	(32,911)	(0.2)	(120,969)	(127,898)	(5.4)
Net property income	33,226	34,030	(2.4)	103,138	133,501	(22.7)
Interest income	354	274	29.2	1,215	1,512	(19.6)
Fair value losses on investment properties (net)	(76,389)	(157,850)	(51.6)	(76,389)	(157,850)	(51.6)
Other non-operating income	1,625	-	-	3,250	4,958	(34.4)
Net investment (loss) / income	(41,184)	(123,546)	(66.7)	31,214	(17,879)	(>100.0)
Manager's management fee	(4,453)	(4,532)	(1.7)	(16,437)	(18,244)	(9.9)
Trustee's fee	(101)	(100)	1.0	(400)	(400)	-
Auditor's fee	(3)	3	(>100.0)	(181)	(181)	-
Tax agent's fee	(8)	(8)	-	(31)	(30)	3.3
Valuation fee	(37)	(61)	(39.3)	(277)	(281)	(1.4)
Finance costs	(11,829)	(13,765)	(14.1)	(48,121)	(58,479)	(17.7)
Other non-operating expenses ¹	(264)	(450)	(41.3)	(1,650)	(1,277)	29.2
	(16,695)	(18,913)	(11.7)	(67,097)	(78,892)	(15.0)
Loss before taxation	(57,879)	(142,459)	(59.4)	(35,883)	(96,771)	(62.9)
Taxation	-	-	-	-	-	-
Deferred taxation	5,490	12,267	(55.2)	5,490	12,267	(55.2)
Loss for the quarter/ year	(52,389)	(130,192)	(59.8)	(30,393)	(84,504)	(64.0)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive loss for the quarter/ year	(52,389)	(130,192)	(59.8)	(30,393)	(84,504)	(64.0)
Distribution adjustments ²	70,268	147,914	(52.5)	69,523	146,242	(52.5)
Income available for distribution	17,879	17,722	0.9	39,130	61,738	(36.6)
Distributable income³	17,690	17,845	(0.9)	39,033	61,830	(36.9)
Realised	18,510	15,391	20.3	40,506	61,079	(33.7)
Unrealised ⁴	(70,899)	(145,583)	(51.3)	(70,899)	(145,583)	(51.3)
	(52,389)	(130,192)	(59.8)	(30,393)	(84,504)	(64.0)

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

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

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2021 (UNAUDITED)	2020 (UNAUDITED)	Change %	2021 (UNAUDITED)	2020 (AUDITED)	Change %
Loss per unit (sen)⁵						
- before Manager's management fee	(2.25)	(6.10)	(63.1)	(0.66)	(3.22)	(79.5)
- after Manager's management fee	(2.46)	(6.32)	(61.1)	(1.44)	(4.11)	(65.0)
Distribution per unit (DPU) (sen)	0.83	0.86	(3.5)	1.84	3.00	(38.7)
DPU (sen) – annualised	3.29	3.42	(3.8)	1.84	3.00	(38.7)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2020.

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

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

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

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2021	2020	Change	2021	2020	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(AUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Impairment losses for trade receivables (net)	(1,528)	13	(>100.0)	(6,068)	(5,923)	2.4
Foreign exchange (loss) / gain:						
- Unrealised	-	-	-	-	-	-
- Realised	-	*	-	(1)	(1)	-
	(1,528)	13	(>100.0)	(6,069)	(5,924)	2.4

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2021	2020	Change	2021	2020	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(AUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Fair value losses on investment properties (net)	76,389	157,850	(51.6)	76,389	157,850	(51.6)
Manager's management fee payable in units *	1,067	1,254	(14.9)	3,343	4,915	(32.0)
Depreciation	348	322	8.1	1,349	1,251	7.8
Amortisation of transaction costs on borrowings	232	210	10.5	854	834	2.4
Deferred taxation	(5,490)	(12,267)	(55.2)	(5,490)	(12,267)	(55.2)
Tax and other adjustments	(2,278)	545	(>100.0)	(6,922)	(6,341)	9.2
	70,268	147,914	(52.5)	69,523	146,242	(52.5)

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

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' UNDISTRIBUTED CAPITAL RM'000	PROFITS RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2020	2,189,028	412,898	2,601,926
Total comprehensive loss for the financial year	-	(84,504)	(84,504)
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	5,847	-	5,847
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	3,571	-	3,571
- Distribution paid to Unitholders ¹	-	(82,928)	(82,928)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	9,418	(82,928)	(73,510)
As at 31 December 2020 (Audited)	2,198,446	245,466	2,443,912
As at 1 January 2021	2,198,446	245,466	2,443,912
Total comprehensive loss for the financial year	-	(30,393)	(30,393)
Unitholders' transactions			
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	32,532	-	32,532
- Units issued as part satisfaction of the Manager's management fee	4,469	-	4,469
- Distribution paid to Unitholders ²	-	(59,222)	(59,222)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	37,001	(59,222)	(22,221)
As at 31 December 2021 (Unaudited)	2,235,447	155,851	2,391,298

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 2020.

- This refers to the (i) 2019 final income distribution of 3.03 sen per unit for the period from 1 July 2019 to 31 December 2019 paid on 28 February 2020, and (ii) first income distribution of 1.01 sen per unit for the period from 1 January 2020 to 30 June 2020 paid on 13 October 2020.
- 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.

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER 2021 (UNAUDITED) RM'000	31 DECEMBER 2020 (AUDITED) RM'000
Cash Flows From Operating Activities		
Loss before taxation	(35,883)	(96,771)
Adjustments for:-		
Manager's management fee paid/ payable in units	3,343	4,915
Depreciation	1,349	1,251
Fair value losses on investment properties (net)	76,389	157,850
Finance costs	48,121	58,479
Interest income	(1,215)	(1,512)
Plant and equipment written off	2	-
Impairment losses for trade receivables (net)	6,068	5,923
Operating profit before changes in working capital	98,174	130,135
Changes in working capital:		
Trade and other receivables	(4,304)	(13,913)
Trade and other payables	(4,137)	2,972
Tenants' deposits	(6,736)	(6,104)
Net cash generated from operating activities	82,997	113,090
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(1,350)	(1,541)
Capital expenditure on investment properties	(5,808)	(22,454)
Interest received	1,215	1,512
Net cash used in investing activities	(5,943)	(22,483)
Cash Flows From Financing Activities		
Distribution paid to Unitholders	(26,424)	(79,062)
Interest expense and other financing costs paid	(47,753)	(58,798)
Transaction costs related to Distribution Reinvestment Plan	(266)	(295)
Proceeds from interest bearing borrowings	77,789	102,040
Repayment of interest bearing borrowings	(76,100)	(67,200)
Withdrawal of pledged deposits from a licensed bank	1,300	-
Net cash used in financing activities	(71,454)	(103,315)
Net increase / (decrease) in cash and cash equivalents	5,600	(12,708)
Cash and cash equivalents at beginning of the year	65,646	78,354
Cash and cash equivalents at end of the year	71,246	65,646
Cash and cash equivalents at end of the year comprise:		
Deposits placed with licensed banks	63,099	58,827
Cash and bank balances	13,077	13,049
	76,176	71,876
Less: Pledged deposits	(4,930)	(6,230)
	71,246	65,646

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 2020.

CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (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 fourth quarter ended 31 December 2021 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 Standard 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 year ended 31 December 2020.

A2. Changes in Accounting Policies

On 1 January 2021, the Group and CLMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020 and 1 January 2021:

Effective for annual periods beginning on or after 1 June 2020

Amendments to MFRS 16, Leases – COVID-19 – Related Rent Concessions.

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2.

The adoption of the above MFRSs, interpretation 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 2020 was not qualified.

A4. Comment on Seasonality or Cyclicity 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

Except for the effects of COVID-19 pandemic and the various movement control restrictions implemented during the pandemic as explained in Note B1, there were no other material unusual items.

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.

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

A8. Income Distribution Policy

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

A9. Segmental Reporting

Segmental results for the quarter/year ended 31 December 2021 are as follows:

BUSINESS SEGMENT	4Q 2021 (UNAUDITED)			4Q 2020 (UNAUDITED)		
	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000
Gross revenue	65,388	674	66,062	65,932	1,009	66,941
Net property income	33,056	170	33,226	33,487	543	34,030
Interest income			354			274
Other non-operating income			1,625			-
Fair value losses on investment properties (net)			(76,389)			(157,850)
Unallocated expenses			(4,866)			(5,148)
Finance costs			(11,829)			(13,765)
Loss before taxation			(57,879)			(142,459)
Taxation			-			-
Deferred taxation			5,490			12,267
Loss for the quarter			(52,389)			(130,192)

BUSINESS SEGMENT	YTD 2021 (UNAUDITED)			YTD 2020 (AUDITED)		
	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000	RETAIL RM'000	OFFICE RM'000	TOTAL RM'000
Gross revenue	220,847	3,260	224,107	255,921	5,478	261,399
Net property income	101,813	1,325	103,138	130,027	3,474	133,501
Interest income			1,215			1,512
Other non-operating income			3,250			4,958
Fair value losses on investment properties (net)			(76,389)			(157,850)
Unallocated expenses			(18,976)			(20,413)
Finance costs			(48,121)			(58,479)
Loss before taxation			(35,883)			(96,771)
Taxation			-			-
Deferred taxation			5,490			12,267
Loss for the financial year			(30,393)			(84,504)

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 31 December 2021 is based on the independent valuations as at 31 December 2021. The net fair value losses arising from the valuations amounting to RM 76.4 million was recognised during the quarter/year.

CLMT incurred RM 5.8 million and RM7.4 million of capital expenditure on investment properties, primarily in Gurney Plaza for 4Q2021 and FY2021 respectively.

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	UNITS
Balance as at 1 January 2021	2,063,846,364
Units issued under the Distribution Reinvestment Plan	59,899,470
Units issued as part satisfaction of the Manager's management fee payable in units	7,109,900
Total Units in Issue	<u>2,130,855,734</u>

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	<u>1,714</u>

**CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST)
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (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

	4Q 2021 (UNAUDITED) RM'000	4Q 2020 (UNAUDITED) RM'000	Change %	YTD 2021 (UNAUDITED) RM'000	YTD 2020 (AUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	31,156	33,723	(7.6)	104,421	121,423	(14.0)
East Coast Mall	15,680	13,428	16.8	50,146	49,483	1.3
Sungei Wang Plaza	3,685	4,150	(11.2)	14,664	20,094	(27.0)
3 Damansara Property	4,006	5,792	(30.8)	18,876	29,299	(35.6)
The Mines	11,535	9,848	17.1	36,000	41,100	(12.4)
Total Gross Revenue	66,062	66,941	(1.3)	224,107	261,399	(14.3)
Breakdown of Property Operating Expenses						
Gurney Plaza	10,499	11,479	(8.5)	39,133	40,793	(4.1)
East Coast Mall	4,928	5,799	(15.0)	17,392	19,464	(10.6)
Sungei Wang Plaza	5,447	5,319	2.4	22,281	22,502	(1.0)
3 Damansara Property	5,408	4,513	19.8	19,945	21,010	(5.1)
The Mines	6,554	5,801	13.0	22,218	24,129	(7.9)
Total Property Operating Expenses	32,836	32,911	(0.2)	120,969	127,898	(5.4)
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	20,657	22,244	(7.1)	65,288	80,630	(19.0)
East Coast Mall	10,752	7,629	40.9	32,754	30,019	9.1
Sungei Wang Plaza	(1,762)	(1,169)	50.7	(7,617)	(2,408)	>100.0
3 Damansara Property	(1,402)	1,279	(>100.0)	(1,069)	8,289	(>100.0)
The Mines	4,981	4,047	23.1	13,782	16,971	(18.8)
Total Net Property Income	33,226	34,030	(2.4)	103,138	133,501	(22.7)

CAPITALAND MALAYSIA TRUST (FORMERLY KNOWN AS CAPITALAND MALAYSIA MALL TRUST) FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (4Q 2021 vs 4Q 2020)

The Group recorded gross revenue of RM66.1 million in 4Q 2021, a decrease of RM0.9 million or 1.3% against 4Q 2020. Gross rental income and carpark income have improved from 4Q 2020 since most of the states have rolled into Phase 4 of the National Recovery Plan where most economic sectors have re-opened and businesses resumed its operations under the new normal. The decrease in gross revenue was mainly attributable to higher other income received in 4Q 2020 related to pre-termination of tenancies.

Property operating expenses for 4Q 2021 were RM32.8 million, a decrease of RM0.1 million or 0.2% against 4Q 2020 mainly due to efforts to contain the various costs despite the transition into a recovery phase .

The net property income (NPI) for 4Q 2021 of RM33.2 million was RM0.8 million or 2.4% lower than 4Q 2020.

As mentioned in A10, fair value losses of RM 76.4 million was recognised during the quarter upon the revaluation of the investment properties and the loss is attributable mainly to the Klang Valley malls. The deferred tax liabilities previously recognised on investment properties were adjusted to reflect the lower tax liabilities on Real Property Gain Tax (RPGT).

Other non-operating income of RM1.6 million is due to scheduled compensation income received as a result of the termination of existing easement agreement in relation to the car park area between Sungei Wang Plaza (SWP) and Bukit Bintang Plaza and the restriction of access to the SWP rooftop car park.

Finance costs for 4Q 2021 of RM11.8 million were RM1.9 million or 14.1% lower than 4Q 2020. The savings was contributed mainly by the interest rate re-fixing exercises in March 2021 and December 2021, which successfully lowered the average cost of debt to 3.22% p.a. (4Q 2020: 3.82% p.a.).

Overall, distributable income to Unitholders for 4Q 2021 was RM17.7 million, a decrease of RM0.2 million or 0.9% against 4Q 2020 mainly due to the abovementioned factors.

Financial Year-to-date Results (FY 2021 vs FY 2020)

The Group recorded gross revenue of RM224.1 million, a decrease of RM37.3 million or 14.3% against the previous financial year. The decrease was mainly due to lower gross rental income, lower car park income, lower recovery of utilities and lower marcom income. Whilst 4Q 2021 has showed signs of rebound from the COVID-19 pandemic, the longer lockdown period in FY 2021 as compared to the previous year has affected the full year revenue.

Property operating expenses for FY 2021 were RM121.0 million, a decrease of RM6.9 million or 5.4% against the previous financial year due to lower utilities and marketing expenses. Utilities consumption was lower due to the various lockdown and 10% electricity discount received for the 12 months in FY 2021 as opposed to only 6 months in FY 2020. Marketing expenses were lower due to lower level of mall activities and cost containment effort.

The NPI for FY 2021 of RM103.1 million was RM30.4 million or 22.7% lower than FY 2020.

Other non-operating income of RM3.3 million was due to scheduled compensation income received as a result of the termination of the existing easement agreement in relation to the car park area between Sungei Wang Plaza (SWP) and Bukit Bintang Plaza and the restriction of access to the SWP rooftop car park.

Fair value losses of RM 76.4 million was recognised during the financial year upon the revaluation of investment properties and the loss is attributable to the Klang Valley malls. The deferred tax liabilities previously recognised on investment properties were adjusted to reflect the lower tax liabilities on RPGT.

Finance costs for FY 2021 of RM48.1 million were RM10.4 million or 17.7% lower than FY 2020. The decrease was mainly due to lower average cost of debt for FY 2021 at 3.34% p.a. (FY 2020: 4.09% p.a.) due to efforts to refix the interest rates for term loans during the financial year.

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B1. Review of Performance (cont'd)

Financial Year-to-date Results (FY 2021 vs FY 2020) (cont'd)

Overall, distributable income to Unitholders for the financial year under review was RM39.0 million, a decrease of RM 22.8 million or 36.9% against the previous year due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED) RM'000	QUARTER ENDED 30 SEPTEMBER 2021 (UNAUDITED) RM'000	Change %
(Loss) / Profit before taxation	(57,879)	2,822	(>100.0)
Adjusted for: Fair value losses on investment properties (net)	76,389	-	-
Profit before taxation, excluding net fair value losses on investment properties	18,510	2,822	>100.0

The higher quarter on quarter profit before tax was due mainly to higher gross rental income, carpark revenue and other revenue. These were partially off-set by higher marketing and utilities expenses due to the increase in mall activities in 4Q 2021.

B3. Investment Objectives and Strategies

On 14 June 2021, an Extraordinary General Meeting (EGM) was held and the Unitholders have voted in favour of the expansion of investment objective and policy of CLMT. 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 declined by 4.5% on a year-on-year basis in 3Q 2021, reversing from the growth of 16.1% recorded in the previous quarter, due to the reimposition of stricter nationwide containment measures. With the progressive easing of containment measures from 4Q 2021 which is expected to aid the resumption of economic activities, Bank Negara Malaysia has maintained its 2021 full-year growth forecast of 3.0% to 4.0%.

In 4Q 2021, shopper traffic and tenant sales for CLMT's portfolio continued to show improvements. This was supported by the resumption of dine-in services for fully vaccinated individuals and the malls' various marketing activities. Gurney Plaza and East Coast Mall, which are popular with local tourists, have also benefited from the resumption of domestic travel activities.

Despite Malaysia's inoculation progress, the Manager expects the operating environment for the retail sector to remain challenging, given the current market conditions and ongoing global uncertainties arising from the pandemic. The Manager will continue to work closely with tenants and stakeholders in navigating the pandemic challenges. CLMT's focus remains to maintain a healthy portfolio occupancy and sustainable rental income, whilst pursuing inorganic growth opportunities in its existing and new asset classes, with financial discipline.

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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 ended 31 December 2021 to its Unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Pursuant to the favorable outcome of the EGM held on 14 June 2021 (outlined in Note B3), the Fifth Amended and Restated Deed between CapitaLand Malaysia REIT Management Sdn. Bhd (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) and MTrustee Berhad was registered with SC on 20 September 2021.

Subsequent to the registration, CapitaLand Malaysia Mall Trust (CMMT) was renamed as CapitaLand Malaysia Trust (CLMT) and the stock short name was changed to CLMT effective 20 September 2021 and 27 September 2021 respectively.

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B8. Borrowings and Debt Securities

	AS AT 31 DECEMBER 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	49,816	52,377
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(922)	(1,754)
	<u>1,267,324</u>	<u>1,269,053</u>
Short term borrowings		
Secured revolving credit	19,700	25,600
Unsecured revolving credit	125,310	115,160
Less: Unamortised transaction costs	(65)	-
	<u>144,945</u>	<u>140,760</u>
Total borrowings	<u>1,412,269</u>	<u>1,409,813</u>

All the borrowings are denominated in Ringgit Malaysia.

The net increase in total gross borrowings (before deducting unamortised transaction costs) was mainly due to net drawdown of revolving credit facilities (RCF) of RM4.7 million. A portion of the secured RCF facilities was renewed for another 6 years to FY2028.

The secured term loan of RM348.7 million that was reclassified from long term to short term borrowings in the previous quarter was reinstated as long term borrowings after the completion of the refinancing exercise to extend the tenure by another 5 years to FY2027.

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 81% and 19% respectively.

B9. Change in Material Litigation

Nil.

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B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER			YEAR TO DATE		
	31 DECEMBER		Change	31 DECEMBER		Change
	2021	2020		2021	2020	
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(AUDITED)		
RM'000	RM'000	%	RM'000	RM'000	%	
Gross rental income	54,435	52,932	2.8	185,620	210,288	(11.7)
Car park income	4,746	3,977	19.3	12,915	14,602	(11.6)
Other revenue	6,881	10,032	(31.4)	25,572	36,509	(30.0)
Interest income	354	274	29.2	1,215	1,512	(19.6)
Other income	1,625	-	-	3,250	4,958	(34.4)
Fair value losses on investment properties (net)	(76,389)	(157,850)	(51.6)	(76,389)	(157,850)	(51.6)
	(8,348)	(90,635)	(90.8)	152,183	110,019	38.3
Total property and trust expenses	(49,531)	(51,824)	(4.4)	(188,066)	(206,790)	(9.1)
Deferred taxation	5,490	12,267	(55.2)	5,490	12,267	(55.2)
Total comprehensive income for the quarter / year	(52,389)	(130,192)	(59.8)	(30,393)	(84,504)	(64.0)
Distribution adjustments	70,268	147,914	(52.5)	69,523	146,242	(52.5)
Realised income for the quarter / year	17,879	17,722	0.9	39,130	61,738	(36.6)
Previous quarter's / year's undistributed income	357	572	(37.6)	449	541	(17.0)
Total realised income available for distribution	18,236	18,294	(0.3)	39,579	62,279	(36.4)
Proposed/ declared income distribution	(17,690)	(17,845)	(0.9)	(39,033)	(61,830)	(36.9)
Balance undistributed income	546	449	21.6	546	449	21.6
Distribution per unit (DPU) (sen)	0.83	0.86	(3.5)	1.84	3.00	(38.7)
DPU (sen) – annualised	3.29	3.42	(3.8)	1.84	3.00	(38.7)

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B10. Income Distribution (cont'd)

CLMT intends to distribute its final income distribution of RM 20.9 million or 0.98 sen per unit (of which 0.26 sen per unit is taxable and 0.72 sen per unit is non-taxable), based on the number of units in issue 2,130,856,000 for the period from 1 July 2021 to 31 December 2021 (Final Income Distribution). This means CLMT will distribute approximately 100% of its distributable income to its Unitholders for the financial year ended 31 December 2021.

Pursuant to Section 109D(2) of the Income Tax Act, 1967, the applicable final withholding tax on distributions of income which is not taxable 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 31 December 2021

As at 31 December 2021, 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	1,163,063	1,669,918	1,665,000	69.6
East Coast Mall	406,493	579,643	579,000	24.2
Sungei Wang Plaza	813,099	475,159	442,000	18.5
3 Damansara Property	593,463	496,827	480,000	20.1
The Mines	603,096	680,842	660,000	27.6
Total	3,579,214	3,902,389	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 2020 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 RM2,391,298,000 as at 31 December 2021. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 31 DECEMBER	QUARTER ENDED 30 SEPTEMBER
Number of units in circulation (units)	2,130,855,734	2,128,134,034
NAV before income distribution (RM'000)	2,391,298	2,441,969
NAV after income distribution (RM'000)	2,370,416	2,438,777
NAV per unit ¹ (RM)	1.1124	1.1460
Total comprehensive (loss) / income (RM'000)	(52,389)	2,822
Weighted average number of units in issue (units) (LPU)/EPU after manager's management fee (sen)	2,129,820,305 (2.46)	2,112,078,164 0.13
Distributable income (RM'000)	17,690	3,192
DPU (sen)	0.83	0.15
Market price (RM)	0.575	0.620
DPU yield (%)	1.44	0.24

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 year ended 31 December 2021, 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:

	4Q 2021 ACTUAL (UNAUDITED) RM'000	YTD 2021 ACTUAL (UNAUDITED) RM'000
Base management fee	2,875	11,538
Performance fee	1,578	4,899
Total fees	4,453	16,437