Financial Results

Form Version **8 (Enhanced)**
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Submitted

Company Information

Main Market Company
New Announcement

Submitting Investment Bank/Advisor (if applicable)	
Submitting Secretarial Firm (if applicable)	TMF Global Services (Malaysia) Sdn. Bhd.
* **Company name**	CAPITAMALLS MALAYSIA TRUST
* **Stock name**	CMMT
* **Stock code**	5180
* **Contact person**	Soo Shiow Fang
* **Designation**	Senior Manager
* **Contact number**	03-2382 4340
E-mail address	shiowfang.soo@tmf-group.com

Part A : To be filled by Public Listed Company

* **Financial Year End**	**31/12/2014**
* **Quarter**	**3 Qtr**
* **Quarterly report for the financial period ended**	**30/09/2014**
* **The figures**	**have not been audited**

Please attach the full Quarterly Report here

CMMT_3Q2014_FinancialResults.pdf

Remarks

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency Malaysian Ringgit (MYR)

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
* 30/09/2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000
1. Revenue	77,908	77,364	235,103	226,302
2. Profit/(loss) before tax	35,710	37,679	178,780	187,810
3. Profit/(loss) for the period	35,710	37,679	178,780	187,810

4. Profit/(loss) attributable to ordinary equity holders of the parent	35,710	37,679	178,780	187,810
5. Basic earnings/(loss) per share (Subunit)	2.01	2.13	10.07	10.62
6. Proposed/Declared dividend per share (Subunit)	2.12	2.26	6.65	6.61

	AS AT END OF CURRENT QUARTER*	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share attributable to ordinary equity holders of the parent ($$)	1.2323	1.1974

Remarks :

Definition of Subunit:

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

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

CAPITAMALLS MALAYSIA TRUST

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

CAPITAMALLS MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2014 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2013 (AUDITED) RM'000
Assets		
Plant and equipment	1,878	2,323
Investment properties	3,189,381	3,079,000
Total non-current assets	3,191,259	3,081,323
Trade and other receivables	16,218	14,647
Cash and cash equivalents	114,076	150,430
Total current assets	130,294	165,077
Total assets	**3,321,553**	**3,246,400**
Equity		
Unitholders' capital	1,832,286	1,823,567
Undistributed profit	397,597	379,050
Total unitholders' funds	2,229,883	2,202,617
Liabilities		
Borrowings	817,161	816,569
Tenants' deposits	46,999	41,787
Total non-current liabilities	864,160	858,356
Borrowings	129,000	91,000
Tenants' deposits	36,934	40,920
Trade and other payables	61,576	53,507
Total current liabilities	227,510	185,427
Total liabilities	1,091,670	1,043,783
Total equity and liabilities	**3,321,553**	**3,246,400**
Number of units in circulation ('000 units)	**1,778,976**	**1,772,820**
Net asset value ("NAV")		
- before income distribution	**2,229,883**	**2,202,617**
- after income distribution	**2,192,169**	**2,122,840**
NAV per unit (RM)		
- before income distribution	**1.2535**	**1.2424**
- after income distribution	**1.2323**	**1.1974**

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 2013.

CAPITAMALLS MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBR	
	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000
Gross rental income	62,167	61,651	187,319	182,941
Car park income	4,384	4,684	13,586	13,864
Other revenue	11,357	11,029	34,198	29,497
Gross revenue	**77,908**	**77,364**	**235,103**	**226,302**
Maintenance expenses	(5,707)	(6,013)	(16,772)	(17,101)
Utilities	(11,687)	(10,516)	(35,168)	(29,748)
Other operating expenses[1]	(9,877)	(9,068)	(28,815)	(25,642)
Property operating expenses	(27,271)	(25,597)	(80,755)	(72,491)
Net property income	**50,637**	**51,767**	**154,348**	**153,811**
Interest income	1,152	1,117	3,476	3,233
Fair value gain of investment properties	-	-	68,206	77,904
Net investment income	**51,789**	**52,884**	**226,030**	**234,948**
Manager's management fee	(5,124)	(5,081)	(15,355)	(15,019)
Trustee's fee	(101)	(101)	(299)	(299)
Auditors' fee	(45)	(41)	(135)	(159)
Tax agent's fee	(1)	(9)	(19)	(26)
Valuation fee	(57)	(32)	(172)	(159)
Finance costs	(10,511)	(9,790)	(30,582)	(30,969)
Other non-operating expenses	(240)	(151)	(688)	(507)
	(16,079)	(15,205)	(47,250)	(47,138)
Profit before taxation	**35,710**	**37,679**	**178,780**	**187,810**
Taxation	-	-	-	-
Profit for the period	**35,710**	**37,679**	**178,780**	**187,810**
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	**35,710**	**37,679**	**178,780**	**187,810**
Distribution adjustments[2]	1,950	2,349	(60,588)	(70,718)
Income available for distribution	**37,660**	**40,028**	**118,192**	**117,092**
Distributable income[3]	**37,714**	**40,011**	**118,170**	**117,023**
Realised	35,710	37,679	110,573	109,906
Unrealised[4]	-	-	68,207	77,904
	35,710	37,679	178,780	187,810

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2014 (UNAUDITED)	2013 (UNAUDITED)	2014 (UNAUDITED)	2013 (UNAUDITED)
Earnings per unit (sen)[5]				
- before Manager's management fee (sen)	**2.30**	**2.42**	**10.93**	**11.46**
- after Manager's management fee (sen)	**2.01**	**2.13**	**10.07**	**10.62**
Distribution per unit ("DPU") (sen)	**2.12**	**2.26**	**6.65**	**6.61**
DPU (sen) – annualised	**8.41**	**8.97**	**8.89**	**8.84**

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 2013.

1. Included in the other operating expenses are the following:

	CURRENT QUARTER 30 SEPTEMBER		YEAR TO DATE 30 SEPTEMBER	
	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000
(Allowance for)/Write-back of impairment losses of trade receivables	(388)	(39)	(398)	1
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- Realised	(1)	(3)	(6)	(10)

* 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	
	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000
Fair value gain of investment properties	-	-	(68,206)	(77,904)
Manager's management fee payable in units*	2,080	2,137	6,375	6,396
Depreciation	276	286	871	894
Amortisation of transaction costs on borrowings	196	198	589	589
Net profit from subsidiary**	-	(53)	-	(137)
Tax and other adjustments	(602)	(219)	(217)	(556)
	1,950	2,349	(60,588)	(70,718)

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

** Net profit from subsidiary relates to the wholly owned subsidiary, CMMT MTN Berhad.

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

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

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

CAPITAMALLS MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Undistributed Profit Unrealised RM'000	Total Unitholders' Funds RM'000
As at 1 January 2013	1,815,222	37,729	263,637	2,116,588
Total comprehensive income for the period	-	109,906	77,904	187,810
Increase in net assets resulting from operations	**1,815,222**	**147,635**	**341,541**	**2,304,398**
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,087	-	-	4,087
- Distribution paid to unitholders[1]	-	(151,976)	-	(151,976)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**4,087**	**(151,976)**	**-**	**(147,889)**
As at 30 September 2013 (Unaudited)	**1,819,309**	**(4,341)**	**341,541**	**2,156,509**
As at 1 January 2014	1,823,567	34,210	344,840	2,202,617
Total comprehensive income for the period	-	110,573	68,207	178,780
Increase in net assets resulting from operations	**1,823,567**	**144,783**	**413,047**	**2,381,397**
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	8,719	-	-	8,719
- Distribution paid to unitholders[2]	-	(160,233)	-	(160,233)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**8,719**	**(160,233)**	**-**	**(151,514)**
As at 30 September 2014 (Unaudited)	**1,832,286**	**(15,450)**	**413,047**	**2,229,883**

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 2013.

1. This refers to the (i) 2012 final income distribution of 4.24 sen per unit for the period from 1 July 2012 to 31 December 2012 paid on 6 March 2013, and (ii) first income distribution of 4.35 sen per unit for the period from 1 January 2013 to 30 June 2013 paid on 30 August 2013.
2. This refers to the (i) 2013 final income distribution of 4.50 sen per unit for the period from 1 July 2013 to 31 December 2013 paid on 7 March 2014, and (ii) first income distribution of 4.53 sen per unit for the period 1 January 2014 to 30 June 2014 paid on 29 August 2014.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		NINE MONTHS ENDED
	30 SEPTEMBER 2014 (UNAUDITED) RM'000	30 SEPTEMBER 2013 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	178,780	187,810
Adjustments for:-		
Manager's management fee paid/payable in units	6,375	6,396
Depreciation	871	894
Fair value gain of investment properties	(68,206)	(77,904)
Finance costs	30,582	30,969
Interest income	(3,476)	(3,233)
Plant and equipment written off	1	-
Operating profit before changes in working capital	**144,927**	**144,932**
Changes in working capital:		
Trade and other receivables	(1,571)	(14,297)
Trade and other payables	1,867	(10,187)
Tenants' deposits	1,226	3,165
Net cash from operating activities	**146,449**	**123,613**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(426)	(770)
Capital expenditure on investment properties	(36,953)	(22,703)
Interest received	3,476	3,233
Net cash used in investing activities	**(33,903)**	**(20,240)**
Cash Flows From Financing Activities		
Interest paid	(26,462)	(26,380)
Distribution paid to unitholders	(160,233)	(151,976)
Payment of financing expenses	(205)	(2,771)
Proceeds from interest bearing borrowings	72,100	22,900
Repayment of interest bearing borrowings	(34,100)	-
Pledged deposits	-	(3,289)
Net cash used in financing activities	**(148,900)**	**(161,516)**
Net decrease in cash and cash equivalents	(36,354)	(58,143)
Cash and cash equivalents at beginning of the period	143,690	155,432
Cash and cash equivalents at end of the period	**107,336**	**97,289**
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	86,561	97,317
Cash and bank balances	27,515	6,794
	114,076	104,111
Less: Pledged deposits	(6,740)	(6,822)
	107,336	**97,289**

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 2013.

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 and with 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 2014 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments which are stated at fair value.

The condensed consolidated interim financial statements have been prepared in compliance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), provisions of the trust deed dated 7 June 2010 (the "Trust Deed") and the Securities Commission's Guidelines on Real Estate Investment Trusts (the "REITs Guidelines").

The condensed consolidated interim financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed consolidated interim financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2013.

A2. Changes in Accounting Policies

During the financial period, the Group and CMMT adopted the following MFRSs and Amendments to MFRSs:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014:

Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139, Financial Statements: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

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

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2013 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 rental demand and supply of properties which depend on market conditions, economic cycle, financial performance of its tenants, availability of credit facilities and interest rate environment.

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

Save as disclosed in B8, there were no issuance, cancellation, repurchase, resale and repayment of 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

No segment information is prepared as CMMT's activities are in one operating segment and its assets are located in Malaysia.

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.

Fair value gain arising from the valuations amounting to RM68.2 million was recognised in the previous quarter. 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	1,776,070,600
Units issued as satisfaction of the Manager's management fee payable in units	2,905,000
Total units in issue	**1,778,975,600**

A13. Changes in Contingent Liabilities and Contingent Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	29,514

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 2014 (Unaudited) RM'000	3Q 2013 (Unaudited) RM'000	Change %	YTD 2014 (Unaudited) RM'000	YTD 2013 (Unaudited) RM'000	Change %
(a)	**Breakdown of Gross Revenue**						
	Gurney Plaza	29,945	29,784	0.5	90,555	88,378	2.5
	Sungei Wang Plaza	16,518	18,102	(8.8)	51,573	54,132	(4.7)
	The Mines	19,686	18,597	5.9	59,504	52,669	13.0
	East Coast Mall	11,759	10,881	8.1	33,471	31,123	7.5
	Total Gross Revenue	**77,908**	**77,364**	**0.7**	**235,103**	**226,302**	**3.9**
(b)	**Breakdown of Property Operating Expenses**						
	Gurney Plaza	10,285	9,406	9.3	30,043	27,589	8.9
	Sungei Wang Plaza	4,124	4,256	(3.1)	13,624	12,395	9.9
	The Mines	7,948	7,818	1.7	23,741	20,537	15.6
	East Coast Mall	4,914	4,117	19.4	13,347	11,970	11.5
	Total Property Operating Expenses	**27,271**	**25,597**	**6.5**	**80,755**	**72,491**	**11.4**
(c)	**Breakdown of Net Property Income**						
	Gurney Plaza	19,660	20,378	(3.5)	60,512	60,789	(0.5)
	Sungei Wang Plaza	12,394	13,846	(10.5)	37,949	41,737	(9.1)
	The Mines	11,738	10,779	8.9	35,763	32,132	11.3
	East Coast Mall	6,845	6,764	1.2	20,124	19,153	5.1
	Total Net Property Income	**50,637**	**51,767**	**(2.2)**	**154,348**	**153,811**	**0.3**

B1. Review of Performance (cont'd)

Quarter Results (3Q 2014 vs 3Q 2013)

The Group recorded gross revenue of RM77.9 million in 3Q 2014, an increase of RM0.5 million or 0.7% over 3Q 2013. The increase was mainly due to full quarter contribution from the newly reconfigured units of Phase 1 asset enhancement works at East Coast Mall and higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for Sungei Wang Plaza which was affected by the ongoing Mass Rapid Transit ("MRT") works.

Property operating expenses for 3Q 2014 was RM27.3 million, which was RM1.7 million or 6.5% higher compared to 3Q 2013. The increase was mainly attributed to the hikes in electricity tariff and renewable energy surcharge which impacted the CMMT portfolio. In addition, the overall property operating expenses for the current quarter was higher mainly due to higher utility expenses as a result of higher electricity consumption and higher reimbursable staff costs.

The net property income for 3Q 2014 was RM50.6 million which was 2.2% lower than 3Q 2013.

Finance costs for 3Q 2014 were RM10.5 million, which were RM0.7 million or 7.4% higher compared to 3Q 2013. The increase was mainly due to the impact of finance costs arising from the additional revolving credit facilities drawn down by CMMT during the quarter. Average cost of debt for 3Q 2014 was 4.34% p.a. (3Q 2013: 4.29% p.a.).

CMMT has incurred RM13.4 million of capital expenditure during the quarter. Gurney Plaza reconfiguration works on the ground floor of the extension wing, which includes the creation of new retail space and visibility improvement works are in progress. East Coast Mall continues with Phase 2 asset enhancement works, which involves the extension of the alfresco area and reconfiguration of the ground, first and second floors, to improve East Coast Mall's trade mix.

Overall, distributable income to unitholders for 3Q 2014 was RM37.7 million which was RM2.3 million or 5.7% lower compared to 3Q 2013.

Financial Year-to-date Results (YTD 2014 vs YTD 2013)

The Group recorded gross revenue of RM235.1 million, which was RM8.8 million or 3.9% higher than last year's corresponding period. The increase was mainly due to revenue generated from onselling of electricity to tenants at The Mines as well as the full period contribution from the newly reconfigured units of Phase 1 asset enhancement works at East Coast Mall. The Group also benefited from higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for Sungei Wang Plaza which was affected by the ongoing MRT works.

Property operating expenses for the period was RM80.8 million, which was RM8.3 million or 11.4% higher than last year's corresponding period. The increase was mainly attributed to the adjustment in property assessment fees, which impacted Gurney Plaza, East Coast Mall and CMMT's interest in Sungei Wang Plaza, as well as the hikes in electricity tariff and renewable energy surcharge which impacted the CMMT portfolio. Other than the spillover effect of the price adjustments, the overall property operating expenses for the current period was higher mainly due to higher utility expenses as a result of higher electricity consumption, higher administrative expenses and reimbursable staff costs.

The net property income for the period has increased marginally compared to last year's corresponding period.

Interest income for the period was RM3.5 million, which was RM0.2 million or 7.5% higher compared to last year's corresponding period. The increase was mainly attributed to higher available cash on deposit and active cash management.

CMMT registered a fair value gain of RM68.2 million in YTD 2014.

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2014 vs YTD 2013) (cont'd)

Manager's management fee was RM15.4 million, an increase of RM0.3 million or 2.2% over last year's corresponding period mainly due to stable net property income and increase in asset base after the valuation of investment properties.

Finance costs for the period were RM30.6 million, which were RM0.4 million or 1.2% lower compared to last year's corresponding period. The decrease was mainly because CMMT incurred a one-off incidental cost for the purpose of re-fixing its fixed rate term loans in 1Q 2013. Average cost of debt for YTD 2014 was 4.31% p.a. (YTD 2013: 4.39% p.a.).

CMMT has incurred RM42.2 million capital expenditure for the properties during the period. The Mines had completed the installation of new chillers while Gurney Plaza had completed its fourth floor reconfiguration works. The rest of the on-going asset enhancement works is outlined in the performance review of 3Q 2014.

Overall, distributable income to unitholders for the period was RM118.2 million which was RM1.2 million or 1.0% higher compared to last year's corresponding period.

B2. Material Changes in Quarter Results

	Quarter ended 30 September 2014 RM'000	Quarter ended 30 June 2014 RM'000
Profit before taxation	35,710	104,877
Less: Fair value gain of investment properties	-	(68,206)
Profit before taxation, excluding fair value gain of investment properties	**35,710**	**36,671**

There is no material change in the financial results of 3Q 2014 as compared to 2Q 2014.

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 is expected to remain on a steady growth path, having grown by 6.3% in 1H2014 on the back of strong export growth and robust private domestic demand, with full-year growth potentially exceeding Bank Negara's forecast of 4.5% - 5.5%. Retail sales are estimated to grow by 6.0% this year (Source: Malaysia Retail Industry Report, August 2014).

The electricity tariff and renewable energy surcharge hikes coupled with the increase in property assessment fees in Kuala Lumpur have had spillover effects on CMMT's property operating expenses as evidenced in this report. The higher cost pressures, along with the impact of the ongoing MRT works on Sungei Wang Plaza's traffic, are being partly contained by the stable performance of CMMT's underlying portfolio.

B4. Commentary on Prospects (cont'd)

As the only "pure play" shopping mall REIT, CMMT provides income and geographical diversification to its unitholders through a portfolio of four well-performing assets in the key urban centers of Penang, Kuala Lumpur, Selangor and Kuantan.

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 2014 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 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
Long term borrowings		
Secured term loans	519,750	519,750
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(2,589)	(3,181)
	817,161	816,569
Short term borrowings		
Secured revolving credit	57,700	29,700
Unsecured revolving credit	71,300	61,300
	129,000	91,000
Total borrowings	**946,161**	**907,569**

All the borrowings are denominated in Ringgit Malaysia.

As at 30 September 2014, CMMT's revolving credit facilities increased by RM38.0 million to RM129.0 million for the purpose of funding the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza, The Mines and East Coast Mall.

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

B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 29 August 2014, CMMT paid its final income distribution of RM80.5 million or 4.53 sen per unit for the period from 1 January 2014 to 30 June 2014.

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

Pursuant to the 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 25.0%
(d)	Institutional investors	Withholding tax at 10.0%
(e)	Individuals	Withholding tax at 10.0%

B11. Composition of Investment Portfolio as at 30 September 2014

As at 30 September 2014, CMMT's portfolio comprised the following shopping malls:

Investment properties	**Cost of Investment[1] RM'000**	**Net Book Value[2] RM'000**	**Market Value RM'000**	**Market Value as % of NAV[3] %**
Gurney Plaza	1,089,510	1,279,639	1,275,000	57.2
Sungei Wang Plaza	750,719	839,068	839,000	37.6
The Mines	564,824	670,037	670,000	30.0
East Coast Mall	371,281	400,637	392,000	17.6
Total	**2,776,334**	**3,189,381**	**3,176,000**	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 30 June 2014. The market value of Gurney Plaza was stated at valuation performed by PPC International Sdn. Bhd. as at 30 June 2014.

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

2 Net book value comprised market value of the investment properties as at 30 June 2014 and capital expenditure incurred during the reporting period.

3 This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 30 September 2014	Quarter ended 30 June 2014
Number of units in circulation (units)	1,778,975,600	1,776,070,600
NAV before income distribution (RM'000)	2,229,883	2,270,334
NAV after income distribution (RM'000)	2,192,169	2,189,878
NAV per unit[1] (RM)	1.2323	1.2330
Total comprehensive income (RM'000)	35,710	104,877
Weighted average number of units in issue[2] (units)	1,776,765,274	1,776,070,600
EPU after manager's management fee (sen)	2.01	5.91
Distributable income (RM'000)	37,714	39,251
DPU (sen)	2.12	2.21
Market price (RM)	1.43	1.48
DPU yield (%)	1.48	1.49

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

[2] Weighted average number of units in issue for YTD 2014 is 1,775,447,375.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fee

For the quarter ended 30 September 2014, 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 (inclusive of 6.0% service tax) were as follows:

	3Q 2014 Actual (Unaudited) RM'000	YTD 2014 Actual (Unaudited) RM'000
Base management fee	2,574	7,584
Performance fee	2,550	7,771
Total fees	**5,124**	**15,355**

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

	No of units	Percentage of unitholdings	Market value[6] at 30 September 2014
	Units	%	RM
CMMT Investment Limited[1]	623,938,000	35.07	892,231,340
Menang Investment Limited[1]	22,212,600	1.25	31,764,018
Skim Amanah Saham Bumiputera[2]	179,515,300	10.09	256,706,879
AS 1 Malaysia[2]	35,645,400	2.00	50,972,922
Amanah Saham Wawasan 2020[2]	36,549,500	2.05	52,265,785
Sekim Amanah Saham Nasional[2]	1,000,000	0.06	1,430,000
Amanah Saham Malaysia[2]	34,000,000	1.91	48,620,000
Amanah Saham Nasional 3 Imbang[2]	2,169,600	0.12	3,102,528
Amanah Saham Nasional 2[2]	1,350,000	0.08	1,930,500
Amanah Saham Gemilang for Amanah Saham Persaraan[2]	837,100	0.05	1,197,053
Amanah Saham Gemilang for Amanah Saham Kesihatan[2]	2,235,000	0.13	3,196,050
Amanah Saham Gemilang for Amanah Saham Pendidikan[2]	937,100	0.05	1,340,053
Amanah Saham Bumiputera 2[2]	5,279,600	0.30	7,549,828
Amanah Harta Tanah PNB[3]	50,000	0.00	71,500
Yayasan Tun Ismail Mohamed Ali (Berdaftar)[4]	100,000	0.01	143,000
Direct unitholdings of the Directors of the Manager:			
Mr Ng Kok Siong[5]	100,000	0.01	143,000
Ms Sharon Lim Hwee Li	100,000	0.01	143,000
Ms Tan Siew Bee	100,000	0.01	143,000
Mr Peter Tay Buan Huat	100,000	0.01	143,000
	946,219,200	**53.21[7]**	**1,353,093,456**

1 An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.
2 Managed by Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of Permodalan Nasional Berhad ("PNB"). PNB is also the ultimate holding company of Malaysian Industrial Development Finance Berhad who in turn is a substantial shareholder of the Manager.
3 Managed by Pelaburan Hartanah Nasional Berhad, a 70% owned subsidiary of PNB.
4 A foundation established by PNB.
5 Units held through nominees.
6 The market value of the units is computed based on the closing price of RM1.43 per unit as at 30 September 2014.
7 Approximation.

The Manager disposed 2,905,000 units in CMMT at cost to a related party, Menang Investment Limited, on 15 September 2014.

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 2014 and of their financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 21 October 2014.

BY ORDER OF THE BOARD

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

Date: 21 October 2014