

CAPITALAND MALAYSIA TRUST

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Assets		
Plant and equipment	4,181	3,362
Investment properties	4,898,559	3,892,000
Total non-current assets	<u>4,902,740</u>	<u>3,895,362</u>
Trade and other receivables	46,168	35,954
Cash and cash equivalents	50,694	84,309
Total current assets	<u>96,862</u>	<u>120,263</u>
Total assets	<u>4,999,602</u>	<u>4,015,625</u>
Equity		
Unitholders' capital	2,500,479	2,274,725
Undistributed profits	93,610	143,366
Total Unitholders' funds	<u>2,594,089</u>	<u>2,418,091</u>
Liabilities		
Borrowings	1,969,073	1,266,919
Lease liabilities	6,371	-
Tenants' deposits	55,479	35,338
Deferred tax liabilities	408	-
Total non-current liabilities	<u>2,031,331</u>	<u>1,302,257</u>
Borrowings	240,267	184,399
Lease liabilities	326	-
Tenants' deposits	48,023	42,995
Trade and other payables	85,566	67,883
Total current liabilities	<u>374,182</u>	<u>295,277</u>
Total liabilities	<u>2,405,513</u>	<u>1,597,534</u>
Total equity and liabilities	<u>4,999,602</u>	<u>4,015,625</u>
Number of units in circulation ('000 units)	2,671,933	2,206,935
Net asset value (NAV)		
- before income distribution	2,594,089	2,418,091
- after income distribution	2,590,615	2,372,629
NAV per unit (RM)		
- before income distribution	0.9709	1.0957
- after income distribution	0.9696	1.0751

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 2022.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	31 MARCH			31 MARCH		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Gross rental income	61,701	54,980	12.2	61,701	54,980	12.2
Car park income	5,492	4,436	23.8	5,492	4,436	23.8
Other revenue	11,296	8,178	38.1	11,296	8,178	38.1
Gross revenue	78,489	67,594	16.1	78,489	67,594	16.1
Maintenance expenses	(10,971)	(9,224)	18.9	(10,971)	(9,224)	18.9
Utilities	(15,366)	(10,796)	42.3	(15,366)	(10,796)	42.3
Other operating expenses ¹	(12,910)	(11,509)	12.2	(12,910)	(11,509)	12.2
Property operating expenses	(39,247)	(31,529)	24.5	(39,247)	(31,529)	24.5
Net property income	39,242	36,065	8.8	39,242	36,065	8.8
Interest income	906	362	150.3	906	362	150.3
Fair value loss on investment property	(7,963)	-	-	(7,963)	-	-
Net investment income	32,185	36,427	(11.6)	32,185	36,427	(11.6)
Manager's management fee	(5,441)	(4,525)	20.2	(5,441)	(4,525)	20.2
Trustee's fee	(99)	(99)	-	(99)	(99)	-
Auditor's fee	(60)	(50)	20.0	(60)	(50)	20.0
Tax agent's fee	(11)	(8)	37.5	(11)	(8)	37.5
Valuation fee	(92)	(72)	27.8	(92)	(72)	27.8
Finance costs	(13,994)	(10,854)	28.9	(13,994)	(10,854)	28.9
Other non-operating expenses ¹	(450)	(282)	59.6	(450)	(282)	59.6
	(20,147)	(15,890)	26.8	(20,147)	(15,890)	26.8
Profit before taxation	12,038	20,537	(41.4)	12,038	20,537	(41.4)
Profit and total comprehensive income for the quarter/ period	12,038	20,537	(41.4)	12,038	20,537	(41.4)
Distribution adjustments ²	8,443	(87)	(>100.0)	8,443	(87)	(>100.0)
Income available for distribution	20,481	20,450	0.2	20,481	20,450	0.2
Distributable income³	19,805	20,448	(3.1)	19,805	20,448	(3.1)
Realised profit	20,001	20,537	(2.6)	20,001	20,537	(2.6)
Unrealised loss ⁴	(7,963)	-	-	(7,963)	-	-
	12,038	20,537	(41.4)	12,038	20,537	(41.4)

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

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

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %
Earnings per unit (sen)⁵						
- before Manager's management fee	0.76	1.18	(35.6)	0.76	1.18	(35.6)
- after Manager's management fee	0.52	0.96	(45.8)	0.52	0.96	(45.8)
Distribution per unit (DPU) (sen)	0.87	0.95	(8.4)	0.87	0.95	(8.4)
DPU (sen) – annualised	3.53	3.85	(8.3)	3.53	3.85	(8.3)

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 2022.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

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 31 MARCH			YEAR TO DATE 31 MARCH		
	2023	2022	Change	2023	2022	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Reversal on impairment for trade receivables (net)	38	522	(92.7)	38	522	(92.7)
Foreign exchange (loss)/ gain:						
- Unrealised	-	-	-	-	-	-
- Realised	(2)	(1)	100.0	(2)	(1)	100.0
	36	521	(93.1)	36	521	(93.1)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2023	2022	Change	2023	2022	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(UNAUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Fair value loss on investment property	7,963	-	-	7,963	-	-
Manager's management fee payable in units *	1,402	1,225	14.4	1,402	1,225	14.4
Depreciation	367	356	3.1	367	356	3.1
Amortisation of transaction costs on borrowings	250	226	10.6	250	226	10.6
Tax and other adjustments	(1,539)	(1,894)	(18.7)	(1,539)	(1,894)	(18.7)
	8,443	(87)	(>100.0)	8,443	(87)	(>100.0)

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

3. The difference between distributable income and income available for distribution is due to rounding effect of DPU.
4. Unrealised loss comprises fair value loss on a investment property.
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 FIRST QUARTER ENDED 31 MARCH 2023 (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 2022	2,235,447	155,851	2,391,298
Total comprehensive income for the financial period	-	20,537	20,537
Unitholders' transactions			
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	11,115	-	11,115
- Distribution paid to Unitholders ¹	-	(20,882)	(20,882)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	11,115	(20,882)	(9,767)
As at 31 March 2022 (Unaudited)	2,246,562	155,506	2,402,068
 As at 1 January 2023	 2,274,725	 143,366	 2,418,091
Total comprehensive income for the financial period	-	12,038	12,038
Unitholders' transactions			
- Units issued through equity fund raising (net of issue costs)	225,754	-	225,754
- Distribution paid to Unitholders ²	-	(61,794)	(61,794)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	225,754	(61,794)	163,960
As at 31 March 2023 (Unaudited)	2,500,479	93,610	2,594,089

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 2022.

1. 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.
2. This refers to the (i) 2022 final income distribution of 2.06 sen per unit for the period from 1 July 2022 to 31 December 2022 paid on 22 February 2023, and (ii) advanced income distribution of 0.74 sen per unit for the period from 1 January 2023 to 9 March 2023 paid on 23 March 2023.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	THREE MONTHS ENDED	
	31 MARCH	31 MARCH
	2023	2022
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	12,038	20,537
Adjustments for:-		
Manager's management fee paid/ payable in units	1,402	1,225
Depreciation	367	356
Fair value loss on investment property	7,963	-
Finance costs	13,994	10,854
Interest income	(906)	(362)
Gain on disposal of plant and equipment	-	(1)
Reversal on impairment for trade receivables (net)	(38)	(522)
Operating profit before changes in working capital	34,820	32,087
Changes in working capital:		
Trade and other receivables	14,569	2,928
Trade and other payables	(5,865)	1,414
Tenants' deposits	850	(1,052)
Net cash generated from operating activities	44,374	35,377
Cash Flows From Investing Activities		
Acquisition of investment property and fixed assets	(984,480)	-
Acquisition of plant and equipment	(686)	(354)
Cash acquired on acquisition of subsidiaries	465	-
Capital expenditure on investment properties	(3,455)	(2,054)
Incidental costs on acquisition of investment property	(1,959)	-
Interest received	906	362
Acquisition of subsidiaries	(3,462)	-
Proceeds from disposal of plant and equipment	-	1
Net cash used in investing activities	(992,671)	(2,045)
Cash Flows From Financing Activities		
Distribution paid to Unitholders ¹	(60,912)	(9,352)
Interest expense and other financing costs paid	(10,144)	(8,353)
Issuance of new CLMT units	227,849	-
Payment of facility fees and other related costs for new borrowings	(5,418)	-
Proceeds from drawdown of interest bearing borrowings	775,307	11,659
Repayment of interest bearing borrowings	(12,000)	(24,800)
Transaction costs related to Distribution Reinvestment Plan	-	(71)
Net cash generated from/ (used in) financing activities	914,682	(30,917)
Net (decrease)/ increase in cash and cash equivalents	(33,615)	2,415
Cash and cash equivalents at beginning of the quarter/ period	79,379	71,246
Cash and cash equivalents at end of the quarter/ period	45,764	73,661
Cash and cash equivalents at end of the quarter/ period comprise:		
Deposits placed with licensed banks	33,769	66,963
Cash and bank balances	16,925	11,628
	50,694	78,591
Less: Pledged deposits	(4,930)	(4,930)
	45,764	73,661

¹ Non-cash transaction

For 1Q 2022, a portion of the income distribution was paid in new CLMT units pursuant to the Distribution Reinvestment Plan.

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 2022.

CAPITALAND MALAYSIA TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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 first quarter ended 31 March 2023 comprise CLMT and its subsidiaries. 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 2022.

A2. Changes in Accounting Policies

On 1 January 2023, the Group and CLMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies;
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates;
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;

The adoption of the above MFRSs, interpretations and amendments do not have any 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 2022 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

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.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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/period ended 31 March 2023 are as follows:

BUSINESS SEGMENT	1Q/YTD 2023 (UNAUDITED)			1Q/YTD 2022 (UNAUDITED)		
	RETAIL RM'000	OTHERS RM'000	TOTAL RM'000	RETAIL RM'000	OTHERS RM'000	TOTAL RM'000
Gross revenue	76,732	1,757	78,489	66,972	622	67,594
Net property income	38,102	1,140	39,242	35,977	88	36,065
Interest income			906			362
Fair value loss on investment property			(7,963)			-
Unallocated expenses			(6,153)			(5,036)
Finance costs			(13,994)			(10,854)
Profit before taxation			12,038			20,537
Taxation			-			-
Profit for the quarter			12,038			20,537

A10. 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 (excluding Queensbay Mall) as at 31 March 2023 is based on the independent valuations as at 31 December 2022 and subsequent capital expenditure incurred up to the reporting date. The valuation of investment properties may be subject to estimation uncertainties.

Following the completion of Queensbay Mall acquisition on 21 March 2023, CLMT has recognised the allocated purchase consideration and related incidental costs as investment property. A fair value loss of RM8.0 million was recognised as a result of the higher incidental costs capitalised against the independent valuation amount of RM1.0 billion.

Apart from that, CLMT also entered into leasing arrangements with the Management Corporation of Queensbay Mall to lease 3 parcel of common areas for sub-leasing and vehicle parking purposes, resulting in the recognition of right-of-use assets of RM6.7 million and were classified as investment properties accordingly.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	1Q 2023 UNITS
Balance as at 1 January 2023	2,206,935,495
Units issued through equity fund raising	464,997,500
As at 31 March 2023	2,671,932,995

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

A13. Changes in Contingent Liabilities and Contingent Assets
Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

Contracted but not provided for

QUARTER ENDED
31 March 2023
(UNAUDITED)
RM'000
6,374

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (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

	1Q/YTD 2023 (UNAUDITED) RM'000	1Q/YTD 2022 (UNAUDITED) RM'000	Change %
Breakdown of Gross Revenue			
Gurney Plaza	38,461	33,114	16.1
East Coast Mall	16,190	15,093	7.3
Sungei Wang Plaza	4,290	4,165	3.0
3 Damansara Property	5,353	4,674	14.5
The Mines	9,965	10,548	(5.5)
Valdor Logistics Hub	1,280	-	-
Queensbay Mall	2,950	-	-
Total Gross Revenue	78,489	67,594	16.1
Breakdown of Property Operating Expenses			
Gurney Plaza	12,769	10,214	25.0
East Coast Mall	6,457	4,809	34.3
Sungei Wang Plaza	5,662	5,188	9.1
3 Damansara Property	6,327	5,737	10.3
The Mines	6,987	5,581	25.2
Valdor Logistics Hub	125	-	-
Queensbay Mall	920	-	-
Total Property Operating Expenses	39,247	31,529	24.5
Breakdown of Net Property Income/(Loss)			
Gurney Plaza	25,692	22,900	12.2
East Coast Mall	9,733	10,284	(5.4)
Sungei Wang Plaza	(1,372)	(1,023)	34.1
3 Damansara Property	(974)	(1,063)	(8.4)
The Mines	2,978	4,967	(40.0)
Valdor Logistics Hub	1,155	-	-
Queensbay Mall	2,030	-	-
Total Net Property Income	39,242	36,065	8.8

CAPITALAND MALAYSIA TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (1Q 2023 vs 1Q 2022)

The Group recorded gross revenue of RM78.5 million in 1Q 2023, an increase of RM10.9 million or 16.1% against 1Q 2022. The increase in gross revenue was due to (i) improvements across the various streams of income as tenants' businesses continued to improve as compared to a year ago where tenants were still faced with the lingering effects of COVID-19 and (ii) contribution from Valdor Logistics Hub and Queensbay Mall upon completion of the acquisitions.

Property operating expenses for 1Q 2023 were RM39.2 million, an increase of RM7.7 million or 24.5% against 1Q 2022 mainly due to higher utility costs as a result of a 20 sen hike in the electricity surcharge for 1H 2023 and higher maintenance costs on the back of higher mall activities. Additionally, CLMT also subsumed additional operating expenses from Queensbay Mall. The current quarter has also recorded lower write-back of provision for doubtful debts against the same quarter in the previous year.

The net property income (NPI) for 1Q 2023 was RM39.2 million, an increase of RM3.2 million or 8.8% against 1Q 2022 of RM36.1 million.

Fair value loss of RM8.0 million was recognised post acquisition of Queensbay Mall as the capitalised investment property and incidental costs exceeded the independent external valuation of RM1 billion. The fair value loss represents the write-off on a portion of incidental costs incurred.

Finance costs for 1Q 2023 of RM14.0 million was higher than 1Q 2022 as the Group's borrowings have increased by RM763.3 million to part finance the acquisition of Queensbay Mall. Additionally, floating rate borrowings were subjected to higher interest costs after several Overnight Policy Rate hikes totalling 100 basis points over the past one year. The average cost of debt was 3.58% p.a. for this quarter against 1Q 2022's 3.06% p.a.

Overall, distributable income to Unitholders for 1Q 2023 was RM19.8 million, a slight decline of RM0.6 million or 3.1% compared to 1Q 2022 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 MARCH 2023 (UNAUDITED) RM'000	QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED) RM'000	Change %
Profit/ (Loss) before taxation	12,038	(16,409)	
Adjusted for: Fair value losses on investment properties (net)	7,963	41,066	
Profit before taxation, excluding net fair value loss on investment properties	20,001	24,657	(18.9)

Excluding the fair valuation loss for the quarter, the current quarter results decline mainly due to higher utilities and maintenance costs incurred for the current quarter, coupled with higher write-back of provision for doubtful debts and compensation income received in the previous quarter.

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.

CAPITALAND MALAYSIA TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

B4. Commentary on Prospects

For the whole of 2022, the economy grew 8.7% year-on-year, the fastest full-year growth since 2000 and surpassing Bank Negara Malaysia's (BNM) forecast of 6.5% to 7%. According to BNM, the economy is projected to expand at a moderate pace between 4% and 5% in 2023, reflecting expectations of a softening external environment ahead.

For the retail segment, shopper footfall and retail sales in 1Q 2023 were bolstered by festive spending. Growing tourist arrivals from China is expected to provide a further boost in 2023. However, businesses and consumers continue to remain cautious amidst global geopolitical uncertainties, a high inflationary environment and continued rising interest rates.

The Manager maintains a disciplined approach in managing cost efficiencies to mitigate the impact of rising costs and adopts a proactive stance in portfolio and asset management including identifying growth opportunities to enhance income diversification. With the completion of the acquisition of Queensbay Mall on 21 March 2023, the enlarged CLMT portfolio is now more resilient with additional income stability to deliver sustainable distributions 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 2023 to its Unitholders, no provision for tax has been made for the period.

B7. Status of Corporate Proposal

On 9 November 2022, CLMT entered into two separate conditional sale and purchase agreements to acquire 433 strata titles and 4 companies that hold 5 strata titles within Queensbay Mall from Special Coral Sdn Bhd and Retail Galaxy Sdn Bhd respectively for a total purchase consideration of RM990.5 million. The purchase consideration includes an intercompany settlement on behalf of RM2.57 million. The acquisitions were funded via a combination of private placement of new CLMT units and the remainder satisfied via bank borrowings. The private placement and acquisitions were completed on 13 March 2023 and 21 March 2023 respectively.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

B8. Borrowings and Debt Securities

	AS AT 31 MARCH 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	64,247	49,697
Secured term loans	1,611,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(6,604)	(1,208)
	1,969,073	1,266,919
Short term borrowings		
Secured revolving credit	37,417	25,660
Unsecured revolving credit	202,950	158,950
Less: Unamortised transaction costs	(100)	(211)
	240,267	184,399
Total borrowings	2,209,340	1,451,318

All the borrowings are denominated in Ringgit Malaysia.

The net increase in total gross borrowings (before deducting unamortised transaction costs) was mainly due to drawdowns of term loan of RM693.0 million and revolving credit facilities (RCF) to finance the acquisition of Queensbay Mall.

On 20 April 2023, CLMT has drawn a RM60 million secured term loan to refinance the bridging loans utilised for the acquisition of Valdor Logistics Hub. As of to date, two out of seven 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.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER /YEAR TO DATE 31 MARCH		Change
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	%
Gross rental income	61,701	54,980	12.2
Car park income	5,492	4,436	23.8
Other revenue	11,296	8,178	38.1
Interest income	906	362	150.3
Fair value loss on investment property	(7,963)	-	-
	71,432	67,956	5.1
Total property and trust expenses	(59,394)	(47,419)	25.3
Total comprehensive income for the quarter / period	12,038	20,537	(41.4)
Distribution adjustments	8,443	(87)	(>100.0)
Realised income for the quarter / period	20,481	20,450	0.2
Previous quarter's / period's undistributed income	372	546	(31.9)
Total realised income available for distribution	20,853	20,996	(0.7)
Advanced income distribution	(16,331)	-	-
Proposed/ declared income distribution	(3,474)	(20,448)	(83.0)
Balance undistributed income	1,048	548	91.1
 Distribution per unit (DPU) (sen)	 0.87	 0.95	 (8.4)
 DPU (sen) – annualised	 3.53	 3.85	 (8.3)

CAPITALAND MALAYSIA TRUST

FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

B10. Income Distribution (cont'd)

On 22 February 2023, CLMT paid its final income distribution of RM45.5 million or 2.06 sen per unit for the period from 1 July 2022 to 31 December 2022. The Distribution Reinvestment Plan was not applied for the final income distribution in view of a planned equity fund raising exercise.

On 23 March 2023, CLMT paid an advanced income distribution of RM16.3 million or 0.74 sen per unit for the period from 1 January 2023 to 9 March 2023 to the existing unitholders of CLMT prior to the crediting of new placement units arising from the equity fund raising exercise.

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 31 March 2023

As at 31 March 2023, 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	1,170,822	1,675,432	1,675,000	64.6
East Coast Mall	410,979	590,006	590,000	22.7
Sungei Wang Plaza	813,706	422,000	422,000	16.3
3 Damansara Property	601,239	468,329	469,000	18.1
The Mines	607,599	655,086	655,000	25.2
Valdor Logistics Hub	81,787	81,000	81,000	3.1
Queensbay Mall	1,007,980	1,006,706 ⁴	1,000,000 ⁵	38.5
Total	4,694,112	4,898,559	4,892,000	

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 2022. The market values of 3 Damansara Property and Valdor Logistics Hub were stated at valuations performed by PPC International Sdn Bhd and the valuation of East Coast Mall and Queensbay Mall were conducted by Savills (Malaysia) Sdn Bhd as at 31 December 2022 and 7 October 2022 (valuation report for Queensbay Mall dated 7 October 2022 was prepared to facilitate the acquisition of the mall) respectively.

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 2022 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 RM2,594,089,000 as at 31 March 2023. This is calculated in accordance with the REITs Guidelines.

⁴ The carrying amount of Queenbay Mall's investment property includes right-of-use assets of RM6.7 million.

⁵ The market value of RM1 billion comprises the valuation for 438 strata titles and excludes the valuation for the right-of-use assets.

CAPITALAND MALAYSIA TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (UNAUDITED)

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

	QUARTER ENDED 31 March,2023	QUARTER ENDED 31 December,2022
Number of units in circulation (units)	2,671,932,995	2,206,935,495
NAV before income distribution (RM'000)	2,594,089	2,418,091
NAV after income distribution (RM'000)	2,590,615	2,372,629
NAV per unit ¹ (RM)	0.9696	1.0751
Total comprehensive income/ (loss) (RM'000)	12,038	(14,671)
Weighted average number of units in issue (units)	2,305,101,634	2,204,754,095
EPU/ (LPU) after manager's management fee (sen)	0.52	(0.67)
Distributable income (RM'000)	19,805	23,216
DPU (sen)	0.87	1.05
Market price (RM)	0.520	0.535
DPU yield (%)	1.67	1.96

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 31 March 2023, 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 and an acquisition fee of 1.00% on the purchase price of Queensbay Mall. Total fees accrued to the Manager were as follows:

	1Q 2023 ACTUAL (UNAUDITED) RM'000
Base management fee	3,577
Performance fee	<u>1,864</u>
Total management fees	5,441
Acquisition fee ¹	<u>9,905</u>
Total fees	<u>15,346</u>

¹ Acquisition fee was capitalised as part of the investment property cost of Queensbay Mall in 1Q 2023.

Date: 27 April 2023