CAPITALAND MALAYSIA TRUST

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 SEPTEMBER 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Assets		
Plant and equipment	3,606	3,362
Investment properties	4,901,400	3,892,000
Total non-current assets	4,905,006	3,895,362
Trade and other receivables	37,006	35,954
Cash and cash equivalents	72,914	84,309
Non-current assets held for sale	50,040	-
Total current assets	159,960	120,263
Total assets	**5,064,966**	**4,015,625**
Equity		
Unitholders' capital	2,530,688	2,274,725
Undistributed profits	119,004	143,366
Total Unitholders' funds	**2,649,692**	**2,418,091**
Liabilities		
Borrowings	2,036,466	1,266,919
Lease liabilities	6,203	-
Tenants' deposits	59,691	35,338
Deferred tax liabilities	408	-
Total non-current liabilities	2,102,768	1,302,257
Borrowings	185,791	184,399
Lease liabilities	333	-
Tenants' deposits	47,197	42,995
Trade and other payables	79,185	67,883
Total current liabilities	312,506	295,277
Total liabilities	**2,415,274**	**1,597,534**
Total equity and liabilities	**5,064,966**	**4,015,625**
Number of units in circulation ('000 units)	**2,733,434**	**2,206,935**
Net asset value (NAV)		
- before income distribution	**2,649,692**	**2,418,091**
- after income distribution	**2,620,991**	**2,372,629**
NAV per unit (RM)		
- before income distribution	**0.9694**	**1.0957**
- after income distribution	**0.9589**	**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 THIRD QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Gross rental income	83,427	56,312	48.2	229,752	165,528	38.8
Car park income	7,211	5,009	44.0	19,820	14,448	37.2
Other revenue	12,998	9,682	34.2	37,308	26,942	38.5
Gross revenue	**103,636**	**71,003**	**46.0**	**286,880**	**206,918**	**38.6**
Maintenance expenses	(15,390)	(9,517)	61.7	(42,275)	(27,922)	51.4
Utilities	(16,161)	(12,135)	33.2	(48,187)	(34,862)	38.2
Other operating expenses[1]	(13,763)	(11,137)	23.6	(42,027)	(32,428)	29.6
Property operating expenses	(45,314)	(32,789)	38.2	(132,489)	(95,212)	39.2
Net property income	**58,322**	**38,214**	**52.6**	**154,391**	**111,706**	**38.2**
Interest income	626	530	18.1	2,090	1,314	59.1
Fair value loss on investment property	-	-	-	(7,963)	-	-
Other non-operating income	-	-	-	1,625	1,625	-
Net investment income	**58,948**	**38,744**	**52.1**	**150,143**	**114,645**	**31.0**
Manager's management fee	(6,457)	(4,694)	37.6	(18,235)	(13,847)	31.7
Trustee's fee	(111)	(101)	10.0	(309)	(299)	3.3
Auditor's fee	(72)	(50)	44.0	(202)	(150)	34.7
Tax agent's fee	(17)	(4)	325.0	(44)	(16)	175.0
Valuation fee	(106)	(70)	51.4	(301)	(214)	40.7
Finance costs	(24,282)	(12,081)	101.0	(60,649)	(33,946)	78.7
Other non-operating expenses[1]	(126)	(304)	(58.6)	(865)	(1,078)	(19.8)
	(31,171)	(17,304)	80.1	(80,605)	(49,550)	62.7
Profit before taxation	**27,777**	**21,440**	**29.6**	**69,538**	**65,095**	**6.8**
Profit and total comprehensive income for the quarter/ period	**27,777**	**21,440**	**29.6**	**69,538**	**65,095**	**6.8**
Distribution adjustments[2]	195	626	(68.8)	7,556	(1,037)	(>100.0)
Income available for distribution	**27,972**	**22,066**	**26.8**	**77,094**	**64,058**	**20.4**
Distributable income[3]	**28,701**	**22,246**	**29.0**	**77,140**	**64,273**	**20.0**
Realised profit	27,777	21,440	29.6	77,501	65,095	19.1
Unrealised loss[4]	-	-	-	(7,963)	-	-
	27,777	21,440	29.6	69,538	65,095	6.8

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED)

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

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %
Earnings per unit (sen)[5]						
- before Manager's management fee	**1.27**	**1.21**	**5.0**	**3.42**	**3.67**	**(6.8)**
- after Manager's management fee	**1.03**	**0.99**	**4.0**	**2.71**	**3.03**	**(10.6)**
Distribution per unit (DPU) (sen)	**1.05**	**1.01**	**4.0**	**2.98**	**2.96**	**0.7**
DPU (sen) – annualised	**4.17**	**4.01**	**4.0**	**3.98**	**3.96**	**0.5**

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.

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

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

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Reversal of impairment for trade receivables (net)	712	923	(22.9)	621	2,290	(72.9)
Foreign exchange (loss)/ gain:						
- Unrealised	-	-	-	-	-	-
- Realised	(7)	(3)	133.3	(9)	(5)	80.0
	705	920	(23.4)	612	2,285	(73.2)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Fair value loss on investment property	-	-	-	7,963	-	-
Manager's management fee payable in units *	2,309	1,303	77.2	5,820	3,744	55.4
Depreciation	430	338	27.2	1,223	1,052	16.3
Amortisation of transaction costs on borrowings	346	242	43.0	1,014	711	42.6
Tax and other adjustments	(2,890)	(1,257)	>100.0	(8,464)	(6,544)	29.3
	195	626	(68.8)	7,556	(1,037)	(>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 an 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 THIRD QUARTER ENDED 30 SEPTEMBER 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	-	65,095	65,095
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	1,630	-	1,630
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	35,289	-	35,289
- Distribution paid to Unitholders[1]	-	(62,909)	(62,909)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	36,919	(62,909)	(25,990)
As at 30 September 2022 (Unaudited)	**2,272,366**	**158,037**	**2,430,403**
As at 1 January 2023	2,274,725	143,366	2,418,091
Total comprehensive income for the financial period	-	69,538	69,538
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	13,416	-	13,416
- Units issued through equity fund raising (net of issue costs)	225,754	-	225,754
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	16,793		16,793
- Distribution paid to Unitholders[2]	-	(93,900)	(93,900)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	**255,963**	**(93,900)**	**162,063**
As at 30 September 2023 (Unaudited)	**2,530,688**	**119,004**	**2,649,692**

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, and (ii) first income distribution of 1.95 sen per unit for the period from 1 January 2022 to 30 June 2022 paid on 19 September 2022.
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, (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, and (iii) 2023 first income distribution of 1.19 sen per unit for the period from 10 March 2023 to 30 June 2023 paid on 25 September 2023.

CAPITALAND MALAYSIA TRUST
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NINE MONTHS ENDED	
	30 SEPTEMBER 2023 (UNAUDITED) RM'000	30 SEPTEMBER 2022 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	69,538	65,095
Adjustments for:-		
Manager's management fee paid/ payable in units[1]	5,820	3,744
Depreciation	1,223	1,052
Fair value loss on investment property	7,963	-
Finance costs	60,649	33,946
Interest income	(2,090)	(1,314)
Gain on disposal of plant and equipment	-	(1)
Plant and equipment written off	4	-
Reversal of impairment for trade receivables (net)	(621)	(2,290)
Operating profit before changes in working capital	**142,486**	**100,232**
Changes in working capital:		
Trade and other receivables	(70)	11,618
Trade and other payables	(4,768)	(962)
Tenants' deposits	28,555	604
Net cash generated from operating activities	**166,203**	**111,492**
Cash Flows From Investing Activities		
Acquisition of investment properties and fixed assets	(1,024,170)	-
Acquisition of plant and equipment	(1,005)	(584)
Acquisition of subsidiaries	(6,037)	-
Cash acquired on acquisition of subsidiaries	465	-
Capital expenditure on investment properties	(11,939)	(5,661)
Deposit paid on acquisition of investment property	-	(8,000)
Deposit received on disposal of investment property	5,200	-
Incidental costs on acquisition of investment properties	(8,703)	-
Interest received	2,090	1,314
Proceeds from disposal of plant and equipment	-	1
Net cash used in investing activities	**(1,044,099)**	**(12,930)**
Cash Flows From Financing Activities		
Distribution paid to Unitholders[1]	(75,338)	(25,240)
Increase in pledged deposits	(1,740)	-
Interest expense and other financing costs paid	(53,482)	(30,500)
Issuance of new CLMT units	227,849	-
Payment of facility fees and other related costs for new borrowings	(6,850)	-
Payment of lease liabilities	(322)	-
Proceeds from drawdown of interest bearing borrowings	894,226	47,797
Repayment of interest bearing borrowings	(117,450)	(85,285)
Transaction costs related to new CLMT units issued	(2,132)	(196)
Net cash generated from/ (used in) financing activities	**864,761**	**(93,424)**
Net (decrease)/ increase in cash and cash equivalents	(13,135)	5,138
Cash and cash equivalents at beginning of the period	79,379	71,246
Cash and cash equivalents at end of the period	**66,244**	**76,384**
Cash and cash equivalents at end of the period comprise:		
Deposits placed with licensed banks	65,695	67,447
Cash and bank balances	7,219	13,867
	72,914	81,314
Less: Pledged deposits	(6,670)	(4,930)
	66,244	**76,384**

[1] Non-cash transactions

A portion of the income distribution was paid in new CLMT units pursuant to the Distribution Reinvestment Plan and a portion of management fees were paid in new CLMT units to the Manager.

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2022.

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (MFRS) 134 and International Accounting Standards (IAS) 34

A1. Basis of Preparation

The condensed consolidated interim financial statements of the Group as at and for the third quarter ended 30 September 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 Cyclicality of Operations

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

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

Save as disclosed in A12 and B8, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current period.

A8. Income Distribution Policy

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

A9. Segmental Reporting

Segmental results for the quarter/period ended 30 September 2023 are as follows:

BUSINESS SEGMENT	3Q 2023 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000	3Q 2022 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000
Gross revenue	102,132	1,504	103,636	70,648	355	71,003
Net property income	57,462	860	58,322	38,428	(214)	38,214
Interest income			626			530
Other non-operating income			-			-
Fair value loss on investment property (net)			-			-
Unallocated expenses			(6,889)			(5,223)
Finance costs			(24,282)			(12,081)
Profit before taxation			**27,777**			**21,440**
Taxation			-			-
Profit for the quarter			**27,777**			**21,440**

BUSINESS SEGMENT	YTD 2023 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000	YTD 2022 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000
Gross revenue	281,917	4,963	286,880	205,610	1,308	206,918
Net property income	151,386	3,005	154,391	111,960	(254)	111,706
Interest income			2,090			1,314
Other non-operating income			1,625			1,625
Fair value loss on investment property (net)			(7,963)			-
Unallocated expenses			(19,956)			(15,604)
Finance costs			(60,649)			(33,946)
Profit before taxation			**69,538**			**65,095**
Taxation			-			-
Profit for the year			**69,538**			**65,095**

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 and Glenmarie Distribution Center) as at 30 September 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

	3Q 2023 UNITS
Balance as at 1 January 2023	2,206,935,495
Units issued through equity fund raising	464,997,500
Units issued as part satisfaction of the Manager's management fee payable in units	26,169,087
Units issued under the Distribution Reinvestment Plan	35,332,383
As at 30 September 2023	**2,733,434,465**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	QUARTER ENDED 30 September 2023 (UNAUDITED) RM'000
Contracted but not provided for	27,628

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 2023 (UNAUDITED) RM'000	3Q 2022 (UNAUDITED) RM'000	Change %	YTD 2023 (UNAUDITED) RM'000	YTD 2022 (UNAUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	37,948	34,758	9.2	113,736	100,300	13.4
East Coast Mall	15,629	16,363	(4.5)	50,330	48,307	4.2
Sungei Wang Plaza	4,765	4,369	9.1	13,397	12,742	5.1
3 Damansara Property[1]	5,355	4,949	8.2	16,319	14,183	15.1
The Mines	10,731	10,564	1.6	30,811	31,386	(1.8)
Valdor Logistics Hub	1,280	-	-	3,840	-	-
Queensbay Mall	27,928	-	-	58,447	-	-
Glenmarie Distribution Centre	-	-	-	-	-	-
Total Gross Revenue	**103,636**	**71,003**	**46.0**	**286,880**	**206,918**	**38.6**
Breakdown of Property Operating Expenses						
Gurney Plaza	12,621	10,581	19.3	38,811	30,694	26.4
East Coast Mall	5,918	5,573	6.2	18,468	15,424	19.7
Sungei Wang Plaza	5,621	5,371	4.7	16,844	16,003	5.3
3 Damansara Property[1]	5,036	4,921	2.3	18,244	15,771	15.7
The Mines	7,639	6,343	20.4	22,303	17,320	28.8
Valdor Logistics Hub	153	-	-	406	-	-
Queensbay Mall	8,309	-	-	17,396	-	-
Glenmarie Distribution Centre	17	-	-	17	-	-
Total Property Operating Expenses	**45,314**	**32,789**	**38.2**	**132,489**	**95,212**	**39.2**
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	25,327	24,177	4.8	74,925	69,606	7.6
East Coast Mall	9,711	10,790	(10.0)	31,862	32,883	(3.1)
Sungei Wang Plaza	(856)	(1,002)	(14.6)	(3,447)	(3,261)	5.7
3 Damansara Property[1]	319	28	1,039.3	(1,925)	(1,588)	21.2
The Mines	3,092	4,221	(26.7)	8,508	14,066	(39.5)
Valdor Logistics Hub	1,127	-	-	3,434	-	-
Queensbay Mall	19,619	-	-	41,051	-	-
Glenmarie Distribution Centre	(17)	-	-	(17)	-	-
Total Net Property Income	**58,322**	**38,214**	**52.6**	**154,391**	**111,706**	**38.2**

1. 3 Damansara Property includes the combined results of 3 Damansara Mall and 3 Damansara Office Tower where the latter will be divested as disclosed in B7.

B1. Review of Performance (cont'd)

Quarter Results (3Q 2023 vs 3Q 2022)

The Group recorded gross revenue of RM103.6 million in 3Q 2023, an increase of RM32.6 million or 46.0% against 3Q 2022. The significant increase in gross revenue was mainly due to contribution from Queensbay Mall (QBM) post completion of acquisition in 1Q 2023. Most of the other malls within CLMT portfolio reported an improvement in gross revenue as a result of higher occupancy and positive rental reversions.

Property operating expenses for 3Q 2023 were RM45.3 million, an increase of RM12.5 million or 38.2% against 3Q 2022. A significant portion of the increase was due to the addition of QBM post completion of acquisition in 1Q 2023 and the remaining was largely due to higher electricity surcharge of 17 sen effective from 1 July 2023 to 31 December 2023, against 3.7 sen for 3Q 2022.

The net property income (NPI) for 3Q 2023 was RM58.3 million, an increase of RM20.1 million or 52.6% against 3Q 2022 of RM38.2 million.

Finance costs for 3Q 2023 of RM24.3 million was higher than 3Q 2022 as the Group's borrowings have increased by RM768.9 million to part finance the acquisition of QBM. Additionally, the increase in finance costs was also due to the effect of Overnight Policy Rate (OPR) hikes that affect CLMT's floating rate borrowings and term loans fixed during the quarter under review. The average cost of debt was 4.29% p.a. for this quarter against 3Q 2022's 3.35% p.a.

Overall, distributable income to Unitholders for 3Q 2023 was RM28.7 million, an increase of RM6.5 million or 29.0% as compared to 3Q 2022 due to the abovementioned factors.

Financial Year-to-date Results (YTD 2023 vs YTD 2022)

The Group recorded gross revenue of RM286.9 million, an increase of RM80.00 million or 38.6% against the same period last year. The increase was mainly due to contributions from QBM and Valdor Logistics Hub (VLH) where the acquisitions were completed in March 2023 and December 2022 respectively. Most of the other malls within CLMT portfolio reported an improvement in gross revenue as a result of higher occupancy and positive rental reversions.

Property operating expenses for YTD 2023 were RM132.5 million, an increase of RM37.3 million or 39.2% against the previous financial period mainly due to (i) the inclusion of QBM and VLH (ii) higher electricity surcharge of 20 sen for 1H 2023 and subsequently reduced to 17 sen for 2H 2023 (1 February to 31 December 2022: 3.7 sen), (iii) higher service charges payable to management corporations (iv) write-back of doubtful debts provision in the previous financial period has also tapered off for the current period.

The NPI for YTD 2023 of RM154.4 million was RM42.7 million or 38.2% higher than YTD 2022's of RM111.7 million.

Other non-operating income of RM1.6 million was due to the scheduled compensation income received pursuant to the termination of the previous easement agreement in relation to the car park area between SWP and Bukit Bintang Plaza.

Fair value loss of RM8.0 million was recognised post acquisition of QBM 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.

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2023 vs YTD 2022)

Finance costs for YTD 2023 of RM60.6 million were RM26.7 million or 78.7% higher than YTD 2022 as CLMT has obtained additional borrowings to part finance the acquisitions of QBM, VLH and Glenmarie Distribution Hub. Floating rate borrowings were subjected to higher interest rate due to the cumulative OPR hikes of 125 basis points since May 2022. Additionally, CLMT also reissued medium term note (MTN) of RM300.0 million to redeem the existing MTN and refixed a fixed rate term loan of RM348.7 million, both borrowings fetch higher interest rate due to the prevailing higher interest rate environment. The YTD average costs of debt was 3.98% p.a. (YTD 2022: 3.17% p.a.).

Overall, distributable income to Unitholders for the financial period was RM77.1 million, an increase of RM12.9 million or 20.0% against YTD 2022 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED) RM'000	QUARTER ENDED 30 JUNE 2023 (UNAUDITED) RM'000	Change %
Profit before taxation	27,777	29,723	(6.5)
Profit before taxation, excluding net fair value loss on investment property	**27,777**	**29,723**	(6.5)

The decline for the current quarter was mainly due to the absence of compensation income in 3Q 2023 vs 2Q 2023 and higher finance costs attributed to the Overnight Policy Rate hike in May 2023 which came into full effect in the current quarter. Additionally, certain fixed rate borrowings that were refixed in the current quarter also fetch a higher interest rate reflecting the prevailing higher interest rate environment.

B3. Investment Objectives and Strategies

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

B4. Commentary on Prospects

Malaysia's economic growth moderated for the third consecutive quarter to 2.9% year-on-year in 2Q 2023 (1Q 2023: 5.6%) against the backdrop of elevated interest rates and inflationary pressures, compounded by lingering effects of a high base year. Domestic demand remained the key growth driver for the quarter, supported by an improving labour market, continued improvements in household spending, and higher tourism activities. Bank Negara Malaysia expects the Malaysian economy to expand towards the lower end of the 4% to 5% range in 2023, reflecting slower base-year effects and a global slowdown in economic activities.

The market is expected to see increased competition with the opening of new shopping malls such as The Exchange TRX and Pavilion Damansara Heights (Phase 1) in the Klang Valley in 4Q 2023. Businesses and consumers are also concerned about rising costs in this challenging operating environment.

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, actively seeking growth opportunities to enhance income diversification. To strengthen CLMT's logistics presence, the Manager has completed the acquisition of the Glenmarie Distribution Centre in 3Q 2023 and has initiated retrofitting efforts to convert it into a temperature-controlled distribution centre. In line with its portfolio reconstitution strategy, the Manager has also announced the proposed divestment of 3 Damansara Office Tower to improve portfolio quality and strengthen CLMT's balance sheet. The Manager remains on the lookout for inorganic investment opportunities that will deliver long term sustainable growth.

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 15 May 2023, CLMT entered into a sale and purchase agreement to acquire Glenmarie Distribution Centre, a freehold logistics warehouse located at the Hicom-Glenmarie Industrial Park in Shah Alam, Selangor for a purchase consideration of RM39.7 million. The logistics warehouse would be converted into a temperature-controlled distribution center and subsequently leased to a fashion retail tenant for a period of 10 years. The acquisition of the logistics warehouse was completed on 29 August 2023.

On 5 September 2023, CLMT entered into a sale and purchase agreement for the sale of 3 Damansara Office Tower for a sale consideration of RM 52.0 million. The divestment reflects CLMT's focus to improve its existing portfolio yield and pursue other acquisition opportunities. The divestment is expected to be completed by 1Q 2024 and the non-current assets comprising of the investment property and plant and equipment were reclassified as assets held for sale accordingly.

B8. Borrowings and Debt Securities

	AS AT 30 SEPTEMBER 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	72,063	49,697
Secured term loans	1,671,393	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(6,990)	(1,208)
	2,036,466	1,266,919
Short term borrowings		
Secured revolving credit	20,642	25,660
Unsecured revolving credit	165,415	158,950
Less: Unamortised transaction costs	(266)	(211)
	185,791	184,399
Total borrowings	**2,222,257**	**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 down a RM60 million secured term loan to refinance the bridging loans utilised for the acquisition of Valdor Logistics Hub.

On 20 June 2023, CLMT MTN Berhad, a wholly-owned subsidiary of CLMT had issued 3 tranches of MTN at RM 100 million (4-TM) each under the existing RM3.0 billion MTN Programme to redeem the outstanding 3.5-Year Unrated MTN of RM300.0 million. Each of the issuance is secured by The Mines and will be maturing on 22 June 2026, 21 June 2027 and 20 June 2028 respectively. The 4-TM bears a coupon rate of approximately 4.41% per annum which is payable semi-annually.

As at 30 September 2023, the fixed and floating ratio of the Group's borrowings stood at 83% and 17% respectively. As of to date, two out of eight properties of the Group, namely Sungei Wang Plaza and East Coast Mall remain unencumbered.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER 30 SEPTEMBER			YEAR TO DATE 30 SEPTEMBER		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Gross rental income	83,427	56,312	48.2	229,752	165,528	38.8
Car park income	7,211	5,009	44.0	19,820	14,448	37.2
Other revenue	12,998	9,682	34.2	37,308	26,942	38.5
Interest income	626	530	18.1	2,090	1,314	59.1
Other income	-	-	-	1,625	1,625	-
Fair value loss on investment property (net)	-	-	-	(7,963)	-	-
	104,262	**71,533**	**45.8**	**282,632**	**209,857**	**34.7**
Total property and trust expenses	(76,485)	(50,093)	52.7	(213,094)	(144,762)	47.2
Total comprehensive income for the quarter / period	**27,777**	**21,440**	**29.6**	**69,538**	**65,095**	**6.8**
Distribution adjustments	195	626	(68.8)	7,556	(1,037)	(>100.0)
Realised income for the quarter / period	**27,972**	**22,066**	**26.8**	**77,094**	**64,058**	**20.4**
Previous quarter's / period's undistributed income	1,055	511	>100.0	372	546	(31.9)
Total realised income available for distribution	**29,027**	**22,577**	**28.6**	**77,466**	**64,604**	**19.9**
Advanced income distribution	-	-	-	(16,331)	-	20.0
Proposed/ declared income distribution	(28,701)	(22,246)	29.0	(60,809)	(64,273)	
Balance undistributed income	**326**	**331**	**(1.6)**	**326**	**331**	**(1.6)**
Distribution per unit (DPU) (sen)	**1.05**	**1.01**	**4.0**	**2.98**	**2.96**	**0.7**
DPU (sen) – annualised	**4.17**	**4.01**	**4.0**	**3.98**	**3.96**	**0.5**

On 25 September 2023, CLMT paid its First Income Distribution of RM32.1 million or 1.19 sen per unit for the period from 10 March 2023 to 30 June 2023. The Distribution Reinvestment Plan (DRP) was applied on the 1H 2023 income distribution, in which a total of 35,332,383 units were issued out of 63,737,836 units eligible under the DRP, this represents a take up rate of 55.43%.

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

Resident Unitholders:

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

Non-resident Unitholders:

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

B11. Composition of Investment Portfolio as at 30 September 2023

As at 30 September 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	1,174,347	1,678,957	1,675,000	63.2
East Coast Mall	416,299	595,326	590,000	22.3
Sungei Wang Plaza	813,706	421,999	422,000	15.9
3 Damansara Property	533,465	419,583	419,000	15.8
3 Damansara Office Tower[6]	69,033	50,005	50,000	1.9
The Mines	608,550	656,036	655,000	24.7
Valdor Logistics Hub	81,786	81,000	81,000	3.1
Queensbay Mall	1,008,671	1,007,415[4]	1,000,000[5]	37.7
Glenmarie Distribution Centre	41,084	41,084	40,400	1.5
Total	**4,746,941**	**4,951,405**	**4,932,400**	

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, Valdor Logistics Hub and Glenmarie Distribution Center were stated at valuations performed by PPC International Sdn Bhd as at 31 December 2022 and 3 May 2023 (valuation report for Glenmarie Distribution Center dated 3 May 2023 was prepared to facilitate the acquisition of the warehouse) respectively. 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 RM2,649,692,000 as at 30 September 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 milion.
5 The market value of RM1 billion comprises the valuation for 438 strata titles and excludes the valuation for the right-of-use assets.
6 3 Damansara Office Tower has been classified as non-current asset held for sale.

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

	QUARTER ENDED 30 September,2023	QUARTER ENDED 30 June,2023
Number of units in circulation (units)	2,733,434,465	2,698,102,082
NAV before income distribution (RM'000)	2,649,692	2,637,228
NAV after income distribution (RM'000)	2,620,991	2,605,120
NAV per unit[1] (RM)	0.9589	0.9655
Total comprehensive income (RM'000)	27,777	29,723
Weighted average number of units in issue (units)	2,700,022,320	2,686,886,759
EPU after manager's management fee (sen)	1.03	1.11
Distributable income (RM'000)	28,701	28,634
DPU (sen)	1.05	1.06
Market price (RM)	0.550	0.500
DPU yield (%)	1.91	2.12

[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/ year to date ended 30 September 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 and Glenmarie Distribution Center. Total fees accrued to the Manager were as follows:

	3Q 2023 ACTUAL (UNAUDITED) RM'000	YTD 2023 ACTUAL (UNAUDITED) RM'000
Base management fee	3,687	10,901
Performance fee	2,770	7,334
Total management fees	6,457	18,235
Acquisition fee[1]	397	10,302
Total fees	**6,854**	**28,537**

[1] Acquisition fees incurred were capitalised as part of the investment properties.

Date: 25 October 2023