Financial Results (v13)

RELEASED

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COMPANY INFORMATION SECTION			
Announcement Type	(•) New Announcement ( ) Amended Announcement		
Company Name	CAPITALAND MALAYSIA MALL TRUST		
Stock Name	CMMT		
Stock Code	5180		
Board	Main Market		
Submitting Secretarial Firm	TMF GLOBAL SERVICES (MALAYSIA) SDN BHD		

CONTACT DETAIL			
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MAIN	
General Information	
Financial Year End	31 Dec 2020
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Mar 2020
The figures	have not been audited
Remarks	
Please attach the full Quarterly Report here	

No	File Name	Size	
1	CMMT 1Q 2020.pdf	395.3KB	

DEFAULT CURRENCY

Currency	Malaysian Ringgit (MYR)			
Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of the Key Financial Information for the financial period ended	31 Mar 2020			
	INDIVIDUAL PERIOD		**CUMULATIVE PERIOD**	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000
1. Revenue	74,532	87,905	74,532	87,905
2. Profit/(loss) before Tax	19,270	32,480	19,270	32,480
3. Profit/(loss) for the period	19,270	32,480	19,270	32,480
4. Profit/(loss) attributable to ordinary equity holders of the parent	19,270	32,480	19,270	32,480
5. Basic earnings/(loss) per share (Subunit)	0.94	1.59	0.94	1.59
6. Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	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 ($$)	1.2370	1.2378
Remarks		

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

CAPITALAND MALAYSIA MALL TRUST

CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2020

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2020 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2019 (AUDITED) RM'000
Assets		
Plant and equipment	3,332	3,201
Investment properties	4,037,747	4,035,000
Total non-current assets	4,041,079	4,038,201
Trade and other receivables	21,841	21,059
Cash and cash equivalents	77,200	84,584
Total current assets	99,041	105,643
Total assets	**4,140,120**	**4,143,844**
Equity		
Unitholders' capital	2,192,716	2,189,028
Undistributed profit	369,999	412,898
Total unitholders' funds	2,562,715	2,601,926
Liabilities		
Borrowings	1,265,909	1,242,539
Tenants' deposits	37,876	35,492
Deferred tax liability	19,495	19,495
Total non-current liabilities	1,323,280	1,297,526
Borrowings	141,960	131,610
Tenants' deposits	51,192	53,930
Trade and other payables	60,973	58,852
Total current liabilities	254,125	244,392
Total liabilities	1,577,405	1,541,918
Total equity and liabilities	**4,140,120**	**4,143,844**
Number of units in circulation ('000 units)	**2,055,387**	**2,051,753**
Net asset value (NAV)		
- before income distribution	**2,562,715**	**2,601,926**
- after income distribution	**2,542,572**	**2,539,757**
NAV per unit (RM)		
- before income distribution	**1.2468**	**1.2681**
- after income distribution	**1.2370**	**1.2378**

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 2019.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000	Change %	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000	Change %
Gross rental income	58,263	68,780	(15.3)	58,263	68,780	(15.3)
Car park income	5,071	6,034	(16.0)	5,071	6,034	(16.0)
Other revenue	11,198	13,091	(14.5)	11,198	13,091	(14.5)
Gross revenue	**74,532**	**87,905**	**(15.2)**	**74,532**	**87,905**	**(15.2)**
Maintenance expenses	(9,652)	(8,542)	13.0	(9,652)	(8,542)	13.0
Utilities	(11,694)	(13,387)	(12.6)	(11,694)	(13,387)	(12.6)
Other operating expenses[1]	(13,826)	(13,225)	4.5	(13,826)	(13,225)	4.5
Property operating expenses	(35,172)	(35,154)	0.1	(35,172)	(35,154)	0.1
Net property income	**39,360**	**52,751**	**(25.4)**	**39,360**	**52,751**	**(25.4)**
Interest income	627	913	(31.3)	627	913	(31.3)
Net investment income	**39,987**	**53,664**	**(25.5)**	**39,987**	**53,664**	**(25.5)**
Manager's management fee	(4,847)	(5,482)	(11.6)	(4,847)	(5,482)	(11.6)
Trustee's fee	(99)	(99)	-	(99)	(99)	-
Auditor's fee	(59)	(61)	(3.3)	(59)	(61)	(3.3)
Tax agent's fee	(7)	(8)	(12.5)	(7)	(8)	(12.5)
Valuation fee	(77)	(82)	(6.1)	(77)	(82)	(6.1)
Finance costs	(15,294)	(15,178)	0.8	(15,294)	(15,178)	0.8
Other non-operating expenses[1]	(334)	(274)	21.9	(334)	(274)	21.9
	(20,717)	(21,184)	(2.2)	(20,717)	(21,184)	(2.2)
Profit before taxation	**19,270**	**32,480**	**(40.7)**	**19,270**	**32,480**	**(40.7)**
Taxation	-	-	-	-	-	-
Profit for the period	**19,270**	**32,480**	**(40.7)**	**19,270**	**32,480**	**(40.7)**
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	**19,270**	**32,480**	**(40.7)**	**19,270**	**32,480**	**(40.7)**
Distribution adjustments[2]	874	2,553	(65.8)	874	2,553	(65.8)
Income available for distribution	**20,144**	**35,033**	**(42.5)**	**20,144**	**35,033**	**(42.5)**
Distributable income[3]	**20,143**	**34,955**	**(42.4)**	**20,143**	**34,955**	**(42.4)**
Realised	19,270	32,480	(40.7)	19,270	32,480	(40.7)
Unrealised[4]	-	*	(100.0)	-	*	(100.0)
	19,270	32,480	(40.7)	19,270	32,480	(40.7)

* less than RM1,000

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2020 (UNAUDITED)	2019 (UNAUDITED)	Change %	2020 (UNAUDITED)	2019 (UNAUDITED)	Change %
Earnings per unit (sen)[5]						
- before Manager's management fee	**1.18**	**1.86**	**(36.6)**	**1.18**	**1.86**	**(36.6)**
- after Manager's management fee	**0.94**	**1.59**	**(40.9)**	**0.94**	**1.59**	**(40.9)**
Distribution per unit (DPU) (sen)	**0.98**	**1.71**	**(42.7)**	**0.98**	**1.71**	**(42.7)**
DPU (sen) – annualised	**3.94**	**6.94**	**(43.2)**	**3.94**	**6.94**	**(43.2)**

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 2019.

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

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000	Change %	2020 (UNAUDITED) RM'000	2019 UNAUDITED) RM'000	Change %
Allowance for impairment losses of trade receivables	(320)	(484)	(33.9)	(320)	(484)	(33.9)
Foreign exchange gain/(loss):						
- Unrealised	-	*	(>100.0)	-	*	(>100.0)
- Realised	*	-	N.M.	*	-	N.M.

* less than RM1,000
N.M. - Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 MARCH			YEAR TO DATE 31 MARCH		
	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000	Change %	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000	Change %
Manager's management fee payable in units *	1,403	2,011	(30.2)	1,403	2,011	(30.2)
Depreciation	318	233	36.5	318	233	36.5
Amortisation of transaction costs on borrowings	207	212	(2.4)	207	212	(2.4)
Tax and other adjustments	(1,054)	97	(>100.0)	(1,054)	97	(>100.0)
	874	2,553	65.8	874	2,553	65.8

* 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 the 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/year 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 MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' CAPITAL RM'000	UNDISTRIBUTED PROFIT RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2019	2,181,132	485,434	2,666,566
Total comprehensive income for the financial period	-	32,480	32,480
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	-	-	-
- Distribution paid to unitholders[1]	-	(79,314)	(79,314)
Decrease in net assets resulting from unitholders' transactions	**-**	**(79,314)**	**(79,314)**
As at 31 March 2019 (Unaudited)	**2,181,132**	**438,600**	**2,619,732**
As at 1 January 2020	2,189,028	412,898	2,601,926
Total comprehensive income for the financial period	-	19,270	19,270
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	3,688	-	3,688
- Distribution paid to unitholders[2]	-	(62,169)	(62,169)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**3,688**	**(62,169)**	**(58,481)**
As at 31 March 2020 (Unaudited)	**2,192,716**	**369,999**	**2,562,715**

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 2019.

1. This refers to the 2018 final income distribution of 3.88 sen per unit for the period from 1 July 2018 to 31 December 2018 paid on 8 March 2019.
2. This refers to the 2019 final income distribution of 3.03 sen per unit for the period from 1 July 2019 to 31 December 2019 paid on 28 February 2020.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	THREE MONTHS ENDED	
	31 MARCH 2020 (UNAUDITED) RM'000	31 MARCH 2019 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	19,270	32,480
Adjustments for:-		
Manager's management fee payable in units	1,403	2,011
Depreciation	318	233
Finance costs	15,294	15,178
Interest income	(627)	(913)
Operating profit before changes in working capital	**35,658**	**48,989**
Changes in working capital:		
Trade and other receivables	(782)	(2,021)
Trade and other payables	5,592	(2,164)
Tenants' deposits	(354)	(458)
Net cash generated from operating activities	**40,114**	**44,346**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(449)	(165)
Capital expenditure on investment properties	(6,838)	(24,116)
Interest received	627	913
Net cash used in investing activities	**(6,660)**	**(23,368)**
Cash Flows From Financing Activities		
Distribution paid to unitholders	(62,169)	(79,314)
Interest paid	(12,087)	(11,507)
Payment of financing expenses	(104)	(32)
Proceeds from interest bearing borrowings	49,022	80,207
Repayment of interest bearing borrowings	(15,500)	(4,000)
Net cash used in financing activities	**(40,838)**	**(14,646)**
Net (decrease)/increase in cash and cash equivalents	(7,384)	6,332
Cash and cash equivalents at beginning of the period	78,354	94,897
Cash and cash equivalents at end of the period	**70,970**	**101,229**
Cash and cash equivalents at end of the year comprises :		
Deposits placed with licensed banks	55,606	79,730
Cash and bank balances	21,594	27,982
	77,200	107,712
Less: Pledged deposits	(6,230)	(6,483)
	70,970	**101,229**

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 2019.

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 2020 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties which are stated at fair value.

The condensed consolidated interim financial statements have been prepared in compliance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and with IAS 34: Interim Financial Reporting, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the amended and restated trust deed dated 5 October 2018 (the Trust Deed) and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts (the REITs Guidelines).

The condensed consolidated interim financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed consolidated interim financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

A2. Changes in Accounting Policies

On 1 January 2020, the Group and CMMT adopted the following MFRS*s*, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020:

Amendments to MFRS 3, Business Combinations – Definition of a Business
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

The adoption of the above MFRSs, Interpretation and amendments do 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 2019 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 demand and supply of retail 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

CMMT issued 3,634,200 new units in CMMT at approximately RM1.0146* per unit to the Manager during the financial period under review being part payment of management fee for the financial period from 1 July 2019 to 31 December 2019. The units were listed on the Main Market of Bursa Securities on 16 March 2020.

* Based on the 10-day volume weighted average price of the units up to and including 31 December 2019.

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.

A9. Segmental Reporting

Segmental results for the quarter/period ended 31 March 2020 are as follows:

	1Q /YTD 2020			1Q /YTD 2019		
Business Segment	**RETAIL**	**OFFICE**	**TOTAL**	**RETAIL**	**OFFICE**	**TOTAL**
	(UNAUDITED)	**(UNAUDITED)**	**(UNAUDITED)**	**(UNAUDITED)**	**(UNAUDITED)**	**(UNAUDITED)**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Gross revenue	72,778	1,754	74,532	86,250	1,655	87,905
Net property income	38,148	1,212	39,360	51,662	1,089	52,751
Interest income			627			913
Unallocated expenses			(5,423)			(6,006)
Finance costs			(15,294)			(15,178)
Profit before taxation			**19,270**			**32,480**
Taxation			-			-
Profit for the period			**19,270**			**32,480**

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. Effective FY2020, the property revaluation exercise will be changed from semi-annual to annual basis, to be in line with industry practices and CapitaLand Limited Group's policies. As further explained in Note B4, the potential impact of COVID‑19 remains fluid and is evolving. Therefore the valuation of investment properties may be subject to significant estimation uncertainties.

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	2,051,752,800
Units issued as satisfaction of the Manager's management fee payable in units	3,634,200
Total units in issue	**2,055,387,000**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	10,132

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 2020 (UNAUDITED) RM'000	1Q/YTD 2019 (UNAUDITED) RM'000	Change %
(a)	**Breakdown of Gross Revenue**			
	Gurney Plaza	34,074	39,104	(12.9)
	East Coast Mall	13,904	15,652	(11.2)
	Sungei Wang	6,171	6,370	(3.1)
	3 Damansara Property	9,177	11,243	(18.4)
	The Mines	11,206	15,536	(27.9)
	Total Gross Revenue	**74,532**	**87,905**	**(15.2)**
(b)	**Breakdown of Property Operating Expenses**			
	Gurney Plaza	10,792	11,407	(5.4)
	East Coast Mall	5,054	5,233	(3.4)
	Sungei Wang	6,501	5,598	16.1
	3 Damansara Property	5,952	5,928	0.4
	The Mines	6,873	6,988	(1.6)
	Total Property Operating Expenses	**35,172**	**35,154**	**0.1**
(c)	**Breakdown of Net Property Income**			
	Gurney Plaza	23,282	27,697	(15.9)
	East Coast Mall	8,850	10,419	(15.1)
	Sungei Wang	(330)	772	(>100.0)
	3 Damansara Property	3,225	5,315	(39.3)
	The Mines	4,333	8,548	(49.3)
	Total Net Property Income	**39,360**	**52,751**	**(25.4)**

B1. Review of Performance (cont'd)

Quarter Results (1Q 2020 vs 1Q 2019)

The Group recorded gross revenue of RM74.5 million in 1Q 2020, a decrease of RM13.4 million or 15.2% against 1Q 2019. The decrease was mainly due to the 14-day rental waiver given to tenants who fall under the category of non-essential services across all the malls amid the Covid-19's Movement Control Order (MCO), lower car park and marcom income as well as lower recovery of utilities during the MCO period. Lower gross rental income attributed to lower occupancies at Klang Valley malls also contributed to lower gross revenue recorded. The decrease was partially mitigated by revenue contribution from Jumpa following the completion of the asset enhancement initiatives and the soft opening on 25 September 2019.

Property operating expenses for 1Q 2020 was RM35.2 million, an increase of 0.1% against 1Q 2019 mainly due to higher maintenance and marketing expenses at Jumpa with the commencement of its operation and higher adhoc repair expenses at 3 Damansara Property which was offset by lower utilities expenses across all the malls during the MCO period.

The net property income (NPI) for 1Q 2020 of RM39.4 million was RM13.4 million or 25.4% lower than 1Q 2019.

Finance costs for 1Q 2020 of RM15.3 million were RM0.1 million or 0.8% higher than 1Q 2019. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down during the quarter offset by lower cost of debts for 1Q 2020 at 4.35% p.a. (1Q 2019: 4.47% p.a.) arising from the reduction in Overnight Policy Rate during the quarter under review.

Overall, distributable income to unitholders for 1Q 2020 was RM20.1 million, a decrease of RM14.8 million or 42.4% against 1Q 2019 mainly due to abovementioned factors.

Financial Year-to-date Results (YTD 2020 vs YTD 2019)

Review of financial year-to-date results is the same as above.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 MARCH 2020 RM'000	QUARTER ENDED 31 DECEMBER 2019 RM'000	Change %
Profit before taxation	19,270	31,607	(39.0)
Adjusted for: Fair value loss of investment properties (net)	-	659	(100.0)
Profit before taxation, excluding net fair value loss of investment properties	**19,270**	**32,266**	**(40.3)**

Other than the net fair value loss of RM0.7 million resulting from the valuation as at 31 December 2019, the change in the financial results of 1Q 2020 as compared to 4Q 2019 was mainly due to the 14-day rental waiver given to tenants as disclosed in B1.

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 COVID-19 pandemic has impacted global economies, businesses, market sentiments and livelihoods. To contain the spread of the virus, the Malaysian Government imposed a MCO from 18 March 2020 that led to the closure of most public and private premises except for those providing essential services. Subsequently, a Conditional Movement Control Order (CMCO) was implemented from 4 May 2020, easing the earlier MCO and allowing most economic sectors to resume business operations subject to standard operating procedures outlined by the authorities.

Even before the onset of COVID-19, Malaysia's annual GDP growth moderated to 4.3% in 2019, the lowest since the global financial crisis in 2009. In the first quarter of 2020, the GDP growth moderated sharply to 0.7% as a result of the MCO implementation. Given the highly challenging global and local economic outlook this year, Bank Negara Malaysia expects the country's economy would record a contraction of 2.0% at its worst or growth of 0.5% at its best, for 2020. To mitigate the impact of COVID-19, the Malaysian Government has announced stimulus packages amounting to RM260 billion.

The retail sector is one of the hardest hit sectors. During the MCO, all stores in shopping malls were instructed to close with the exception of those providing essential services such as food and daily necessities. As the Manager, we have business continuity plans in place to minimise the impact of MCO to our malls' operations. Our malls remained partially open to support the operations of essential services tenants. Precautionary measures were stepped up in accordance with the health authorities' guidelines to ensure the well-being of our shoppers, tenants and employees.

During the subsequent CMCO, tenants from the permitted trades gradually resumed operations. To support our tenants' businesses and serve the needs of the communities, we have extended complimentary parking to full day until 26 May 2020. For tenants unable to operate during these periods, we have committed up to RM35.0 million of rental relief support to provide immediate cost and cashflow relief. In addition, we will pass through the 15% discount on monthly electricity bills to eligible tenants, announced by the Malaysian Government as part of the economic stimulus package, from April to September 2020.

Malaysia's retail sector experienced a tough operating environment in the last few years due to an oversupply of retail space. 2020 will see even greater challenges, given the uncertainty over the duration and extent of the COVID-19 impact. Although the standard operating procedures under the CMCO are expected to be eased in phases, shopping malls may continue to experience downward pressure on shopper footfall and retail sales amidst the uncertainty of the pandemic.

As a responsible corporate citizen, our current priorities are to serve our communities and support our business partners in a sustainable way as we navigate this challenging period. We remain committed to proactively manage our business and do the necessary to ensure our business sustainability in the long term.

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 2020 to its unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed at the latest practicable date from the issuance of this report save for the following:

The Manager had on 12 May 2020 announced the proposed establishment of a distribution reinvestment plan that will provide the unitholders of CMMT with an option to elect to reinvest, in whole or in part, their cash distribution in new units of CMMT.

B8. Borrowings and Debt Securities

	AS AT 31 MARCH 2020 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2019 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	49,859	26,687
Secured term loans	918,430	918,430
Unrated secured medium term notes	300,000	300,000
Less: Unamortised transaction costs	(2,380)	(2,578)
	1,265,909	1,242,539
Short term borrowings		
Unsecured revolving credit	141,960	131,610
	141,960	131,610
Total borrowings	**1,407,869**	**1,374,149**

All the borrowings are denominated in Ringgit Malaysia.

During the quarter, the net increase in total gross borrowings (before deducting unamortised transaction costs) of RM33.5 million was mainly due to additional revolving credit facilities ("RCF") of RM49.0 million drawn down to reimburse the cash balances previously utilised for capital expenditure settlement, offset by the partial repayment of RCF totalling RM15.5 million.

As of to-date, two out of five properties of the Group, namely Sungei Wang and East Coast Mall remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 81% and 19% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

On 28 February 2020, CMMT paid its final income distribution of RM62.2 million or 3.03 sen per unit for the period from 1 July 2019 to 31 December 2019. No income distribution was proposed for the current quarter.

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 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 24.0%
(d)	Institutional investors	Withholding tax at 10.0%
(e)	Individuals	Withholding tax at 10.0%

B11. Composition of Investment Portfolio as at 31 March 2020

As at 31 March 2020, CMMT'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	1,147,071	1,667,441	1,665,000	65.0
East Coast Mall	405,555	577,135	577,000	22.5
Sungei Wang	814,218	538,506	538,000	21.0
3 Damansara Property	589,409	539,704	540,000	21.1
The Mines	600,470	714,961	715,000	27.9
Total	**3,556,723**	**4,037,747**	**4,035,000**	

The market value of Sungei Wang, The Mines and East Coast Mall were stated at valuations conducted by PPC International Sdn. Bhd. as at 31 December 2019. The market value of Gurney Plaza and 3 Damansara Property were stated at valuations performed by Savills (Malaysia) Sdn. Bhd. and Henry Butcher Malaysia Sdn. Bhd. respectively as at 31 December 2019.

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 market value of the investment properties as at 31 December 2019 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 RM2,562,715,000 as at 31 March 2020. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 31 MARCH 2020	QUARTER ENDED 31 DECEMBER 2019
Number of units in circulation (units)	2,055,387,000	2,051,752,800
NAV before income distribution (RM'000)	2,562,715	2,601,926
NAV after income distribution (RM'000)	2,542,572	2,539,757
NAV per unit[1] (RM)	1.2370	1.2378
Total comprehensive income (RM'000)	19,270	21,864
Weighted average number of units in issue (units)	2,052,391,780	2,051,752,800
EPU after manager's management fee (sen)	0.94	1.07
Distributable income (RM'000)	20,143	31,187
DPU (sen)	0.98	1.52
Market price (RM)	0.91	1.00
DPU yield (%)	1.08	1.52

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.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fees

For the financial period ended 31 March 2020, the Manager has accounted for a base fee of 0.29% per annum of the total asset value and a performance fee of 4.75% per annum of net property income. Total fees accrued to the Manager were as follows:

B14. Manager's Fees (cont'd)

	1Q/YTD 2020 ACTUAL (UNAUDITED) RM'000
Base management fee	2,978
Performance fee	1,869
Total fees	**4,847**

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

	NO OF UNITS	PERCENTAGE OF UNITHOLDINGS[3]	MARKET VALUE[4] AT 31 MARCH 2020
	UNITS	%	RM
CMMT Investment Limited[1]	710,973,600	34.59	646,985,976
Menang Investment Limited[1]	51,466,500	2.50	46,834,515
Direct unitholdings of the Directors of the Manager:			
Ms Low Peck Chen	12,000	N.M.	10,920
Mr Lim Cho Pin Andrew Geoffrey[2]	47,000	N.M.	42,770
	762,499,100	**37.09**	**693,874,181**

N.M. - Not meaningful

1 An indirect wholly-owned subsidiary of CapitaLand Limited.
2 Units held through nominees.
3 Approximation.
4 The market value of the units is computed based on the closing price of RM0.91 per unit as at 31 March 2020.

The Manager disposed 3,634,200 units in CMMT at cost to a related party, Menang Investment Limited, on 18 March 2020.

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 31 March 2020 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 May 2020.

BY ORDER OF THE BOARD

KHOO MING SIANG
COMPANY SECRETARY (MAICSA No. 7034037)
CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (200801018055 (819351-H))
(As Manager of CapitaLand Malaysia Mall Trust)
Kuala Lumpur

Date: 21 May 2020