General Announcement for PLC (v13)

SUBMITTED

Reference No. GA1-20052020-00028

Created by TMF GLOBAL SERVICES (MALAYSIA) SDN BHD on 20 May 2020 at 12:21:36 PM

Submitted by TMF GLOBAL SERVICES (MALAYSIA) SDN BHD on 21 May 2020 at 5:51:15 PM

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		

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MAIN	
Type	Announcement
Subject	OTHERS
Description	CMMT Presentation Slides - 1Q 2020 Financial Results
Shareholder Approval	No

Announcement Details/Table Section

This announcement is dated 21 May 2020.

Attachment

No	File Name	Size	
1	CMMT 1Q 2020 Results Slides.pdf	1.7MB	

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CapitaLand
Malaysia Mall Trust

CAPITALAND MALAYSIA MALL TRUST

1Q 2020 Results Presentation

21 May 2020

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Contents

- 1Q 2020 Overview
- Financial Results
- Portfolio Updates
- COVID-19 Developments

1Q 2020 Overview



Gurney Plaza, Penang, Malaysia

1Q 2020 Updates

1Q 2020 Results

- Net Property Income: RM39.4 mil (▼ 25.4% YoY)
- Distribution Per Unit: 0.98 sen (▼ 42.7% YoY)
- Shopper Traffic: 11.1 mil (▼ 20.4% YoY)
- As at 31 March 2020:
  - Rental Reversion: -1.1% as at 31 March 2020
  - Portfolio Occupancy: 90.9% as at 31 March 2020

Other Updates

Managing COVID-19 pandemic

- Rental relief of up to RM35.0 mil to support Affected Tenants[1]
  - 14-day rental waiver from 18 to 31 March 2020 during the first phase of Movement Control Order (MCO)
  - Second tranche of support in the form of rental relief[2] in staggered manner

1. Shopping mall tenants providing non-essential services or supplies that are mandated to close during the MCO and the Conditional Movement Control Order (CMCO)
2. Subject to terms and conditions

Financial Results



JUMPA @ Sungei Wang, Kuala Lumpur, Malaysia

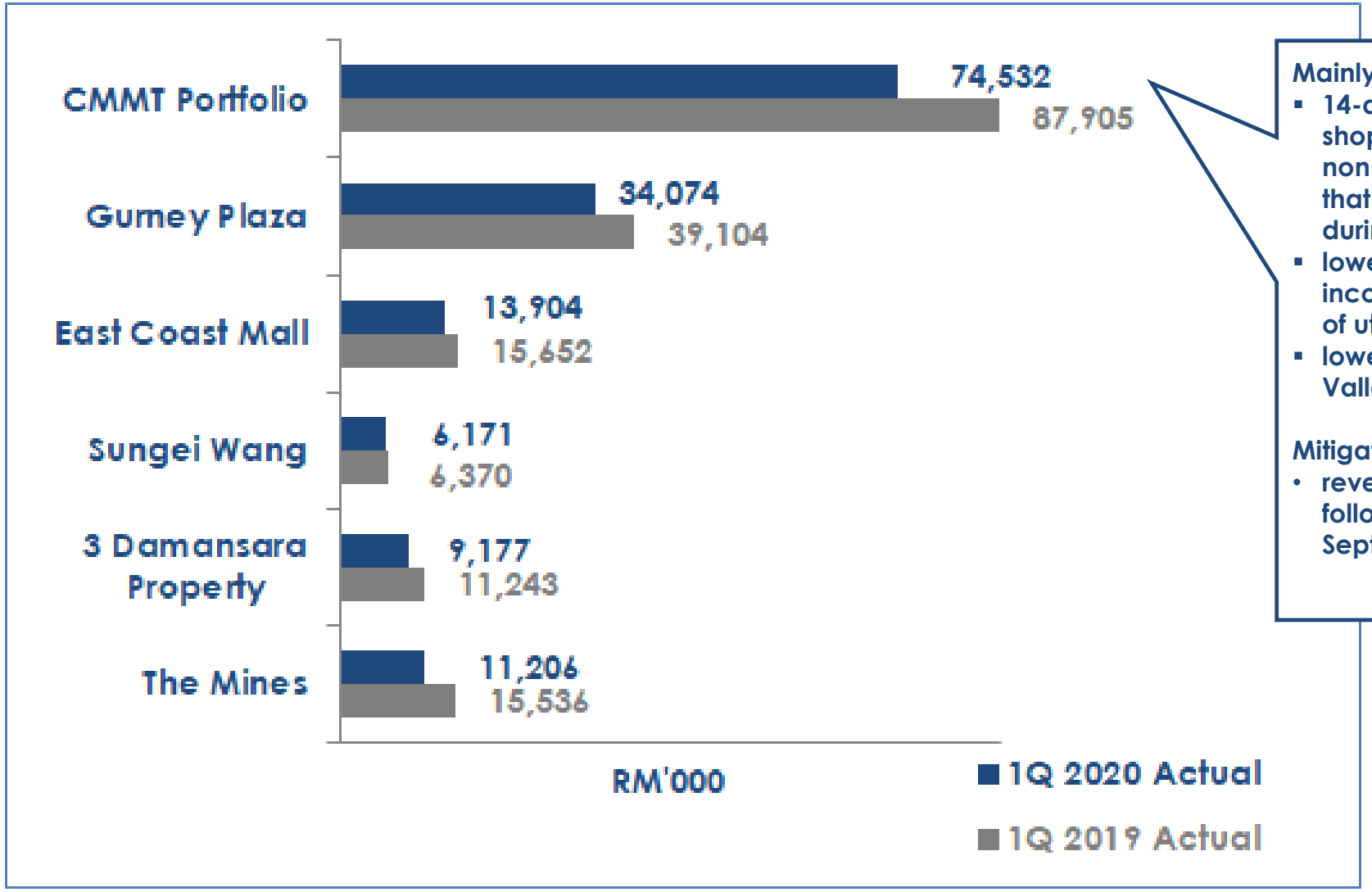
Distribution Statement

RM'000	1Q 2020 Actual (Unaudited)	1Q 2019 Actual (Unaudited)	Change %
Gross revenue	74,532	87,905	(15.2)
Less: Property operating expenses	(35,172)	(35,154)	0.1
Net property income	**39,360**	**52,751**	**(25.4)**
Interest income	627	913	(31.3)
Net investment income	**39,987**	**53,664**	**(25.5)**
Manager's management fee	(4,847)	(5,482)	(11.6)
Trust and other expenses	(576)	(524)	9.9
Finance costs	(15,294)	(15,178)	0.8
Profit before taxation	**19,270**	**32,480**	**(40.7)**
Taxation	-	-	-
Profit for the period	**19,270**	**32,480**	**(40.7)**
Distribution adjustments	874	2,553	(65.8)
Income available for distribution	20,144	35,033	(42.5)
Distributable income[1]	**20,143**	**34,955**	**(42.4)**
DPU (sen)	**0.98**	**1.71**	**(42.7)**

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

N.M. – Not meaningful

1Q 2020 Gross Revenue



Mainly due to:

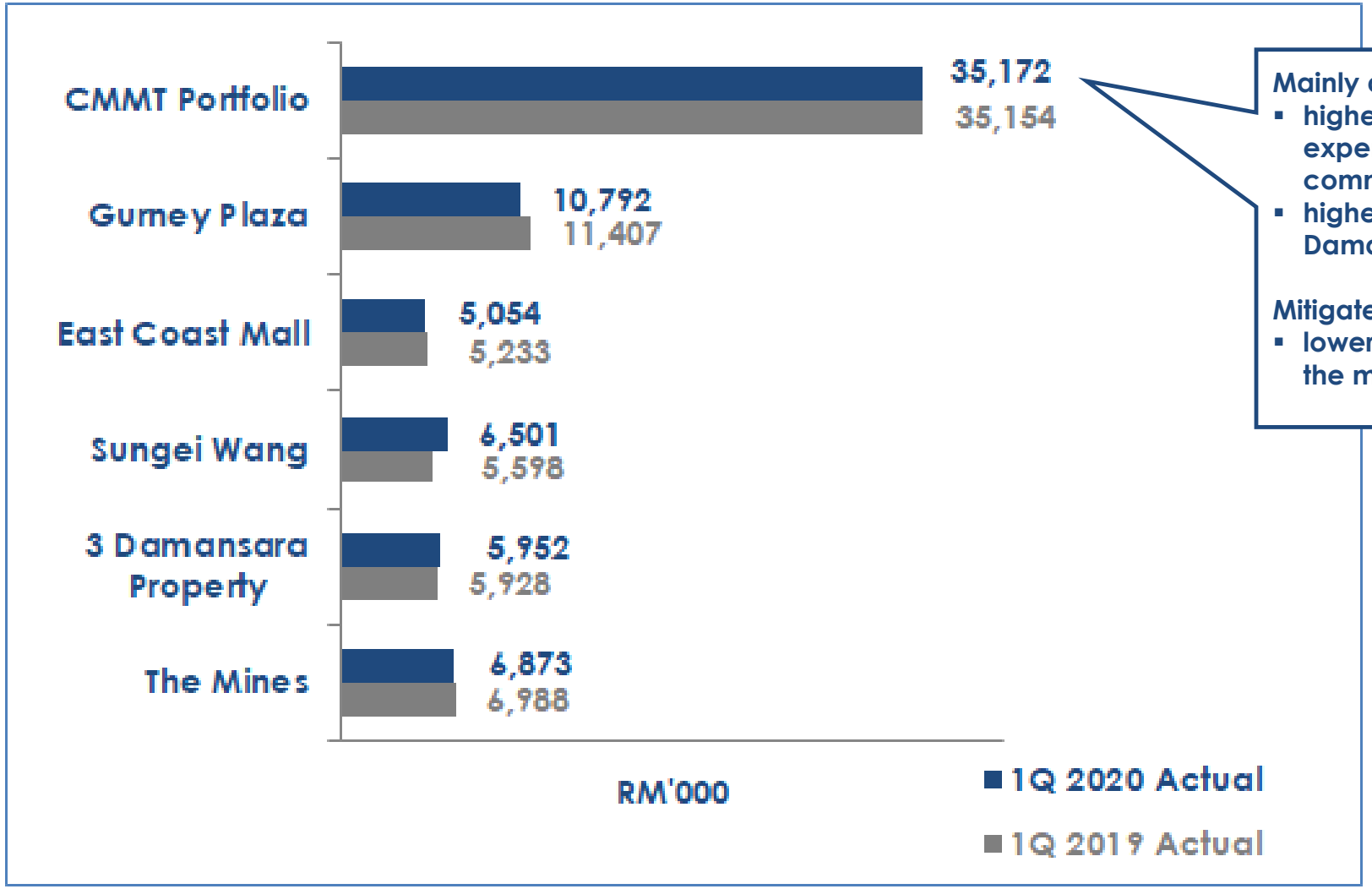
- 14-day rental waiver given to shopping mall tenants under the non-essential services category that were mandated to close during the MCO;
- lower car park and marcom income as well as lower recovery of utilities during the MCO period;
- lower occupancies at Klang Valley malls; and

Mitigated by:

- revenue contribution from JUMPA following its opening on 25 September 2019.

Note: 3 Damansara and Tropicana City Office Tower are collectively known as 3 Damansara Property.

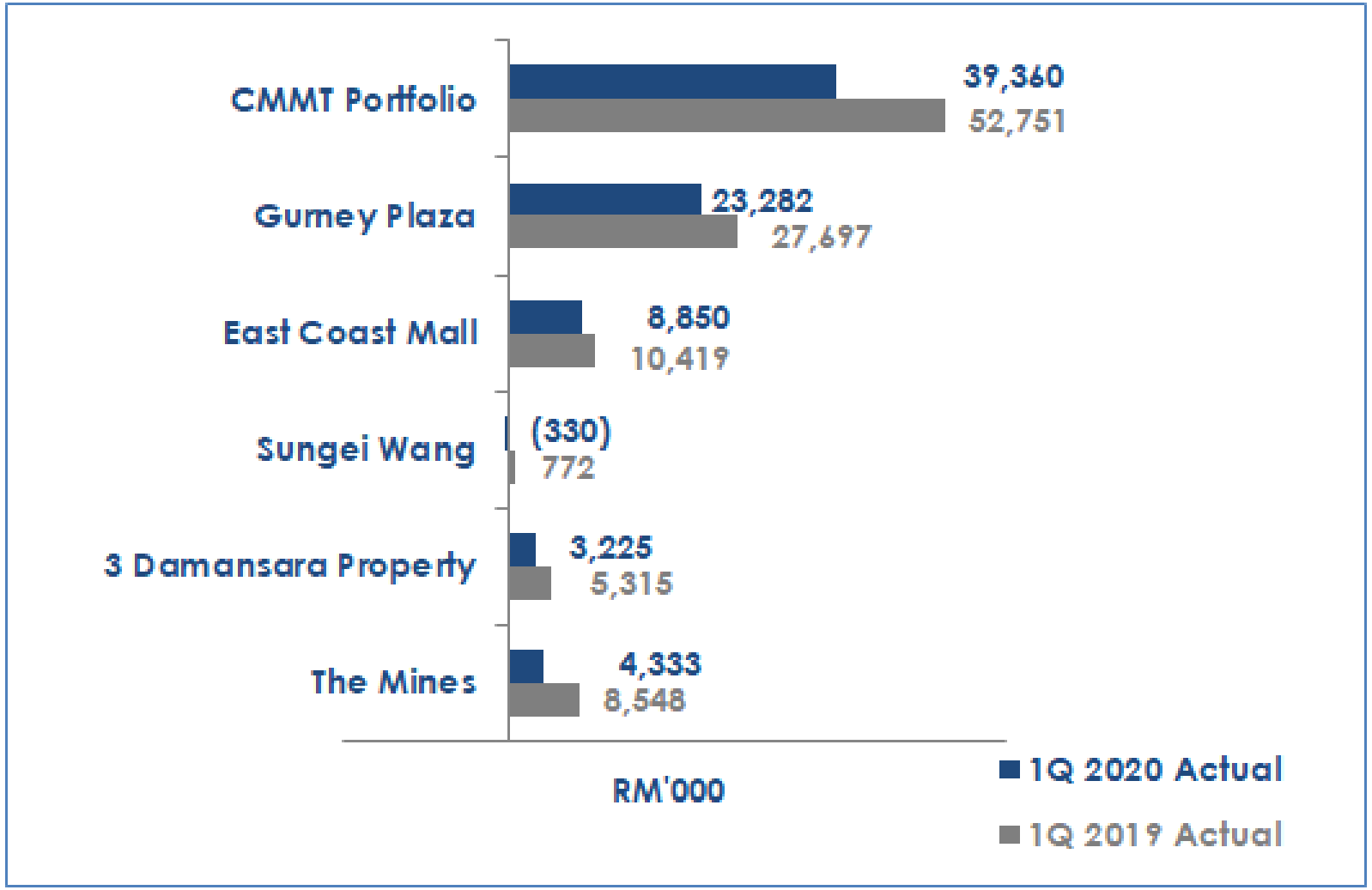
1Q 2020 Property Operating Expenses



Mainly due to:
- higher maintenance and marketing expenses at JUMPA with the commencement of its operation;
- higher adhoc repair expenses at 3 Damansara Property; and

Mitigated by:
- lower utilities expenses across all the malls during the MCO period.

1Q 2020 Net Property Income



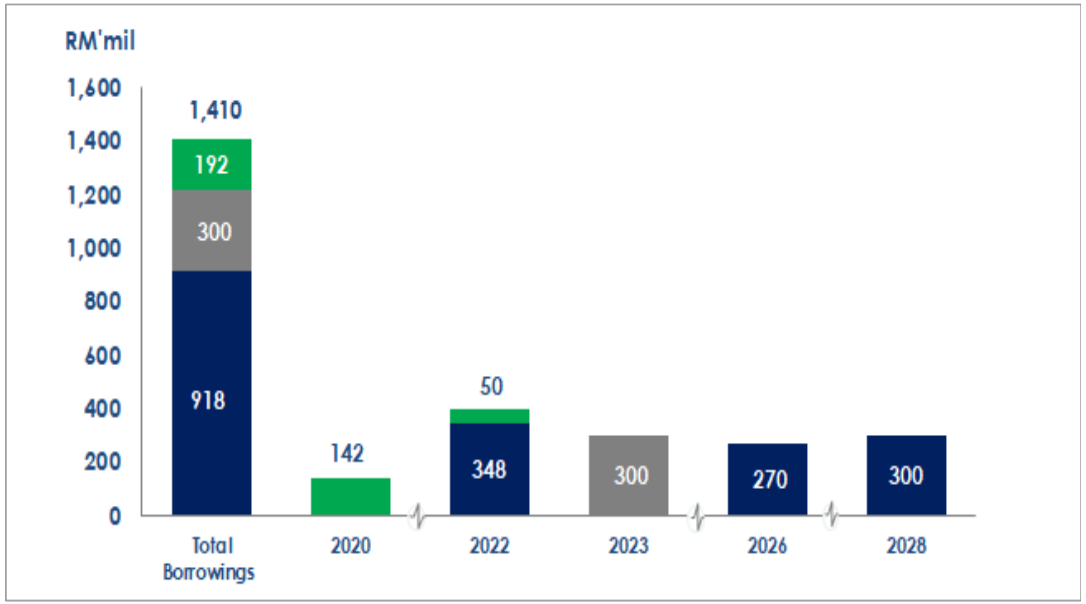
1Q 2020 Distribution Per Unit

	1Q 2020 Actual (Unaudited)	1Q 2019 Actual (Unaudited)	Change %
Distributable Income (RM'000)	20,143	34,955	(42.4)
DPU (sen)	0.98	1.71	(42.7)
DPU (sen) - annualised	3.94	6.94	(43.2)
Distribution yield (%) (Based on market price of RM0.91 on 31 March 2020 and RM1.11 on 29 March 2019)	4.33	6.25	N.M.
Distribution yield (%) (Based on market price of RM0.805 on 20 May 2020 and RM1.11 on 22 April 2019)	4.89	6.25	N.M.

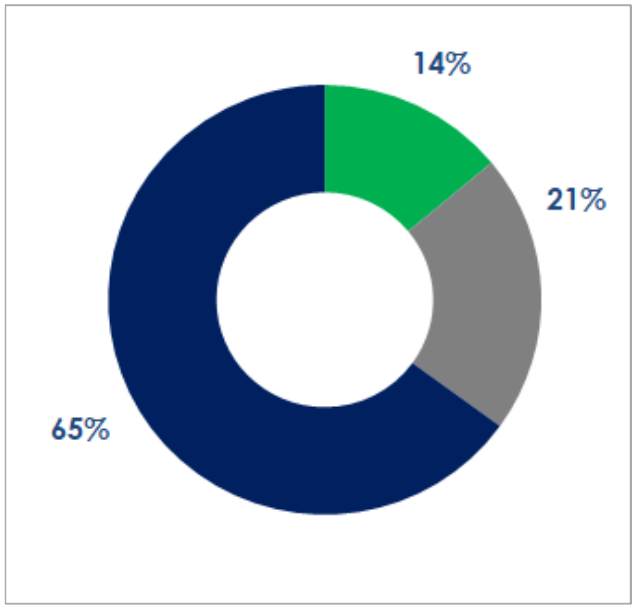
N.M. – Not meaningful

Debt Profile

Well-spread Debt Maturity Profile



Diversified Sources of Funding



- Term Loan facilities
- Unrated Medium Term Notes
- Revolving Credit facilities

Key Financial Indicators

	1Q 2020	4Q 2019
Unencumbered assets as % of total assets	28.8%	28.3%
Gearing ratio (before income distribution)[1]	34.1%	33.2%
Gearing ratio (after income distribution)	34.3%	33.7%
Average cost of debt	4.35%	4.44%
Fixed:Floating rate debt ratio	81%:19%	83%:17%
Net debt / EBITDA (times)	10.2	7.5
Interest coverage (times)	2.3	3.0
Average term to maturity (years)	4.2	4.4

1. In order to align with market practices of other major retail REITs in Malaysia, CMMT has revised the gearing ratio computation from gross borrowings over total assets adjusted for distributable income to gross borrowings over total assets.

Balance Sheet

As at 31 March 2020	RM'mil
Non-current Assets	4,041
Current Assets	99
Total Assets	**4,140**
Current Liabilities	254
Non-current Liabilities	1,323
Total Liabilities	**1,577**
Net Assets	**2,563**
Total Unitholders' Funds	**2,563**
Number of Units in Circulation (in million units)	**2,055**

NAV (RM'mil)	
- before income distribution	2,563
- after income distribution	**2,543**
NAV per unit (RM)	
- before income distribution	1.25
- after income distribution	**1.24**

Portfolio Updates



3 Damansara, Selangor, Malaysia

Rental Reversion

From 1 January 2020 to 31 March 2020[1]	No. of new leases/renewals	Var. over preceding rental[2, 3, 4] (%)
Gurney Plaza	29	+4.2
East Coast Mall	10	+4.6
Sungei Wang	13	-17.7
3 Damansara	5	0.0
The Mines	15	-19.6
CMMT Portfolio (Retail)	**72**	**-1.1**
Tropicana City Office Tower	-	-
CMMT Portfolio (Retail + Office)	**72**	**-1.1**

1. Excluding newly created and reconfigured units.
2. Excluding gross turnover rent component.
3. Majority of leases have rental escalation clause.
4. The % is computed based on the increase in the 1st year rental of the renewed term over last year rental of the preceding term.

Portfolio Lease Expiry (By Year)

As at 31 March 2020	CMMT (Retail)		
	No of Leases[1]	Gross Rental Income RM'000	% of Total Gross Rental Income[2]
2020	567	9,020	42.2%
2021	354	5,993	28.0%
2022	272	5,540	25.9%
Beyond 2022	54	829	3.9%

As at 31 March 2020	CMMT (Office)		
	No of Leases[1]	Gross Rental Income RM'000	% of Total Gross Rental Income[3]
2020	1	226	42.0%
2021	7	260	48.4%
Beyond 2021	1	52	9.6%

1. Based on all committed leases as at 31 March 2020.
2. Based on committed gross rental income for CMMT (Retail) as at 31 March 2020.
3. Based on committed gross rental income for CMMT (Office) as at 31 March 2020.

Portfolio Lease Expiry Profile for 2020

As at 31 March 2020	No. of Leases[1]	% of Net Lettable Area[1]	% of Goss Rental Income[1]
Gurney Plaza	144	11.70%	16.60%
East Coast Mall	93	10.10%	9.00%
Sungei Wang	108	4.90%	3.40%
3 Damansara	77	9.20%	5.60%
The Mines	145	9.30%	6.60%
CMMT (Retail)	**567**	**45.20%**	**41.20%**
Tropicana City Office Tower	1	1.60%	1.00%
CMMT Portfolio (Retail & Office)	**568**	**46.80%**	**42.20%**

1. Based on committed leases for CMMT Portfolio(Retail + Office) as at 31 March 2020.

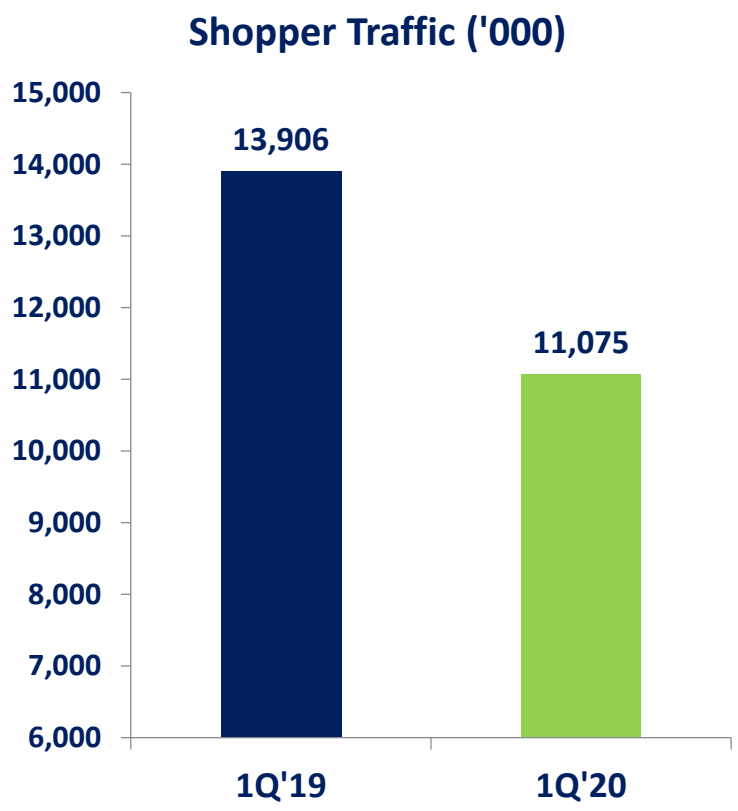
Occupancy Rate

	1Q 2020 31 March 20[1]	4Q 2019 31 December 19[1]
Gurney Plaza	99.2%	99.8%
East Coast Mall	99.0%	99.5%
Sungei Wang	75.5%	82.0%
3 Damansara[2]	86.7%	91.3%
The Mines	85.8%	90.5%
CMMT (Retail)	**90.5%**	**93.6%**
Tropicana City Office Tower[2]	100.0%	100.0%
CMMT Portfolio (Retail & Office)	**90.9%**	**93.8%**

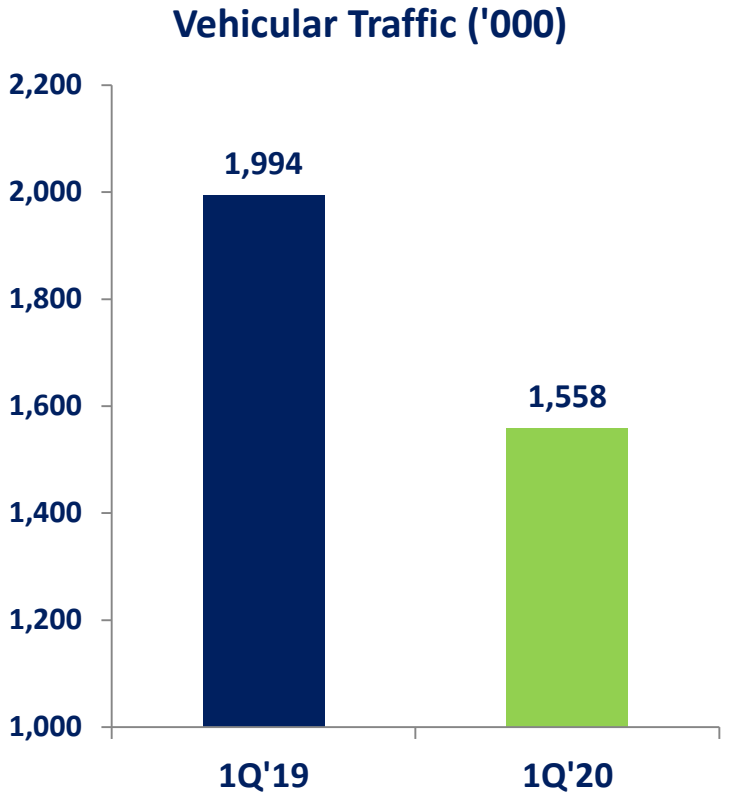
1. Based on committed leases.
2. The occupancy of 3 Damansara Property is 89.0% as at 31 March 2020.

Shopper and Vehicular Traffic[1]

Shopper Traffic
20.4% lower than 1Q 2019



Vehicular Traffic
21.8% lower than 1Q 2019



1. During the quarter, shopper and vehicular traffic between 18 to 31 March were impacted by the Movement Control Order implemented by the Government to curb the spread of COVID-19.

New Retail Offerings in Gurney Plaza







Stuart Weitzman's first boutique in the Northern region; new and exciting cosmetic and fashion offerings







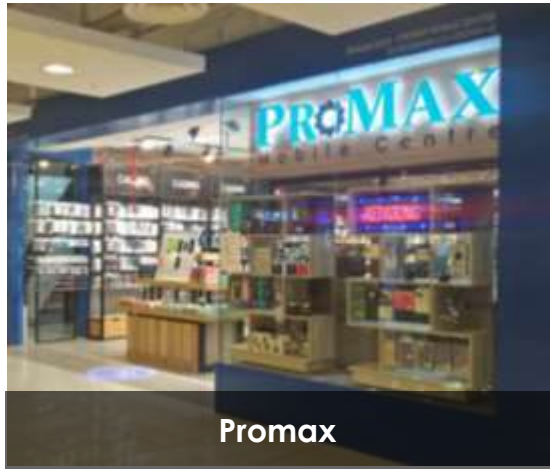
The first Starbucks Reserve outlet in Penang; a variety of new dining options

CMMT Malls

East Coast Mall



Lady.K



Promax

Sungei Wang



VPro Carwash


Big Apple

3 Damansara



Mile Creation



MQ Alterations

The Mines



Funscape by Cobay



Nokia

COVID-19 Developments



3 Damansara Property, Petaling Jaya, Selangor

Timeline of events

Date	Key event
25-Jan	First COVID-19 case detected in Malaysia
30-Jan	The World Health Organisation declares the new coronavirus outbreak a Public Health Emergency of International Concern
6-Feb	First local COVID-19 infection
27-Feb	RM20bil economic stimulus package announced
2-Mar	CapitaLand and CMMT introduced support measures for retailers
11-Mar	The World Health Organisation declared the COVID-19 outbreak a global pandemic
16-Mar	MCO announced to be enforced from 18 to 31 March
25-Mar	Government announced extension of the MCO by additional two weeks to 14 April
26-Mar	CapitaLand and CMMT announced 14-day rental waiver for Affected Tenants
27-Mar	RM250bil economic stimulus package announced
6-Apr	Additional allocation of RM10bil for Small and Medium-sized Enterprises
10-Apr	Government announced further extension of the MCO by additional two weeks to 28 April
30-Apr	CMMT committed up to RM35.0 million of rental relief support for Affected Tenants
1-May	Government announced CMCO starting from 4 May to 12 May
10-May	Government announced extension of CMCO until 9 June

Source: World Health Organisation, Ministry of Health, various news reports

Government Economic Stimulus Packages

Three stimulus packages totalling RM260 billion to mitigate impact of COVID-19

REIT-relates measures	What did CMMT do?
• 15% discount in monthly electricity bills to hotels, travel agencies, airlines, shopping malls, conventions and exhibition centres from April to September 2020	• Pass through of discount to eligible tenants
• Employees with a salary below RM4,000 a month will benefit from the Wage Subsidy Programme	• Application has been made for the Wage Subsidy Programme

Support for Tenants to ride out COVID-19

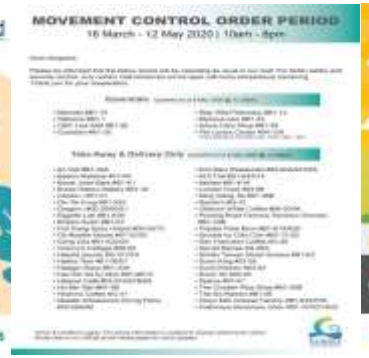
RM35.0 mil Rental Relief	• First tranche in the form of 14-day rental waiver from 18 to 31 March 2020 for Affected Tenants • Second tranche in the form of rental relief in staggered manner for Affected Tenants
Govt measure	• 15% electricity discount from April to September 2020, as announced by the Government, to be fully passed to eligible tenants
Other Support Initiatives	• Flexible payment arrangement from May to December • Flexible operating hours throughout MCO/CMCO • Free parking from 26 March to 26 May • 3-hour free parking from 27 May to 30 June • Marketing assistance efforts, where applicable, taking into consideration the evolving COVID-19 situation

Operation during COVID-19

	During MCO 18 March to 3 May	During CMCO 4 May onwards
• Stores opened (% of total portfolio)	12%	76% (as at 17 May 2020)
• Mall Operation Hours	• Shortened operation hours from 10 am to 8 pm in accordance with authorities' guidelines	• Resume normal operation hours from 10 am to 10 pm
• Engagement via social media	• Keeping audiences updated regularly with mall announcements and essential services' tenants' operating hours	• Keeping audiences updated regularly with mall announcements and tenants' promotions













Tenants and shoppers' safety and well-being

CMMT has put in place precautionary measures at its properties since January 2020 in line with the health authorities' guidelines



These measures include temperature checks, and cleaning and disinfecting of common areas



As part of the efforts to facilitate social distancing, floor markers have been placed in common areas to remind shoppers to maintain a safe distance from one another

Supporting the underprivileged communities

CapitaLand and CMMT distribute COVID-19 care packages worth RM212,000 to affected communities in Malaysia

Beneficiaries include about 4,000 underprivileged children from 80 orphanages in the Klang Valley, Kuantan and Penang as well as 300 needy families in Johor. They will receive surgical masks, hand sanitisers as well as groceries. The donation is made possible with funding from CapitaLand Hope Foundation, CapitaLand's philanthropic arm.



The guardian and children from Rapha Children's Home



The children from Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor

Cautious outlook in the near term

Strengthening CMMT's retail ecosystem and ensure long-term viability

• **Retail Environment**	• Highly uncertain and challenged as CMCO remain in force • Shopper traffic and tenants' sales expected to remain weak amidst uncertainty • Pressure on rental reversion due to cautious retailer sentiment • About 20% of the expiring leases have been renewed as at April 2020
• **Operational Focus**	• Enhance operational efficiencies • Deferred all non-essential operating and capital expenditures • Defer asset enhancement initiatives work except for the creation of contemporary food hall at Gurney Plaza • Commit to ride out the challenges ahead with tenants • Maintain regular and constructive communication with tenants • Proactive lease management to support tenants' operations and sustain healthy occupancy levels • Render additional support to tenants or marketing assistance efforts, where applicable and taking into consideration the evolving COVID-19 situation
• **Capital Management**	• Proposed Distribution Reinvestment Plan allows unitholders to reinvest their income distribution into new CMMT units • No long-term debt maturing until 2022 • RM300mil Medium Term Notes (MTN) refinanced in December 2019 • Well-supported by banks and MTN programme in place • Bank facilities in place for working capital and capital expenditure requirements











Thank you

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