CAPITALAND MALAYSIA TRUST

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

CAPITALAND MALAYSIA TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2022 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2021 (AUDITED) RM'000
Assets		
Plant and equipment	3,362	3,490
Investment properties	3,892,000	3,826,000
Total non-current assets	3,895,362	3,829,490
Trade and other receivables	35,954	27,283
Cash and cash equivalents	84,309	76,176
Total current assets	120,263	103,459
Total assets	**4,015,625**	**3,932,949**
Equity		
Unitholders' capital	2,274,725	2,235,447
Undistributed profits	143,366	155,851
Total Unitholders' funds	**2,418,091**	**2,391,298**
Liabilities		
Borrowings	1,266,919	1,267,324
Tenants' deposits	35,338	26,131
Deferred tax liabilities	-	1,738
Total non-current liabilities	1,302,257	1,295,193
Borrowings	184,399	144,945
Tenants' deposits	42,995	50,684
Trade and other payables	67,883	50,829
Total current liabilities	295,277	246,458
Total liabilities	**1,597,534**	**1,541,651**
Total equity and liabilities	**4,015,625**	**3,932,949**
Number of units in circulation ('000 units)	**2,206,935**	**2,130,856**
Net asset value (NAV)		
- before income distribution	**2,418,091**	**2,391,298**
- after income distribution	**2,372,629**	**2,370,416**
NAV per unit (RM)		
- before income distribution	**1.0957**	**1.1222**
- after income distribution	**1.0751**	**1.1124**

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 2021.

CAPITALAND MALAYSIA TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (AUDITED) RM'000	Change %
Gross rental income	54,599	54,435	0.3	220,127	185,620	18.6
Car park income	4,946	4,746	4.2	19,394	12,915	50.2
Other revenue	9,354	6,881	35.9	36,296	25,572	41.9
Gross revenue	**68,899**	**66,062**	**4.3**	**275,817**	**224,107**	**23.1**
Maintenance expenses	(9,706)	(8,677)	11.9	(37,628)	(35,075)	7.3
Utilities	(11,970)	(10,008)	19.6	(46,832)	(34,353)	36.3
Other operating expenses[1]	(6,419)	(14,151)	(54.6)	(38,847)	(51,541)	(24.6)
Property operating expenses	(28,095)	(32,836)	(14.4)	(123,307)	(120,969)	1.9
Net property income	**40,804**	**33,226**	**22.8**	**152,510**	**103,138**	**47.9**
Interest income	655	354	85.0	1,969	1,215	62.1
Fair value loss on investment properties (net)	(41,066)	(76,389)	(46.2)	(41,066)	(76,389)	(46.2)
Other non-operating income	1,625	1,625	-	3,250	3,250	-
Net investment income / (loss)	**2,018**	**(41,184)**	**(104.9)**	**116,663**	**31,214**	**273.8**
Manager's management fee	(4,873)	(4,453)	9.4	(18,720)	(16,437)	13.9
Trustee's fee	(101)	(101)	-	(400)	(400)	-
Auditor's fee	(70)	(3)	2,233.3	(220)	(181)	21.5
Tax agent's fee	(10)	(8)	25.0	(26)	(31)	(16.1)
Valuation fee	(77)	(37)	108.1	(291)	(277)	5.1
Finance costs	(12,571)	(11,829)	6.3	(46,517)	(48,121)	(3.3)
Other non-operating expenses[1]	(725)	(264)	174.6	(1,803)	(1,650)	9.3
	(18,427)	(16,695)	10.4	(67,977)	(67,097)	1.3
(Loss) / Profit before taxation	**(16,409)**	**(57,879)**	**(71.6)**	**48,686**	**(35,883)**	**(235.7)**
Deferred taxation	1,738	5,490	(68.3)	1,738	5,490	(68.3)
(Loss) / Profit and total comprehensive (loss) / income for the quarter/ year	**(14,671)**	**(52,389)**	**(72.0)**	**50,424**	**(30,393)**	**(265.9)**
Distribution adjustments[2]	37,928	70,268	(46.0)	36,891	69,523	(46.9)
Income available for distribution	**23,257**	**17,879**	**30.1**	**87,315**	**39,130**	**123.1**
Distributable income[3]	**23,216**	**17,690**	**31.2**	**87,489**	**39,033**	**124.1**
Realised profit	24,657	18,510	33.2	89,752	40,506	121.6
Unrealised loss[4]	(39,328)	(70,899)	(44.5)	(39,328)	(70,899)	(44.5)
	(14,671)	(52,389)	(72.0)	50,424	(30,393)	(265.9)

CAPITALAND MALAYSIA TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

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

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2022 (UNAUDITED)	2021 (UNAUDITED)	Change %	2022 (UNAUDITED)	2021 (AUDITED)	Change %
(Loss) / Earnings per unit (sen)[5]						
- before Manager's management fee	**(0.44)**	**(2.25)**	**(80.4)**	**3.20**	**(0.66)**	**(584.8)**
- after Manager's management fee	**(0.67)**	**(2.46)**	**(72.8)**	**2.33**	**(1.44)**	**(261.8)**
Distribution per unit (DPU) (sen)	**1.05**	**0.83**	**26.5**	**4.01**	**1.84**	**117.9**
DPU (sen) – annualised	**4.17**	**3.29**	**26.7**	**4.01**	**1.84**	**117.9**

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 2021.

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 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (AUDITED) RM'000	Change %
Reversal/ (loss) on impairment for trade receivables (net)	2,584	(1,528)	(269.1)	4,874	(6,068)	(180.3)
Foreign exchange (loss)/ gain:						
- Unrealised	-	-	-	-	-	-
- Realised	-	-	-	(5)	(1)	400.0
	2,584	(1,528)	(269.1)	4,869	(6,069)	(180.2)

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (AUDITED) RM'000	Change %
Fair value loss on investment properties (net)	41,066	76,389	(46.2)	41,066	76,389	(46.2)
Manager's management fee payable in units *	1,409	1,067	32.1	5,153	3,343	54.1
Depreciation	339	348	(2.6)	1,391	1,349	3.1
Amortisation of transaction costs on borrowings	208	232	(10.3)	919	854	7.6
Deferred taxation	(1,738)	(5,490)	(68.3)	(1,738)	(5,490)	(68.3)
Tax and other adjustments	(3,356)	(2,278)	47.3	(9,900)	(6,922)	43.0
	37,928	70,268	(46.0)	36,891	69,523	(46.9)

* 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 gain/ (loss) on investment properties and the corresponding deferred tax adjustments.
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/year. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

CAPITALAND MALAYSIA TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (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 2021	2,198,446	245,466	2,443,912
Total comprehensive loss for the financial year	-	(30,393)	(30,393)
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	4,469	-	4,469
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	32,532	-	32,532
- Distribution paid to Unitholders[1]	-	(59,222)	(59,222)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	37,001	(59,222)	(22,221)
As at 31 December 2021 (Unaudited)	**2,235,447**	**155,851**	**2,391,298**
As at 1 January 2022	2,235,447	155,851	2,391,298
Total comprehensive income for the financial year	-	50,424	50,424
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	4,071	-	4,071
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	35,207	-	35,207
- Distribution paid to Unitholders[2]	-	(62,909)	(62,909)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	**39,278**	**(62,909)**	**(23,631)**
As at 31 December 2022 (Unaudited)	**2,274,725**	**143,366**	**2,418,091**

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 2021.

1. This refers to the (i) 2020 final income distribution of 1.99 sen per unit for the period from 1 July 2020 to 31 December 2020 paid on 23 March 2021, and (ii) first income distribution of 0.86 sen per unit for the period from 1 January 2021 to 30 June 2021 paid on 22 September 2021.
2. This refers to the (i) 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.

CAPITALAND MALAYSIA TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER 2022 (UNAUDITED) RM'000	31 DECEMBER 2021 (AUDITED) RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before taxation	48,686	(35,883)
Adjustments for:-		
Manager's management fee paid/ payable in units	5,153	3,343
Depreciation	1,391	1,349
Fair value loss on investment properties (net)	41,066	76,389
Finance costs	46,517	48,121
Interest income	(1,969)	(1,215)
(Gain)/ loss on disposal of plant and equipment	(1)	2
(Reversal)/ loss on impairment for trade receivables (net)	(4,874)	6,068
Operating profit before changes in working capital	**135,969**	**98,174**
Changes in working capital:		
Trade and other receivables	16,787	(4,304)
Trade and other payables	1,255	(4,137)
Tenants' deposits	1,518	(6,736)
Net cash generated from operating activities	**155,529**	**82,997**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(1,006)	(1,350)
Capital expenditure on investment properties	(13,611)	(5,808)
Acquisition cost on investment property	(79,950)	-
Incidental costs on acquisition of investment properties	(1,883)	-
Deposit paid on acquisition of investment property	(19,759)	-
Proceeds from disposal of plant and equipment	1	-
Interest received	1,969	1,215
Net cash used in investing activities	**(114,239)**	**(5,943)**
Cash Flows From Financing Activities		
Distribution paid to Unitholders[1]	(27,424)	(26,424)
Interest expense and other financing costs paid	(45,009)	(47,753)
Transaction costs related to Distribution Reinvestment Plan	(205)	(266)
Proceeds from drawdown of interest bearing borrowings	157,266	77,789
Repayment of interest bearing borrowings	(117,785)	(76,100)
Withdrawal of pledged deposits from a licensed bank	-	1,300
Net cash used in financing activities	**(33,157)**	**(71,454)**
Net increase in cash and cash equivalents	8,133	5,600
Cash and cash equivalents at beginning of the year	71,246	65,646
Cash and cash equivalents at end of the year	**79,379**	**71,246**
Cash and cash equivalents at end of the year comprise:		
Deposits placed with licensed banks	66,267	63,099
Cash and bank balances	18,042	13,077
	84,309	76,176
Less: Pledged deposits	(4,930)	(4,930)
	79,379	**71,246**

[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 2021.

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 fourth quarter ended 31 December 2022 comprise CLMT 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), 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 2021.

A2. Changes in Accounting Policies

On 1 January 2022, the Group and CLMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework;
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018−2020);
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018−2020);
Amendments to MFRS 116, Property, Plant and Equipment − Proceeds before Intended Use; and
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts, Cost of Fulfilling a Contract.

The adoption of the above MFRSs, interpretations and amendments do not have 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 2021 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/year ended 31 December 2022 are as follows:

	4Q 2022 (UNAUDITED)			4Q 2021 (UNAUDITED)		
BUSINESS SEGMENT	**RETAIL RM'000**	**OTHERS RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OTHERS RM'000**	**TOTAL RM'000**
Gross revenue	68,414	485	68,899	65,388	674	66,062
Net property income	40,727	77	40,804	33,056	170	33,226
Interest income			655			354
Other non-operating income			1,625			1,625
Fair value loss on investment properties (net)			(41,066)			(76,389)
Unallocated expenses			(5,856)			(4,866)
Finance costs			(12,571)			(11,829)
Loss before taxation			**(16,409)**			**(57,879)**
Deferred taxation			1,738			5,490
Loss for the quarter			**(14,671)**			**(52,389)**

	YTD 2022 (UNAUDITED)			YTD 2021 (AUDITED)		
BUSINESS SEGMENT	**RETAIL RM'000**	**OTHERS RM'000**	**TOTAL RM'000**	**RETAIL RM'000**	**OTHERS RM'000**	**TOTAL RM'000**
Gross revenue	274,024	1,793	275,817	220,847	3,260	224,107
Net property income	152,687	(177)	152,510	101,813	1,325	103,138
Interest income			1,969			1,215
Other non-operating income			3,250			3,250
Fair value loss on investment properties (net)			(41,066)			(76,389)
Unallocated expenses			(21,460)			(18,976)
Finance costs			(46,517)			(48,121)
Profit / (Loss) before taxation			**48,686**			**(35,883)**
Deferred taxation			1,738			5,490
Profit / (Loss) for the year			**50,424**			**(30,393)**

A10. Valuation of 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 as at 31 December 2022 is based on the independent valuations as at 31 December 2022. The net fair value losses arising from the valuations amounting to RM41.1 million was recognised during the quarter/ year.

CLMT incurred RM22.0 million and RM25.3 million of capital expenditure on investment properties for 4Q 2022 and FY2022 respectively.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	4Q 2022 UNITS
Balance as at 1 January	2,130,855,734
Units issued under the Distribution Reinvestment Plan	68,882,861
Units issued as part satisfaction of the Manager's management fee payable in units	7,196,900
As at 31 December 2022	**2,206,935,495**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED) RM'000
Contracted but not provided for	4,062

Part B - Additional Information Pursuant to Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

	4Q 2022 (UNAUDITED) RM'000	4Q 2021 (UNAUDITED) RM'000	Change %	YTD 2022 (UNAUDITED) RM'000	YTD 2021 (AUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	35,417	31,156	13.7	135,717	104,421	30.0
East Coast Mall	15,841	15,680	1.0	64,148	50,146	27.9
Sungei Wang Plaza	3,932	3,685	6.7	16,674	14,664	13.7
3 Damansara Property	3,252	4,006	(18.8)	17,435	18,876	(7.6)
The Mines	10,030	11,535	(13.0)	41,416	36,000	15.0
Valdor Logistics Hub	427	-	100.0	427	-	100.0
Total Gross Revenue	**68,899**	**66,062**	**4.3**	**275,817**	**224,107**	**23.1**
Breakdown of Property Operating Expenses						
Gurney Plaza	9,555	10,499	(9.0)	40,249	39,133	2.9
East Coast Mall	4,697	4,928	(4.7)	20,121	17,392	15.7
Sungei Wang Plaza	4,779	5,447	(12.3)	20,782	22,281	(6.7)
3 Damansara Property	3,455	5,408	(36.1)	19,226	19,945	(3.6)
The Mines	5,571	6,554	(15.0)	22,891	22,218	3.0
Valdor Logistics Hub	38	-	100.0	38	-	100.0
Total Property Operating Expenses	**28,095**	**32,836**	**(14.4)**	**123,307**	**120,969**	**1.9**
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	25,862	20,657	25.2	95,468	65,288	46.2
East Coast Mall	11,144	10,752	3.6	44,027	32,754	34.4
Sungei Wang Plaza	(847)	(1,762)	(51.9)	(4,108)	(7,617)	(46.1)
3 Damansara Property	(203)	(1,402)	(85.5)	(1,791)	(1,069)	67.5
The Mines	4,459	4,981	(10.5)	18,525	13,782	34.4
Valdor Logistics Hub	389	-	100.0	389	-	100.0
Total Net Property Income	**40,804**	**33,226**	**22.8**	**152,510**	**103,138**	**47.9**

B1. Review of Performance (cont'd)

Quarter Results (4Q 2022 vs 4Q 2021)

The Group recorded gross revenue of RM68.9 million in 4Q 2022, an increase of RM2.8 million or 4.3% against 4Q 2021. The increase in gross revenue was due to improvements across the various streams of income as the retail outlook continued its momentum to return to its pre-Covid level.

Property operating expenses for 4Q 2022 were RM28.1 million, a decrease of RM4.7 million or 14.4% against 4Q 2021 mainly due to write-back of provision for doubtful debts and lower other operating expenses, which have off-set the increase in utilities and maintenance expenses.

The net property income (NPI) for 4Q 2022 was RM40.8 million, an increase of RM7.6 million or 22.8% against 4Q 2021 of RM33.2 million.

Fair value losses of RM41.1 million were recognised during the quarter upon the annual revaluation of the investment properties and the losses were mainly from the Klang Valley malls.

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 Sungei Wang Plaza (SWP) and Bukit Bintang Plaza.

Finance costs for 4Q 2022 of RM12.6 million was slightly higher than 4Q 2021 notwithstanding a cumulative year-to-date (YTD) Overnight Policy Rate (OPR) hikes of 100 basis points as the Group's fixed rate loans portfolio ratio of approximately 79% had cushioned the effect of the OPR hikes. The average cost of debt was 3.45% p.a. for this quarter against 4Q 2021's 3.22% p.a.

Overall, distributable income to Unitholders for 4Q 2022 was RM23.2 million, an increase of RM5.5 million or 31.2% compared to 4Q 2021 mainly due to the abovementioned factors.

Financial Year Results (2022 vs 2021)

The Group recorded gross revenue of RM275.8 million, an increase of RM51.7 million or 23.1% against last year. The increase in gross revenue was due to improvements across the various streams of income as the retail outlook continued its momentum to return to its pre-Covid level. Additionally, gross revenue for the prior financial year was affected by the rental relief provided to targeted tenants.

Property operating expenses for 2022 were RM123.3 million, an increase of RM2.3 million or 1.9% against last year mainly due to higher utilities costs which was off-set by write-back of provision for doubtful debts and lower other operating expenses.

The NPI for 2022 of RM152.5 million was RM49.4 million or 47.9% higher than 2021.

Fair value losses of RM41.1 million was recognised during the year upon the annual revaluation of the investment properties and the losses were mainly from the Klang Valley malls.

Other non-operating income of RM3.3 million was due to scheduled compensation income received pursuant to the termination of the previous easement agreement in relation to the car park area between Sungei Wang Plaza and Bukit Bintang Plaza.

Finance costs for 2022 of RM46.5 million was RM1.6 million or 3.3% lower than 2021. The decrease was mainly due to the effects of interest rate re-fixing exercises carried out in 2021 notwithstanding the cummulative OPR hike of 100 basis points in 2022. The average cost of debt for 2022 was 3.24% p.a. (2021: 3.34% p.a.).

Overall, distributable income to Unitholders for the financial year was RM87.5 million, an increase of RM48.5 million against 2021 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED) RM'000	QUARTER ENDED 30 SEPTEMBER 2022 (UNAUDITED) RM'000	Change %
(Loss) / Profit before taxation	(16,409)	21,440	(176.5)
Adjusted for: Fair value losses on investment properties (net)	41,066	-	-
Profit before taxation, excluding net fair value loss on investment properties	**24,657**	**21,440**	**15.0**

Exlcuding the fair valuation losses for the quarter, the quarter to quarter results showed an improvement due to higher write-back of provision for doubtful debts and lower other operating expenses.

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 economy grew 14.2% year-on-year in 3Q 2022, higher than the year-on-year growth of 8.9% in 2Q 2022. This was supported by a steady expansion in domestic consumption and firm recovery in the labour market. Higher inbound tourism growth had also led to a boost in retail and leisure-related activities. For 4Q 2022, Bank Negara Malaysia expects the economy to grow at a more moderate pace, reflecting a more challenging macroenvironment.

For the retail segment, shopper footfall and retail sales in 4Q 2022 continued to register improvements in line with the stronger domestic demand and tourist arrivals. For 2023, business and consumer confidence are expected to moderate on inflationary pressures, rising interest rates and an anticipated slowdown in the global economy.

The Manager maintains a cautious outlook for 2023 and will adopt proactive asset and capital management strategies, while ensuring cost efficiencies to mitigate the impact of rising costs. To strengthen and diversify CLMT's income streams, the Manager has completed the acquisition of the Valdor Logistics Hub in 4Q 2022 and targets to complete the proposed acquisition of Queensbay Mall (as indicated in Note B7) in 1Q 2023. The Manager remains on the lookout for inorganic investment opportunities that will deliver sustainable growth over the long term.

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 2022 to its Unitholders, no provision for tax has been made for the period.

B7. Status of Corporate Proposals

The acquisition of two plots of contiguous freedhold land and industrial properties located in Sungai Jawi, Penang which was announced on 7 June 2022 was completed on 14 December 2022. The new property was named Valdor Logistics Hub (VLH) and marks CLMT's maiden journey into the logistic leasing space. Accordingly, the results of VLH were incorporated in the 4Q 2022 results.

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 would be funded through a combination of private placements and bank borrowings as per CLMT's announcement to Bursa Securities on 9 November 2022. The exercise is expected to be completed by 1Q 2023.

B8. Borrowings and Debt Securities

	AS AT 31 DECEMBER 2022 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2021 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	49,697	49,816
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(1,208)	(922)
	1,266,919	1,267,324
Short term borrowings		
Secured revolving credit	25,660	19,700
Unsecured revolving credit	158,950	125,310
Less: Unamortised transaction costs	(211)	(65)
	184,399	144,945
Total borrowings	**1,451,318**	**1,412,269**

All the borrowings are denominated in Ringgit Malaysia.

The net increase in total gross borrowings (before deducting unamortised transaction costs) was mainly due to net drawdown of revolving credit facilities (RCF) of RM39.5 million.

The unrated medium term note that was reclassified from long term borrowings to short term borrowings in the last quarter is now reinstated as long term borrowings as the noteholder has agreed to subscribe to the new issuance of MTN upon its maturity on 20 June 2023 for another 3 years to 20 June 2026.

As of to date, two out of five 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 79% and 21% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2022 (UNAUDITED) RM'000	2021 (UNAUDITED) RM'000	Change %	2022 (UNAUDITED) RM'000	2021 (AUDITED) RM'000	Change %
Gross rental income	54,599	54,435	0.3	220,127	185,620	18.6
Car park income	4,946	4,746	4.2	19,394	12,915	50.2
Other revenue	9,354	6,881	35.9	36,296	25,572	41.9
Interest income	655	354	85.0	1,969	1,215	62.1
Other income	1,625	1,625	-	3,250	3,250	-
Fair value loss on investment properties (net)	(41,066)	(76,389)	(46.2)	(41,066)	(76,389)	(46.2)
	30,113	**(8,348)**	**(460.7)**	**239,970**	**152,183**	**57.7**
Total property and trust expenses	(46,522)	(49,531)	(6.1)	(191,284)	(188,066)	1.7
Deferred taxation	1,738	5,490	(68.3)	1,738	5,490	(68.3)
Total comprehensive (loss) / income for the quarter / year	**(14,671)**	**(52,389)**	**(72.0)**	**50,424**	**(30,393)**	**(265.9)**
Distribution adjustments	37,928	70,268	(46.0)	36,891	69,523	(46.9)
Realised income for the quarter / year	**23,257**	**17,879**	**30.1**	**87,315**	**39,130**	**123.1**
Previous quarter's / year's undistributed income	331	357	(7.3)	546	449	21.6
Total realised income available for distribution	**23,588**	**18,236**	**29.3**	**87,861**	**39,579**	**122.0**
Proposed/ declared income distribution	(23,216)	(17,690)	31.2	(87,489)	(39,033)	124.1
Balance undistributed income	**372**	**546**	**(31.9)**	**372**	**546**	**(31.9)**
Distribution per unit (DPU) (sen)	**1.05**	**0.83**	**26.5**	**4.01**	**1.84**	**117.9**
DPU (sen) – annualised	**4.17**	**3.29**	**26.7**	**4.01**	**1.84**	**117.9**

B10. Income Distribution (cont'd)

CLMT intends to distribute its final income distribution of RM45.5 million or 2.06 sen per unit (of which 2.01 sen per unit is taxable and 0.05 sen per unit is non-taxable), based on the number of units in issue of 2,206,935,495 as at 31 December 2022 (Final Income Distribution).

The Distribution Reinvestment Plan (DRP) will not be applicable for the final income distribution in view of an impending corporate exercise on equity fund raising as mentioned in Note B7.

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 December 2022

As at 31 December 2022, 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	1,170,390	1,672,327	1,675,000	69.3
East Coast Mall	410,973	583,480	590,000	24.4
Sungei Wang Plaza	813,707	442,608	422,000	17.5
3 Damansara Property	601,910	488,447	469,000	19.4
The Mines	607,513	664,417	655,000	27.1
Valdor Logistics Hub	81,787	81,787	81,000	3.3
Total	**3,686,280**	**3,933,066**	**3,892,000**	

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 was conducted by Savills (Malaysia) Sdn Bhd as at 31 December 2022.

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 RM2,418,091,000 as at 31 December 2022. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 31 December,2022	QUARTER ENDED 30 September,2022
Number of units in circulation (units)	2,206,935,495	2,202,572,695
NAV before income distribution (RM'000)	2,418,091	2,430,403
NAV after income distribution (RM'000)	2,372,629	2,408,157
NAV per unit[1] (RM)	1.0751	1.0933
Total comprehensive (loss) / income (RM'000)	(14,671)	21,440
Weighted average number of units in issue (units)	2,204,754,095	2,160,872,336
(LPU) / EPU after manager's management fee (sen)	(0.67)	0.99
Distributable income (RM'000)	23,216	22,246
DPU (sen)	1.05	1.01
Market price (RM)	0.535	0.540
DPU yield (%)	1.96	1.87

[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 December 2022, 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 Valdor Logistics Hub (VLH). Total fees accrued to the Manager were as follows:

	4Q 2022 ACTUAL (UNAUDITED) RM'000	YTD 2022 ACTUAL (UNAUDITED) RM'000
Base management fee	2,935	11,476
Performance fee	1,938	7,244
Total management fees	4,873	18,720
Acquisition fee[1]	800	800
Total fees	**5,673**	**19,520**

[1] Acquisition fee was capitalised as part of the investment property cost of VLH in 4Q 2022.

Date: 19 January 2023