Financial Results (v13)
Reference No. FRA-16012020-00002

RELEASED
Created by TMF GLOBAL SERVICES (MALAYSIA) SDN BHD on 16 Jan 2020 at 11:23:14 AM
Submitted by TMF GLOBAL SERVICES (MALAYSIA) SDN BHD on 22 Jan 2020 at 6:03:52 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		

CONTACT DETAIL			
Contact Person	**Designation**	**Contact No**	**Email Address**
TMF GLOBAL SERVICES (MALAYSIA) SDN BHD			MeeHui.Teo@TMF-Group.com
Elizabeth Allison De Zilva	Others	603-23824227	Elizabeth.DeZilva@tmf-group.com
Lee Seet Yee	Assistant Secretary	603-23824356	Seet.Yee.Lee@tmf-group.com

MAIN			
General Information			
Financial Year End	31 Dec 2019		
Quarter	4 Qtr		
Quarterly report for the financial period ended	31 Dec 2019		
The figures	have not been audited		
Remarks			
Please attach the full Quarterly Report here	**No**	**File Name**	**Size**
	1	CMMT_4Q 2019_Quarterly Results.pdf	325.1KB

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 Dec 2019			
	INDIVIDUAL PERIOD		**CUMULATIVE PERIOD**	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018

	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000	[dd/mm/yyyy] $$'000
1. Revenue	85,802	86,909	342,276	350,146
2. Profit/(loss) before Tax	31,607	34,626	92,095	135,628
3. Profit/(loss) for the period	21,864	34,626	72,600	135,628
4. Profit/(loss) attributable to ordinary equity holders of the parent	21,864	34,626	72,600	135,628
5. Basic earnings/(loss) per share (Subunit)	1.07	1.69	3.55	6.64
6. Proposed/Declared dividend per share (Subunit)	3.03	3.88	6.25	7.90
	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 ($$)	1.2378		1.2657	
Remarks	Final income distribution of 3.03 sen per unit (of which 2.44 sen per unit is taxable and 0.59 sen is tax exempt in the hands of unitholders) in respect of the period from 1 July 2019 December 2019 was announced on 22 January 2020.			

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 FOURTH QUARTER ENDED 31 DECEMBER 2019

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2019 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2018 (AUDITED) RM'000
Assets		
Plant and equipment	3,201	1,429
Investment properties	4,035,000	4,019,000
Total non-current assets	4,038,201	4,020,429
Trade and other receivables	21,059	21,154
Cash and cash equivalents	84,584	101,380
Total current assets	105,643	122,534
Total assets	**4,143,844**	**4,142,963**
Equity		
Unitholders' capital	2,189,028	2,181,132
Undistributed profit	412,898	485,434
Total unitholders' funds	2,601,926	2,666,566
Liabilities		
Borrowings	1,242,539	949,131
Tenants' deposits	35,492	41,817
Deferred tax liability	19,495	-
Total non-current liabilities	1,297,526	990,948
Borrowings	131,610	369,928
Tenants' deposits	53,930	47,480
Trade and other payables	58,852	68,041
Total current liabilities	244,392	485,449
Total liabilities	1,541,918	1,476,397
Total equity and liabilities	**4,143,844**	**4,142,963**
Number of units in circulation ('000 units)	**2,051,753**	**2,044,176**
Net asset value (NAV)		
- before income distribution	**2,601,926**	**2,666,566**
- after income distribution	**2,539,757**	**2,587,252**
NAV per unit (RM)		
- before income distribution	**1.2681**	**1.3045**
- after income distribution	**1.2378**	**1.2657**

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 2018.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (AUDITED) RM'000	Change %
Gross rental income	66,341	67,069	(1.1)	266,902	271,165	(1.6)
Car park income	5,884	5,932	(0.8)	23,048	24,247	(4.9)
Other revenue	13,577	13,908	(2.4)	52,326	54,734	(4.4)
Gross revenue	**85,802**	**86,909**	**(1.3)**	**342,276**	**350,146**	**(2.2)**
Maintenance expenses	(9,524)	(8,385)	13.6	(35,788)	(33,025)	8.4
Utilities	(13,079)	(13,284)	(1.5)	(53,038)	(51,522)	2.9
Other operating expenses[1]	(13,355)	(12,413)	7.6	(51,330)	(50,630)	1.4
Property operating expenses	(35,958)	(34,082)	5.5	(140,156)	(135,177)	3.7
Net property income	**49,844**	**52,827**	**(5.6)**	**202,120**	**214,969**	**(6.0)**
Interest income	614	936	(34.4)	2,932	4,770	(38.5)
Other non-operating income	3,325	-	N.M.	3,325	-	N.M.
Fair value (loss)/gain of investment properties (net)	(659)	2,354	(>100.0)	(30,701)	1,109	(>100.0)
Net investment income	**53,124**	**56,117**	**(5.3)**	**177,676**	**220,848**	**(19.5)**
Manager's management fee	(5,396)	(5,538)	(2.6)	(21,601)	(22,217)	(2.8)
Trustee's fee	(100)	(100)	-	(400)	(400)	-
Auditor's fee	(47)	(53)	(11.3)	(200)	(206)	(2.9)
Tax agent's fee	(7)	(6)	16.7	(27)	(26)	3.8
Valuation fee	(44)	(73)	(39.7)	(275)	(293)	(6.1)
Finance costs	(15,663)	(15,493)	1.1	(61,989)	(61,116)	1.4
Other non-operating expenses[1]	(260)	(228)	14.0	(1,089)	(962)	13.2
	(21,517)	(21,491)	0.1	(85,581)	(85,220)	0.4
Profit before taxation	**31,607**	**34,626**	**(8.7)**	**92,095**	**135,628**	**(32.1)**
Taxation	-	-	-	-	-	-
Deferred taxation	(9,743)	-	N.M.	(19,495)	-	N.M.
Profit for the period/year	**21,864**	**34,626**	**(36.9)**	**72,600**	**135,628**	**(46.5)**
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period/year	**21,864**	**34,626**	**(36.9)**	**72,600**	**135,628**	**(46.5)**
Distribution adjustments[2]	9,285	5,800	60.1	55,395	25,720	>100.0
Income available for distribution	**31,149**	**40,426**	**(22.9)**	**127,995**	**161,348**	**(20.7)**
Distributable income[3]	**31,187**	**40,475**	**(22.9)**	**127,991**	**161,348**	**(20.7)**
Realised	32,266	32,272	(0.0)	122,796	134,519	(8.7)
Unrealised	(10,402)	2,354	(>100.0)	(50,196)	1,109	(>100.0)
	21,864	34,626	(36.9)	72,600	135,628	(46.5)

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2019 (UNAUDITED)	2018 (UNAUDITED)	Change %	2019 (UNAUDITED)	2018 (AUDITED)	Change %
Earnings per unit (sen)[4]						
- before Manager's management fee	**1.33**	**1.96**	**(32.1)**	**4.60**	**7.73**	**(40.5)**
- after Manager's management fee	**1.07**	**1.69**	**(36.7)**	**3.55**	**6.64**	**(46.5)**
Distribution per unit (DPU) (sen)	**1.52**	**1.98**	**(23.2)**	**6.25**	**7.90**	**(20.9)**
DPU (sen) – annualised	**6.03**	**7.86**	**(23.3)**	**6.25**	**7.90**	**(20.9)**

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 2018.

N.M. - Not meaningful

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

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (AUDITED) RM'000	Change %
(Allowance for)/ Writeback of impairment losses of trade receivables	(451)	389	(>100.0)	(1,222)	(693)	(76.3)
Bad Debts recovered/ (written off) – trade receivables	8	(8)	>100.0	(11)	(8)	(37.5)
Foreign exchange gain/(loss):						
- Unrealised	-	*	-	*	*	-
- Realised	*	(1)	>100.0	(2)	(1)	100.0

* less than RM1,000

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2019 (UNAUDITED) RM'000	2018 (UNAUDITED) RM'000	Change %	2019 (UNAUDITED) RM'000	2018 (AUDITED) RM'000	Change %
Fair value loss/(gain) of investment properties (net)	659	(2,354)	>100.0	30,701	(1,109)	>100.0
Manager's management fee payable in units *	1,854	2,031	(8.7)	7,583	8,297	(8.6)
Depreciation	315	263	19.8	1,100	1,162	(5.3)
Amortisation of transaction costs on borrowings	216	217	(0.5)	856	875	(2.2)
Deferred taxation	9,743	-	N.M.	19,495	-	N.M.
Tax and other adjustments	(3,502)	5,643	(>100.0)	(4,340)	16,495	(>100.0)
	9,285	5,800	60.1	55,395	25,720	>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 rollover adjustment for rounding effect of DPU.
4. 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 MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (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 2018	2,172,216	514,980	2,687,196
Total comprehensive income for the financial year	-	135,628	135,628
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	8,916	-	8,916
- Distribution paid to unitholders[1]	-	(165,174)	(165,174)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**8,916**	**(165,174)**	**(156,258)**
As at 31 December 2018 (Audited)	**2,181,132**	**485,434**	**2,666,566**
As at 1 January 2019	2,181,132	485,434	2,666,566
Total comprehensive income for the financial year	-	72,600	72,600
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	7,896	-	7,896
- Distribution paid to unitholders[2]	-	(145,136)	(145,136)
Increase/(Decrease) in net assets resulting from unitholders' transactions	**7,896**	**(145,136)**	**(137,240)**
As at 31 December 2019 (Unaudited)	**2,189,028**	**412,898**	**2,601,926**

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 2018.

1. This refers to the (i) 2017 final income distribution of 4.08 sen per unit for the period from 1 July 2017 to 31 December 2017 paid on 28 February 2018, and (ii) first income distribution of 4.02 sen per unit for the period 1 January 2018 to 30 June 2018 paid on 30 August 2018.
2. This refers to the (i) 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, and (ii) first income distribution of 3.22 sen per unit for the period 1 January 2019 to 30 June 2019 paid on 3 September 2019.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER 2019 (UNAUDITED) RM'000	31 DECEMBER 2018 (AUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	92,095	135,628
Adjustments for:-		
Manager's management fee payable in units	7,583	8,297
Depreciation	1,100	1,162
Fair value loss/ (gain) of investment properties (net)	30,701	(1,109)
Finance costs	61,989	61,116
Interest income	(2,932)	(4,770)
Plant and equipment written off	2	2
Operating profit before changes in working capital	**190,538**	**200,326**
Changes in working capital:		
Trade and other receivables	95	2,358
Trade and other payables	610	(7,744)
Tenants' deposits	125	(4,028)
Net cash generated from operating activities	**191,368**	**190,912**
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(2,874)	(554)
Capital expenditure on investment properties	(56,542)	(35,717)
Interest received	2,932	4,770
Net cash used in investing activities	**(56,484)**	**(31,501)**
Cash Flows From Financing Activities		
Distribution paid to unitholders	(145,136)	(165,174)
Interest paid	(60,602)	(59,780)
Payment of financing expenses	(736)	(303)
Proceeds from interest bearing borrowings	139,432	20,600
Proceeds from issuance of medium terms notes	300,000	-
Repayment of interest bearing borrowings	(84,638)	(39,697)
Redemption of medium term notes	(300,000)	-
Withdrawal of pledged deposits from a licensed bank	253	-
Net cash used in financing activities	**(151,427)**	**(244,354)**
Net decrease in cash and cash equivalents	(16,543)	(84,943)
Cash and cash equivalents at beginning of the year	94,897	179,840
Cash and cash equivalents at end of the year	**78,354**	**94,897**
Cash and cash equivalents at end of the year comprises :		
Deposits placed with licensed banks	55,031	81,855
Cash and bank balances	29,553	19,525
	84,584	101,380
Less: Pledged deposits	(6,230)	(6,483)
	78,354	**94,897**

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 2018.

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 2019 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 2018.

A2. Changes in Accounting Policies

On 1 January 2019, the Group and CMMT adopted the following MFRS*s*, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019:

MFRS 16, Leases
IC Interpretation 23, Uncertainty over Income Tax Treatments
Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

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 2018 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

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

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. CMMT will make distributions to its unitholders on a semi-annual basis for each six-month period ending 30 June and 31 December of each year.

A9. Segmental Reporting

Segmental results for the quarter/year ended 31 December 2019 are as follows:

	4Q 2019			4Q 2018		
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	84,120	1,682	85,802	85,242	1,667	86,909
Net property income	48,724	1,120	49,844	51,776	1,051	52,827
Interest income			614			936
Other non-operating income			3,325			-
Fair value (loss)/ gain of investment properties (net)			(659)			2,354
Unallocated expenses			(5,854)			(5,998)
Finance costs			(15,663)			(15,493)
Profit before taxation			**31,607**			**34,626**
Taxation			-			-
Deferred taxation			(9,743)			-
Profit for the quarter			**21,864**			**34,626**

	FY 2019			FY 2018		
Business Segment	**RETAIL**	**OFFICE**	**TOTAL**	**RETAIL**	**OFFICE**	**TOTAL**
	(UNAUDITED)	**(UNAUDITED)**	**(UNAUDITED)**	**(AUDITED)**	**(AUDITED)**	**(AUDITED)**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Gross revenue	335,558	6,718	342,276	344,232	5,914	350,146
Net property income	197,614	4,506	202,120	211,230	3,739	214,969
Interest income			2,932			4,770
Other non-operating income			3,325			-
Fair value (loss)/ gain of investment properties (net)			(30,701)			1,109
Unallocated expenses			(23,592)			(24,104)
Finance costs			(61,989)			(61,116)
Profit before taxation			**92,095**			**135,628**
Taxation			-			-
Deferred taxation			(19,495)			-
Profit for the year			**72,600**			**135,628**

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.

For the quarter ended 31 December 2019, the investment properties were valued based on valuations performed by independent professional valuers on 31 December 2019. Net fair value loss arising from the valuations amounting to RM0.7 million was recognised during the quarter.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

Nil.

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	12,181

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 2019 (UNAUDITED) RM'000	4Q 2018 (UNAUDITED) RM'000	Change %	FY 2019 (UNAUDITED) RM'000	FY 2018 (AUDITED) RM'000	Change %
(a)	**Breakdown of Gross Revenue**						
	Gurney Plaza	37,944	38,144	(0.5)	152,488	148,130	2.9
	East Coast Mall	16,279	15,260	6.7	63,906	60,432	5.7
	Sungei Wang	6,899	6,264	10.1	25,409	28,418	(10.6)
	3 Damansara Property	10,985	11,335	(3.1)	43,483	45,739	(4.9)
	The Mines	13,695	15,906	(13.9)	56,990	67,427	(15.5)
	Total Gross Revenue	**85,802**	**86,909**	(1.3)	**342,276**	**350,146**	(2.2)
(b)	**Breakdown of Property Operating Expenses**						
	Gurney Plaza	11,000	10,767	2.2	43,864	42,820	2.4
	East Coast Mall	5,454	5,199	4.9	21,422	20,139	6.4
	Sungei Wang	6,108	5,369	13.8	24,509	20,630	18.8
	3 Damansara Property	6,043	5,989	0.9	22,983	23,870	(3.7)
	The Mines	7,353	6,758	8.8	27,378	27,718	(1.2)
	Total Property Operating Expenses	**35,958**	**34,082**	5.5	**140,156**	**135,177**	3.7
(c)	**Breakdown of Net Property Income**						
	Gurney Plaza	26,944	27,377	(1.6)	108,624	105,310	3.1
	East Coast Mall	10,825	10,061	7.6	42,484	40,293	5.4
	Sungei Wang	791	895	(11.6)	900	7,788	(88.4)
	3 Damansara Property	4,942	5,346	(7.6)	20,500	21,869	(6.3)
	The Mines	6,342	9,148	(30.7)	29,612	39,709	(25.4)
	Total Net Property Income	**49,844**	**52,827**	(5.6)	**202,120**	**214,969**	(6.0)

B1. Review of Performance (cont'd)

Quarter Results (4Q 2019 vs 4Q 2018)

The Group recorded gross revenue of RM85.8 million in 4Q 2019, a decrease of RM1.1 million or 1.3% against 4Q 2018. The decrease was mainly due to lower occupancies at The Mines (TM) and lower rental rates at TM and 3 Damansara (3D). The decrease was partially mitigated by better performance from Gurney Plaza (GP) and East Coast Mall (ECM) due to higher rental rates and higher rental income following the completion of the asset enhancement initiative (AEI) at ECM and Sungei Wang (SW).

Property operating expenses for 4Q 2019 were RM36.0 million, an increase of RM1.9 million or 5.5% against 4Q 2018 mainly due to higher building maintenance cost, higher provision for doubtful debts at 3D & TM.

The net property income (NPI) for 4Q 2019 of RM49.8 million was RM3.0 million or 5.6% lower than 4Q 2018. This is mainly due to lower revenue and increase in operating expenses as outlined.

Other non-operating income for 4Q 2019 of RM3.3 million is due to compensation income received as a result of the termination of existing easement agreement in relation to the car park area between SW and Bukit Bintang Plaza (BB Plaza) and the restriction of access to the SW rooftop car park.

Finance costs for 4Q 2019 of RM15.7 million were RM0.2 million or 1.1% higher than 4Q 2018. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works.

Following the clarification that the applicable Real Property Gains Tax (RPGT) rate for M-REIT is 10%, an additional deferred tax liability of RM9.7 million was provided based on the RPGT rate of 10% on the net fair value gain of three (3) freehold investment properties.

CMMT has incurred RM10.6 million of capital expenditure during the quarter mainly for Jumpa retail layout design and reconfiguration works at SW.

Overall, distributable income to unitholders for 4Q 2019 was RM31.2 million, a decrease of RM9.3 million or 22.9% against 4Q 2018 due to abovementioned factors and lower tax and other adjustments.

Financial Year-to-date Results (FY 2019 vs FY 2018)

The Group recorded gross revenue of RM342.3 million, a decrease of RM7.9 million or 2.2% against last year. The decrease was mainly due to lower occupancies at TM and SW, lower rental rates at TM and downtime from AEI at SW and TM. The decrease was partially mitigated by better performance from GP, ECM and Tropicana City Office Tower (TCOT) due to higher rental rates and higher rental income, following the completion of the AEI at ECM and full occupancy at TCOT. AEI for Jumpa at Sungei Wang was completed and soft opened on 25 September 2019.

Property operating expenses for FY 2019 were RM140.2 million, an increase of RM5.0 million or 3.7% against last year due to higher utilities at GP, ECM and 3 Damansara Property (3DP) as a result of electricity surcharge with effect from 1 July 2018 as well as 1 March 2019 and one-time rebate of service charge at SW in March 2018.

The NPI for FY 2019 of RM202.1 million was RM12.8 million or 6.0% lower than FY 2018.

Other non-operating income for FY 2019 of RM3.3 million is due to compensation income received as outlined above.

CMMT registered a net fair value loss of RM30.7 million on investment properties in FY 2019.

Finance costs for FY 2019 of RM62.0 million were RM0.9 million or 1.4% higher than FY 2018. The increase was mainly due to higher interest expenses from additional revolving credit facilities drawn down for capital expenditure works. Average cost of debt for FY 2019 was 4.44% p.a. (FY 2018: 4.47% p.a.)

B1. Review of Performance (cont'd)
Financial Year-to-date Results (FY 2019 vs FY 2018) (cont'd)

Following the clarification that the applicable RPGT rate for M-REIT is 10%, deferred tax liability of RM19.5 million was provided based on the RPGT rate of 10% on the net fair value gain of three (3) freehold investment properties.

CMMT has incurred RM46.7 million of capital expenditure for the year mainly for Jumpa retail layout design and reconfiguration works at SW and enhancement works of the food and beverage area on Level 2 at TM.

Overall, distributable income to unitholders for the year was RM128.0 million, a decrease of RM33.4 million or 20.7% against FY 2018 due to abovementioned factors and lower tax and other adjustments.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 DECEMBER 2019 RM'000	QUARTER ENDED 30 SEPTEMBER 2019 RM'000	Change %
Profit before taxation	31,607	28,409	11.3
Adjusted for: Fair value loss of investment properties (net)	659	-	N.M.
Profit before taxation, excluding net fair value loss of investment properties	**32,266**	**28,409**	**13.6**

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 4Q 2019 as compared to 3Q 2019 was mainly due to higher net property income and compensation income received 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 Malaysian economy moderated to 4.4% in 3Q 2019 (2Q 2019: 4.9%) and remains largely supported by domestic demand. The Malaysian economy is projected to expand by 4.7% for the whole of 2019, in line with the government's estimates (source: Ministry of Finance).

Amidst uncertainties in the global economy, we expect business and consumer sentiments in Malaysia to remain cautious. In view of challenges in the operating environment, the Manager proactively undertakes retail and asset management initiatives to continually refresh and introduce new experiences in CMMT's malls to enhance their attractiveness. Following the soft opening of Jumpa @ Sungei Wang in September 2019, the Manager expects gradual improvements to Sungei Wang's financial contribution while the completion of Gurney Plaza's asset enhancement initiative by 1H 2020 would also contribute positively to our future performance.

The Manager remains committed to deliver long-term and sustainable income distributions to unitholders.

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 ended 31 December 2019 to its unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Nil

B8. Borrowings and Debt Securities

	AS AT 31 DECEMBER 2019 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2018 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	26,687	32,943
Secured term loans	918,430	918,430
Unrated secured medium term notes	300,000	-
Less: Unamortised transaction costs	(2,578)	(2,242)
	1,242,539	949,131
Short term borrowings		
Unsecured revolving credit	131,610	70,560
Unrated secured medium term notes	-	300,000
Less: Unamortised transaction costs	-	(632)
	131,610	369,928
Total borrowings	**1,374,149**	**1,319,059**

All the borrowings are denominated in Ringgit Malaysia.

On 20 December 2019, CMMT MTN Berhad, a wholly-owned subsidiary of CMMT had issued 3.5-Year Unrated Medium Term Notes ("MTN") of RM300.0 million ("3-TM") under the existing RM3.0 billion MTN Programme to redeem the outstanding 3-Year Unrated MTN of RM300.0 million. The issuance is secured by The Mines and will be maturing on 20 June 2023. The 3-TM bears a coupon rate of approximately 4.07% per annum which is payable semi-annually.

During the year, the net increase in total gross borrowings (before deducting unamortised transaction costs) of RM54.8 million was mainly due to additional revolving credit facilities drawn down for purposes of funding enhancement works at SW and TM.

As of to-date, two out of five properties of the Group, namely SW and ECM, remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 83% and 17% respectively.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

CMMT intends to distribute its final income distribution of RM62.2 million or 3.03 sen per unit (of which 2.44 sen per unit is taxable and 0.59 sen per unit is tax exempt) on 28 February 2020 (book closure date: 7 February 2020), based on the number of units in issue of 2,051,752,800 for the period from 1 July 2019 to 31 December 2019. This means CMMT will distribute approximately 100.0% of its distributable income to its unitholders for the financial year ended 31 December 2019.

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 December 2019

As at 31 December 2019, 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	1,144,630	1,650,623	1,665,000	64.0
East Coast Mall	405,420	568,469	577,000	22.2
Sungei Wang	813,712	543,859	538,000	20.7
3 Damansara Property	589,705	548,604	540,000	20.8
The Mines	600,509	724,104	715,000	27.5
Total	**3,553,976**	**4,035,659**	**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 30 June 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 RM2,601,926,000 as at 31 December 2019. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 31 DECEMBER 2019	QUARTER ENDED 30 SEPTEMBER 2019
Number of units in circulation (units)	2,051,752,800	2,051,752,800
NAV before income distribution (RM'000)	2,601,926	2,580,063
NAV after income distribution (RM'000)	2,539,757	2,549,081
NAV per unit[1] (RM)	1.2378	1.2424
Total comprehensive income (RM'000)	21,864	28,409
Weighted average number of units in issue[2] (units)	2,051,752,800	2,046,399,767
EPU after manager's management fee (sen)	1.07	1.39
Distributable income (RM'000)	31,187	30,982
DPU (sen)	1.52	1.51
Market price (RM)	1.00	1.08
DPU yield (%)	1.52	1.40

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.

2 Weighted average of units in issue for FY 2019 is 2,046,646,379.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fees

For the year ended 31 December 2019, 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:

	4Q 2019 ACTUAL (UNAUDITED) RM'000	FY 2019 ACTUAL (UNAUDITED) RM'000
Base management fee	3,028	12,000
Performance fee	2,368	9,601
Total fees	**5,396**	**21,601**

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

	NO OF UNITS	PERCENTAGE OF UNITHOLDINGS[3]	MARKET VALUE[4] AT 31 DECEMBER 2019
	UNITS	%	RM
CMMT Investment Limited[1]	710,973,600	34.65	710,973,600
Menang Investment Limited[1]	47,832,300	2.33	47,832,300
Direct unitholdings of the Directors of the Manager:			
Ms Low Peck Chen	12,000	N.M.	12,000
Mr Lim Cho Pin Andrew Geoffrey[2]	47,000	N.M.	47,000
	758,864,900	**36.98**	**758,864,900**

N.M. - Not meaningful

1 An indirect wholly-owned subsidiary of CapitaLand Mall Asia Limited.
2 Units held through nominees.
3 Approximation.
4 The market value of the units is computed based on the closing price of RM1.00 per unit as at 31 December 2019.

The Manager disposed 7,576,600 units in CMMT at cost to a related party, Menang Investment Limited, on 8 November 2019.

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 December 2019 and of their financial performance and cash flows for the quarter/year ended on that date and duly authorised for release by the Board of Directors of the Manager on 22 January 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: 22 January 2020