CAPITALAND MALAYSIA TRUST

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CAPITALAND MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Assets		
Plant and equipment	3,794	3,362
Investment properties	4,903,176	3,892,000
Total non-current assets	4,906,970	3,895,362
Trade and other receivables	37,247	35,954
Cash and cash equivalents	67,650	84,309
Total current assets	104,897	120,263
Total assets	**5,011,867**	**4,015,625**
Equity		
Unitholders' capital	2,513,895	2,274,725
Undistributed profits	123,333	143,366
Total Unitholders' funds	**2,637,228**	**2,418,091**
Liabilities		
Borrowings	2,028,992	1,266,919
Lease liabilities	6,288	-
Tenants' deposits	55,751	35,338
Deferred tax liabilities	408	-
Total non-current liabilities	2,091,439	1,302,257
Borrowings	172,257	184,399
Lease liabilities	329	-
Tenants' deposits	49,213	42,995
Trade and other payables	61,401	67,883
Total current liabilities	283,200	295,277
Total liabilities	**2,374,639**	**1,597,534**
Total equity and liabilities	**5,011,867**	**4,015,625**
Number of units in circulation ('000 units)	**2,698,102**	**2,206,935**
Net asset value (NAV)		
- before income distribution	**2,637,228**	**2,418,091**
- after income distribution	**2,605,120**	**2,372,629**
NAV per unit (RM)		
- before income distribution	**0.9774**	**1.0957**
- after income distribution	**0.9655**	**1.0751**

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

CAPITALAND MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Gross rental income	84,624	54,236	56.0	146,325	109,216	34.0
Car park income	7,117	5,003	42.3	12,609	9,439	33.6
Other revenue	13,014	9,082	43.3	24,310	17,260	40.8
Gross revenue	**104,755**	**68,321**	**53.3**	**183,244**	**135,915**	**34.8**
Maintenance expenses	(15,914)	(9,181)	73.3	(26,885)	(18,405)	46.1
Utilities	(16,660)	(11,931)	39.6	(32,026)	(22,727)	40.9
Other operating expenses[1]	(15,354)	(9,782)	57.0	(28,264)	(21,291)	32.8
Property operating expenses	(47,928)	(30,894)	55.1	(87,175)	(62,423)	39.7
Net property income	**56,827**	**37,427**	**51.8**	**96,069**	**73,492**	**30.7**
Interest income	558	422	32.2	1,464	784	86.7
Fair value loss on investment property	-	-	-	(7,963)	-	-
Other non-operating income	1,625	1,625	-	1,625	1,625	-
Net investment income	**59,010**	**39,474**	**49.5**	**91,195**	**75,901**	**20.1**
Manager's management fee	(6,337)	(4,628)	36.9	(11,778)	(9,153)	28.7
Trustee's fee	(99)	(99)	-	(198)	(198)	-
Auditor's fee	(70)	(50)	40.0	(130)	(100)	30.0
Tax agent's fee	(16)	(4)	300.0	(27)	(12)	125.0
Valuation fee	(103)	(72)	43.1	(195)	(144)	35.4
Finance costs	(22,373)	(11,011)	103.2	(36,367)	(21,865)	66.3
Other non-operating expenses[1]	(289)	(492)	(41.3)	(739)	(774)	(4.5)
	(29,287)	(16,356)	79.1	(49,434)	(32,246)	53.3
Profit before taxation	**29,723**	**23,118**	**28.6**	**41,761**	**43,655**	**(4.3)**
Profit and total comprehensive income for the quarter/ period	**29,723**	**23,118**	**28.6**	**41,761**	**43,655**	**(4.3)**
Distribution adjustments[2]	(1,082)	(1,576)	(31.3)	7,361	(1,663)	(>100.0)
Income available for distribution	**28,641**	**21,542**	**33.0**	**49,122**	**41,992**	**17.0**
Distributable income[3]	**28,634**	**21,579**	**32.7**	**48,439**	**42,027**	**15.3**
Realised profit	29,723	23,118	28.6	49,724	43,655	13.9
Unrealised loss[4]	-	-	-	(7,963)	-	-
	29,723	23,118	28.6	41,761	43,655	(4.3)

CAPITALAND MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

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

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %	2023 (UNAUDITED)	2022 (UNAUDITED)	Change %
Earnings per unit (sen)[5]						
- before Manager's management fee	**1.34**	**1.29**	**3.9**	**2.14**	**2.46**	**(13.0)**
- after Manager's management fee	**1.11**	**1.07**	**3.7**	**1.67**	**2.04**	**(18.1)**
Distribution per unit (DPU) (sen)	**1.06**	**1.00**	**6.0**	**1.93**	**1.95**	**(1.0)**
DPU (sen) – annualised	**4.25**	**4.01**	**6.0**	**3.89**	**3.93**	**(1.0)**

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the year ended 31 December 2022.

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

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

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
(Loss)/ reversal on impairment for trade receivables (net)	(129)	845	(115.3)	(91)	1,367	(106.7)
Foreign exchange (loss)/ gain:						
- Unrealised	-	-	-	-	-	-
- Realised	*	(1)	-	(2)	(2)	-
	(129)	844	(115.3)	(93)	1,365	(106.8)

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %
Fair value loss on investment property	-	-	-	7,963	-	-
Manager's management fee payable in units *	2,109	1,216	73.4	3,511	2,441	43.8
Depreciation	426	358	19.0	793	714	11.1
Amortisation of transaction costs on borrowings	417	243	71.6	668	469	42.4
Tax and other adjustments	(4,034)	(3,393)	18.9	(5,574)	(5,287)	5.4
	(1,082)	(1,576)	(31.3)	7,361	(1,663)	(>100.0)

* This is calculated with reference to the net property income of all properties except for East Coast Mall which is payable in cash.

3. The difference between distributable income and income available for distribution is due to rounding effect of DPU.
4. Unrealised loss comprises fair value loss on an investment property.
5. Earnings per unit (EPU) is computed based on profit for the quarter/period divided by the weighted average number of units at the end of the quarter/period. The computation of EPU after Manager's management fee for the current quarter is set out in B12.

CAPITALAND MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	UNITHOLDERS' CAPITAL RM'000	UNDISTRIBUTED PROFITS RM'000	TOTAL UNITHOLDERS' FUNDS RM'000
As at 1 January 2022	2,235,447	155,851	2,391,298
Total comprehensive income for the financial period	-	43,655	43,655
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	1,630	-	1,630
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	11,111	-	11,111
- Distribution paid to Unitholders[1]	-	(20,882)	(20,882)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	12,741	(20,882)	(8,141)
As at 30 June 2022 (Unaudited)	**2,248,188**	**178,624**	**2,426,812**
As at 1 January 2023	2,274,725	143,366	2,418,091
Total comprehensive income for the financial period	-	41,761	41,761
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	13,416	-	13,416
- Units issued through equity fund raising (net of issue costs)	225,754	-	225,754
- Distribution paid to Unitholders[2]	-	(61,794)	(61,794)
Increase/(Decrease) in net assets resulting from Unitholders' transactions	**239,170**	**(61,794)**	**177,376**
As at 30 June 2023 (Unaudited)	**2,513,895**	**123,333**	**2,637,228**

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

1. This refers to the 2021 final income distribution of 0.98 sen per unit for the period from 1 July 2021 to 31 December 2021 paid on 28 March 2022.
2. This refers to the (i) 2022 final income distribution of 2.06 sen per unit for the period from 1 July 2022 to 31 December 2022 paid on 22 February 2023, and (ii) advanced income distribution of 0.74 sen per unit for the period from 1 January 2023 to 9 March 2023 paid on 23 March 2023.

CAPITALAND MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED	
	30 JUNE 2023 (UNAUDITED) RM'000	30 JUNE 2022 (UNAUDITED) RM'000
Cash Flows From Operating Activities		
Profit before taxation	41,761	43,655
Adjustments for:-		
Manager's management fee paid/ payable in units[1]	3,511	2,441
Depreciation	793	714
Fair value loss on investment property	7,963	-
Finance costs	36,367	21,865
Interest income	(1,464)	(784)
Gain on disposal of plant and equipment	-	(1)
Loss/ (reversal) on impairment for trade receivables (net)	91	(1,367)
Operating profit before changes in working capital	**89,022**	**66,523**
Changes in working capital:		
Trade and other receivables	(957)	10,020
Trade and other payables	(12,967)	(1,135)
Tenants' deposits	26,630	(432)
Net cash generated from operating activities	**101,728**	**74,976**
Cash Flows From Investing Activities		
Acquisition of investment property and fixed assets	(984,480)	-
Acquisition of plant and equipment	(725)	(561)
Acquisition of subsidiaries	(3,462)	-
Cash acquired on acquisition of subsidiaries	465	-
Capital expenditure on investment properties	(7,845)	(4,558)
Incidental costs on acquisition of investment property	(3,081)	(8,000)
Interest received	1,464	784
Proceeds from disposal of plant and equipment	-	1
Net cash used in investing activities	**(997,664)**	**(12,334)**
Cash Flows From Financing Activities		
Distribution paid to Unitholders[1]	(61,794)	(9,643)
Increase in pledged deposits	(1,740)	-
Interest expense and other financing costs paid	(36,019)	(22,346)
Issuance of new CLMT units	227,849	-
Payment of facility fees and other related costs for new borrowings	(6,414)	-
Payment of lease liabilities	(152)	-
Proceeds from drawdown of interest bearing borrowings	845,557	23,934
Repayment of interest bearing borrowings	(89,750)	(47,285)
Transaction costs related to Distribution Reinvestment Plan	-	(128)
Net cash generated from/ (used in) financing activities	**877,537**	**(55,468)**
Net (decrease)/ increase in cash and cash equivalents	(18,399)	7,174
Cash and cash equivalents at beginning of the period	79,379	71,246
Cash and cash equivalents at end of the period	**60,980**	**78,420**
Cash and cash equivalents at end of the period comprise:		
Deposits placed with licensed banks	57,633	77,836
Cash and bank balances	10,017	5,514
	67,650	83,350
Less: Pledged deposits	(6,670)	(4,930)
	60,980	**78,420**

[1] Non-cash transactions

For the six months ended June 2022, a portion of the income distribution was paid in new CLMT units pursuant to the Distribution Reinvestment Plan. For both periods, a portion of management fees were paid in new CLMT units to the manager.

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

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

A1. Basis of Preparation

The condensed consolidated interim financial statements of the Group as at and for the second quarter ended 30 June 2023 comprise CLMT and its subsidiaries. These interim financial statements have been prepared on the historical cost basis except for investment properties which are stated at fair value.

The condensed consolidated interim financial statements have been prepared in compliance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB), IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board, Paragraph 9.44 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), provisions of the Fifth Amended and Restated Trust Deed dated 13 July 2021 (the Trust Deed) and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts (the REITs Guidelines).

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

A2. Changes in Accounting Policies

On 1 January 2023, the Group and CLMT adopted the following MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies;
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates;
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The adoption of the above MFRSs, interpretations and amendments do not have any significant impact on the financial results of the Group and of CLMT.

A3. Audit Report of Preceding Financial Year

The audit report for the financial year ended 31 December 2022 was not qualified.

A4. Comment on Seasonality or Cyclicality of Operations

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

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

Nil.

A6. Changes in Estimates Of Amount Reported

Nil.

A7. Debt and Equity Securities

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

A8. Income Distribution Policy

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

A9. Segmental Reporting

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

BUSINESS SEGMENT	2Q 2023 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000	2Q 2022 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000
Gross revenue	103,053	1,702	104,755	67,990	331	68,321
Net property income	55,822	1,005	56,827	37,555	(128)	37,427
Interest income			558			422
Other non-operating income			1,625			1,625
Unallocated expenses			(6,914)			(5,345)
Finance costs			(22,373)			(11,011)
Profit before taxation			**29,723**			**23,118**
Taxation			-			-
Profit for the quarter			**29,723**			**23,118**

BUSINESS SEGMENT	YTD 2023 (UNAUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000	YTD 2022 (AUDITED) RETAIL RM'000	OTHERS RM'000	TOTAL RM'000
Gross revenue	179,785	3,459	183,244	134,962	953	135,915
Net property income	93,924	2,145	96,069	73,532	(40)	73,492
Interest income			1,464			784
Other non-operating income			1,625			1,625
Fair value loss on investment property (net)			(7,963)			-
Unallocated expenses			(13,067)			(10,381)
Finance costs			(36,367)			(21,865)
Profit before taxation			**41,761**			**43,655**
Taxation			-			-
Profit for the period			**41,761**			**43,655**

A10. Investment Properties

The investment properties are valued annually by independent professional valuers and the differences between the valuation and the carrying values of the respective investment properties are recognised to the profit or loss for the financial period in which they arise. The carrying amount of investment properties (excluding Queensbay Mall) as at 30 June 2023 is based on the independent valuations as at 31 December 2022 and subsequent capital expenditure incurred up to the reporting date. The valuation of investment properties may be subject to estimation uncertainties.

Following the completion of Queensbay Mall acquisition on 21 March 2023, CLMT has recognised the allocated purchase consideration and related incidental costs as investment property. A fair value loss of RM8.0 million was recognised as a result of the higher incidental costs capitalised against the independent valuation amount of RM1.0 billion.

Apart from that, CLMT also entered into leasing arrangements with the Management Corporation of Queensbay Mall to lease 3 parcel of common areas for sub-leasing and vehicle parking purposes, resulting in the recognition of right-of-use assets of RM6.7 million and were classified as investment properties accordingly.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	2Q 2023 UNITS
Balance as at 1 January 2023	2,206,935,495
Units issued through equity fund raising	464,997,500
Units issued as part satisfaction of the Manager's management fee payable in units	26,169,087
As at 30 June 2023	**2,698,102,082**

A13. Changes in Contingent Liabilities and Contingent Assets

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	QUARTER ENDED 30 June 2023 (UNAUDITED) RM'000
Contracted but not provided for	10,370

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

B1. Review of Performance

	2Q 2023 (UNAUDITED) RM'000	2Q 2022 (UNAUDITED) RM'000	Change %	YTD 2023 (UNAUDITED) RM'000	YTD 2022 (AUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	37,327	32,428	15.1	75,788	65,542	15.6
East Coast Mall	18,511	16,851	9.9	34,701	31,944	8.6
Sungei Wang Plaza	4,342	4,208	3.2	8,632	8,373	3.1
3 Damansara Property	5,611	4,560	23.0	10,964	9,234	18.7
The Mines	10,115	10,274	(1.5)	20,080	20,822	(3.6)
Valdor Logistics Hub	1,280	-	-	2,560	-	-
Queensbay Mall	27,569	-	-	30,519	-	-
Total Gross Revenue	**104,755**	**68,321**	**53.3**	**183,244**	**135,915**	**34.8**
Breakdown of Property Operating Expenses						
Gurney Plaza	13,421	9,899	35.6	26,190	20,113	30.2
East Coast Mall	6,093	5,042	20.8	12,550	9,851	27.4
Sungei Wang Plaza	5,561	5,444	2.1	11,223	10,632	5.6
3 Damansara Property	6,881	5,113	34.6	13,208	10,850	21.7
The Mines	7,677	5,396	42.3	14,664	10,977	33.6
Valdor Logistics Hub	128	-	-	253	-	-
Queensbay Mall	8,167	-	-	9,087	-	-
Total Property Operating Expenses	**47,928**	**30,894**	**55.1**	**87,175**	**62,423**	**39.7**
Breakdown of Net Property Income/(Loss)						
Gurney Plaza	23,906	22,529	6.1	49,598	45,429	9.2
East Coast Mall	12,418	11,809	5.2	22,151	22,093	0.3
Sungei Wang Plaza	(1,219)	(1,236)	(1.4)	(2,591)	(2,259)	14.7
3 Damansara Property	(1,270)	(553)	129.7	(2,244)	(1,616)	38.9
The Mines	2,438	4,878	(50.0)	5,416	9,845	(45.0)
Valdor Logistics Hub	1,152	-	-	2,307	-	-
Queensbay Mall	19,402	-	-	21,432	-	-
Total Net Property Income	**56,827**	**37,427**	**51.8**	**96,069**	**73,492**	**30.7**

B1. Review of Performance (cont'd)

Quarter Results (2Q 2023 vs 2Q 2022)

The Group recorded gross revenue of RM104.8 million in 2Q 2023, an increase of RM36.4 million or 53.3% against 2Q 2022. The significant increase in gross revenue was mainly due to full quarter contribution following the recent acquisition of Queensbay Mall (QBM) which was completed on 21 March 2023. Most of the malls reported an improvement in gross revenue as a result of higher occupancy compared to a year ago.

Property operating expenses for 2Q 2023 were RM47.9 million, an increase of RM17.0 million or 55.1% against 2Q 2022. In addition to the full quarter operating expense contributed by QBM, CLMT's portfolio continued to face increased cost pressure driven by electricity surcharge of 20 sen for 1H 2023 which was absent in 2Q 2022 and higher maintenance and marketing expenses on the back of higher mall activities. The current quarter also recorded lower write-back of provision for doubtful debts against the same quarter in the previous year.

The net property income (NPI) for 2Q 2023 was RM56.8 million, an increase of RM19.4 million or 51.8% against 2Q 2022 of RM37.4 million.

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

Finance costs for 2Q 2023 of RM22.4 million was higher than 2Q 2022 as the Group's borrowings have increased by RM768.9 million to part finance the acquisition of QBM. Floating rate borrowings were subjected to higher interest costs as the Overnight Policy Rate (OPR) has increased by 125 basis points since May 2022 and now reverted to pre COVID-19 level of 3.00%. The average cost of debt was 3.96% p.a. for this quarter against 2Q 2022's 3.08% p.a.

Overall, distributable income to Unitholders for 2Q 2023 was RM28.6 million, an increase of RM7.0 million or 32.7% compared to 2Q 2022 due to the abovementioned factors.

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

The Group recorded gross revenue of RM183.2 million, an increase of RM47.3 million or 34.8% against the same period last year. The increase was mainly due to contributions from QBM and Valdor Logistics Hub where the acquisitions were completed in March 2023 and December 2022 respectively. In addition, recovery in the retail space continue to aid CLMT's portfolio occupancy rate which has brought in additional gross rental income.

Property operating expenses for YTD 2023 were RM87.2 million, an increase of RM24.7 million or 39.7% against the previous financial period due to higher electricity surcharge of 20 sen for 1H2023 and new minimum wage introduced in May 2022. As a result of these policy changes, the direct and indirect pass-on impact were felt with the increase of cost in procuring goods and services. The write-back of doubtful debts provision in the previous financial period has also tapered off for the current period.

The NPI for YTD 2023 of RM96.1 million was RM22.6 million or 30.7% higher than YTD 2022's of RM73.5 million.

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

Fair value loss of RM8.0 million was recognised post acquisition of QBM as the capitalised investment property and incidental costs exceeded the independent external valuation of RM1 billion. The fair value loss represents the write-off on a portion of incidental costs incurred.

B1. Review of Performance (cont'd)

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

Finance costs for YTD 2023 of RM36.4 million were RM14.5 million or 66.3% higher than YTD 2022 as CLMT has obtained additional borrowings to part finance the acquisitions of Queensbay Mall and Valdor Logistics Hub. These additional borrowings accounted for an additional RM 12.0 million of interest expense whilst the balance of the increase was mainly attributable to the cumulative OPR hikes of 125 basis points since May 2022. The YTD average costs of debt was 3.80% p.a. (YTD 2022: 3.07% p.a.).

Overall, distributable income to Unitholders for the financial period was RM48.4 million, an increase of RM 6.4 million or 15.3% against YTD 2022 due to the abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 30 JUNE 2023 (UNAUDITED) RM'000	QUARTER ENDED 31 MARCH 2023 (UNAUDITED) RM'000	Change %
Profit before taxation	29,723	12,038	146.9
Adjusted for: Fair value loss on investment property (net)	-	7,963	(100.0)
Profit before taxation, excluding net fair value loss on investment property	**29,723**	**20,001**	48.6

The improvement for the current quarter was primarily driven by the recent acquisition of QBM which has contributed a full quarter of NPI in 2Q 2023. The higher NPI contribution was partially off-set by the increase in finance costs which arose from the acquisition of QBM and the increase in OPR of 25 basis points in early May 2023.

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

In 1Q 2023, Malaysia's economy grew 5.6% year-on-year, slower than 7.1% in the previous quarter. Domestic demand continued to be the key growth driver for the quarter, supported by further expansion in household spending, improvement in the labour market and higher inbound tourism. According to Bank Negara Malaysia, the pace of expansion of the Malaysian economy is expected to moderate between 4% and 5% in 2023, reflecting slower base year effects and global slowdown in economic activities.

Higher retail activities were recorded in 2Q 2023, mainly contributed by the continued recovery in consumption spending. International tourism is expected to strengthen in the second half of 2023 which augurs well for the retail sector. Meanwhile, businesses and consumers continue to remain cautious amidst rising costs, higher inflation and global geopolitical uncertainties.

Amidst a challenging environment, the Manager continues to maintain a disciplined approach in managing cost efficiencies and adopts a proactive stance in portfolio and asset management to mitigate market challenges. With the recent announcement on the acquisition of the freehold logistics warehouse at the Hicom-Glenmarie Industrial Park in Shah Alam (as highlighted in B7), the enlarged CLMT portfolio will benefit from a diversity in income sources. The Manager remains on the lookout for inorganic investment opportunities that will deliver long term sustainable growth.

B5. Profit Guarantee

CLMT is not involved in any arrangement whereby it provides profit guarantee.

B6. Tax Expense

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, effective from the Year of Assessment 2007, the total income of a REIT for a year of assessment will be exempted from income tax provided that the REIT distributes 90% or more of its total income for that year of assessment. If the REIT is unable to meet the 90% distribution criterion, the entire taxable income of the REIT for the year would be subject to income tax.

As CLMT intends to distribute at least 90% of its distributable income for the financial year ending 31 December 2023 to its Unitholders, no provision for tax has been made for the period.

B7. Status of Corporate Proposal

On 15 May 2023, CLMT entered into a sale and purchase agreement to acquire a freehold logistics warehouse located at the Hicom-Glenmarie Industrial Park in Shah Alam, Selangor for a purchase consideration of RM39.7 million. The logistics warehouse would be converted into a temperature-controlled distribution center and subsequently leased to a fashion retail tenant for a period of 10 years. The acquisition of the logistics warehouse is expected to be completed by 2H 2023.

B8. Borrowings and Debt Securities

	AS AT 30 JUNE 2023 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2022 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	64,895	49,697
Secured term loans	1,671,392	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(7,295)	(1,208)
	2,028,992	1,266,919
Short term borrowings		
Secured revolving credit	26,542	25,660
Unsecured revolving credit	145,715	158,950
Less: Unamortised transaction costs	-	(211)
	172,257	184,399
Total borrowings	**2,201,249**	**1,451,318**

All the borrowings are denominated in Ringgit Malaysia.

The net increase in total gross borrowings (before deducting unamortised transaction costs) was mainly due to drawdowns of term loan of RM693.0 million and revolving credit facilities (RCF) to finance the acquisition of Queensbay Mall.

On 20 April 2023, CLMT has drawn a RM60 million secured term loan to refinance the bridging loans utilised for the acquisition of Valdor Logistics Hub.

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

The interest rate profile of the fixed and floating rate borrowings stood at 86% and 14% respectively. As of to date, two out of seven properties of the Group, namely Sungei Wang Plaza and East Coast Mall remain unencumbered.

B9. Change in Material Litigation

Nil.

B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER 30 JUNE			YEAR TO DATE 30 JUNE		
	2023 (UNAUDITED) RM'000	2022 (UNAUDITED) RM'000	Change %	2023 (UNAUDITED) RM'000	2022 (AUDITED) RM'000	Change %
Gross rental income	84,624	54,236	56.0	146,325	109,216	34.0
Car park income	7,117	5,003	42.3	12,609	9,439	33.6
Other revenue	13,014	9,082	43.3	24,310	17,260	40.8
Interest income	558	422	32.2	1,464	784	86.7
Other income	1,625	1,625	-	1,625	1,625	-
Fair value loss on investment property	-	-	-	(7,963)	-	-
	106,938	**70,368**	**52.0**	**178,370**	**138,324**	**29.0**
Total property and trust expenses	(77,215)	(47,250)	63.4	(136,609)	(94,669)	44.3
Total comprehensive income for the quarter / period	**29,723**	**23,118**	**28.6**	**41,761**	**43,655**	**(4.3)**
Distribution adjustments	(1,082)	(1,576)	(31.3)	7,361	(1,663)	(>100.0)
Realised income for the quarter / period	**28,641**	**21,542**	**33.0**	**49,122**	**41,992**	**17.0**
Previous quarter's / period's undistributed income	1,048	548	91.1	372	546	(31.9)
Total realised income available for distribution	**29,689**	**22,090**	**34.4**	**49,494**	**42,538**	**16.4**
Advanced income distribution	-	-	-	(16,331)	-	15.3
Proposed/ declared income distribution	(28,634)	(21,579)	32.7	(32,108)	(42,027)	
Balance undistributed income	**1,055**	**511**	**106.3**	**1,055**	**511**	**106.3**
Distribution per unit (DPU) (sen)	**1.06**	**1.00**	**6.0**	**1.93**	**1.95**	**(1.0)**
DPU (sen) – annualised	**4.25**	**4.01**	**6.0**	**3.89**	**3.93**	**(1.0)**

On 22 February 2023, CLMT paid its final income distribution of RM45.5 million or 2.06 sen per unit for the period from 1 July 2022 to 31 December 2022. The Distribution Reinvestment Plan was not applied for the final income distribution in view of a planned equity fund raising exercise.

On 23 March 2023, CLMT paid an advanced income distribution of RM16.3 million or 0.74 sen per unit for the period from 1 January 2023 to 9 March 2023 to the existing unitholders of CLMT prior to the crediting of new placement units arising from the equity fund raising exercise.

CLMT intends to distribute its first income distribution of RM32.1 million or 1.19 sen per unit (of which 1.14 sen per unit is taxable and 0.05 sen per unit is non-taxable), based on the number of units in issue of 2,698,102,082 for the period from 10 March 2023 to 30 June 2023 (First Income Distribution).

The Board has determined that the Distribution Reinvestment Plan (DRP) shall apply accordingly where the gross electable portion will be 1.19 sen per unit on the first income distribution. The book closure date and date of income distribution will only be announced upon approval of Additional Listing Application in relation to the DRP exercise by Bursa Malaysia.

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

Resident Unitholders:

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

Non-resident Unitholders:

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

B11. Composition of Investment Portfolio as at 30 June 2023

As at 30 June 2023, CLMT's portfolio comprised the following investment properties:

INVESTMENT PROPERTIES	COST OF INVESTMENT[1]	NET BOOK VALUE[2]	MARKET VALUE	MARKET VALUE AS % of NAV[3]
	RM'000	RM'000	RM'000	%
Gurney Plaza	1,171,259	1,675,869	1,675,000	63.5
East Coast Mall	413,753	592,779	590,000	22.4
Sungei Wang Plaza	813,706	421,999	422,000	16.0
3 Damansara Property	602,192	469,282	469,000	17.8
The Mines	607,806	655,293	655,000	24.8
Valdor Logistics Hub	81,787	81,000	81,000	3.1
Queensbay Mall	1,008,210	1,006,954[4]	1,000,000[5]	37.9
Total	**4,698,713**	**4,903,176**	**4,892,000**	

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 and Queensbay Mall were conducted by Savills (Malaysia) Sdn Bhd as at 31 December 2022 and 7 October 2022 (valuation report for Queensbay Mall dated 7 October 2022 was prepared to facilitate the acquisition of the mall) respectively.

1 Cost of investment comprises purchase consideration and capital expenditure incurred from inception up to the end of the reporting date.
2 Net book value (NBV) comprises of market value of the investment properties as at 31 December 2022 and subsequent capital expenditure incurred up to the reporting date.
3 This is computed based on market value of the investment properties over the NAV before income distribution of RM2,637,228,000 as at 30 June 2023. This is calculated in accordance with the REITs Guidelines.
4 The carrying amount of Queenbay Mall's investment property includes right-of-use assets of RM6.7 milion.
5 The market value of RM1 billion comprises the valuation for 438 strata titles and excludes the valuation for the right-of-use assets.

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

	QUARTER ENDED 30 June,2023	QUARTER ENDED 31 March,2023
Number of units in circulation (units)	2,698,102,082	2,671,932,995
NAV before income distribution (RM'000)	2,637,228	2,594,089
NAV after income distribution (RM'000)	2,605,120	2,590,615
NAV per unit[1] (RM)	0.9655	0.9696
Total comprehensive income (RM'000)	29,723	12,038
Weighted average number of units in issue (units)	2,686,886,759	2,305,101,634
EPU after manager's management fee (sen)	1.11	0.52
Distributable income (RM'000)	28,634	19,805
DPU (sen)	1.06	0.87
Market price (RM)	0.500	0.520
DPU yield (%)	2.12	1.67

1 NAV per unit is arrived at by dividing the NAV after income distribution with the number of units in circulation at the end of the quarter.

B13. Soft Commission Received By The Manager and its Delegates

Nil.

B14. Manager's Fees

For the quarter/ year to date ended 30 June 2023, the Manager has accounted for a base fee of 0.29% per annum of the total asset value and a performance fee of 4.75% per annum of net property income and an acquisition fee of 1.00% on the purchase price of Queensbay Mall. Total fees accrued to the Manager were as follows:

	2Q 2023 ACTUAL (UNAUDITED) RM'000	YTD 2023 ACTUAL (UNAUDITED) RM'000
Base management fee	3,638	7,215
Performance fee	2,699	4,563
Total management fees	6,337	11,778
Acquisition fee[1]	-	9,905
Total fees	**6,337**	**21,683**

[1] Acquisition fee was capitalised as part of the investment property cost of Queensbay Mall in 1Q 2023.

Date: 25 July 2023