



Financial Results

Form Version 8 (Enhanced)

Initiated by CS_TMF GLOBAL SERVICES MALAYSIA on 18/07/2014 11:09:44 AM
 Ownership transfer to CS_TMF GLOBAL SERVICES MALAYSIA/EDMS/KLSE on 18/07/2014 05:17:55 PM
 Submitted by CS_TMF GLOBAL SERVICES MALAYSIA on 18/07/2014 05:19:50 PM
 Reference No CG-140718-15F23

Submitted

Company Information

Main Market Company

Amended Announcement

* Announcement reference number CG-140714-3FA57

Submitting Investment Bank/Advisor
(if applicable)

Submitting Secretarial Firm (if applicable) TMF Global Services (Malaysia) Sdn. Bhd.

* Company name CAPITAMALLS MALAYSIA TRUST

* Stock name CMMT

* Stock code 5180

* Contact person Soo Shiew Fang

* Designation Senior Manager

* Contact number 03-2382 4340

E-mail address shiowfang.soo@tmf-group.com

Part A : To be filled by Public Listed Company

* Financial Year End 31/12/2014

* Quarter 2 Qtr

* Quarterly report for the financial period ended 30/06/2014

* The figures have not been audited

Please attach the full Quarterly Report here

[CMMT_2Q2014Results_180714\(amended\).pdf](#)

Remarks

The Entitlement Date is revised from 4 August 2014 to 6 August 2014 due to the uncertainty over the public holiday dates in conjunction with Hari Raya Aidilfitri.

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency

Malaysian Ringgit (MYR)

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
 * 30/06/2014

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
30/06/2014	30/06/2013	30/06/2014	30/06/2013
[dd/mm/yyyy]	[dd/mm/yyyy]	[dd/mm/yyyy]	[dd/mm/yyyy]

	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1. Revenue	78,223	74,554	157,195	148,938
2. Profit/(loss) before tax	104,877	114,283	143,070	150,131
3. Profit/(loss) for the period	104,877	114,283	143,070	150,131
4. Profit/(loss) attributable to ordinary equity holders of the parent	104,877	114,283	143,070	150,131
5. Basic earnings/(loss) per share (Subunit)	5.91	6.46	8.06	8.49
6. Proposed/Declared dividend per share (Subunit)	2.21	2.17	4.53	4.35
	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 (\$\$)		1.2330		1.1974

Remarks :

First income distribution of 4.53 sen per unit (of which 4.41 sen per unit is taxable and 0.12 sen is non-taxable in the hands of unitholders) for the period from 1 January 2014 to 30 June 2014 was announced on 17 July 2014.

Definition of Subunit:

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

CAPITAMALLS MALAYSIA TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 JUNE 2014 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2013 (AUDITED) RM'000
Assets		
Plant and equipment	2,100	2,323
Investment properties	3,176,000	3,079,000
Total non-current assets	3,178,100	3,081,323
Trade and other receivables	16,444	14,647
Cash and cash equivalents	151,178	150,430
Total current assets	167,622	165,077
Total assets	3,345,722	3,246,400
Equity		
Unitholders' capital	1,827,991	1,823,567
Undistributed profit	442,343	379,050
Total unitholders' funds	2,270,334	2,202,617
Liabilities		
Borrowings	816,963	816,569
Tenants' deposits	45,449	41,787
Total non-current liabilities	862,412	858,356
Borrowings	109,600	91,000
Tenants' deposits	38,116	40,920
Trade and other payables	65,260	53,507
Total current liabilities	212,976	185,427
Total liabilities	1,075,388	1,043,783
Total equity and liabilities	3,345,722	3,246,400
Number of units in circulation ('000 units)	1,776,071	1,772,820
Net asset value ("NAV")		
- before income distribution	2,270,334	2,202,617
- after income distribution	2,189,878	2,122,840
NAV per unit (RM)		
- before income distribution	1.2783	1.2424
- after income distribution	1.2330	1.1974

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 2013.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER 30 JUNE		YEAR TO DATE 30 JUNE	
	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000	2014 (UNAUDITED) RM'000	2013 (UNAUDITED) RM'000
Gross rental income	61,841	60,852	125,152	121,290
Car park income	4,451	4,456	9,202	9,180
Other revenue	11,931	9,246	22,841	18,468
Gross revenue	78,223	74,554	157,195	148,938
Maintenance expenses	(5,664)	(5,718)	(11,065)	(11,088)
Utilities	(11,859)	(9,784)	(23,481)	(19,232)
Other operating expenses ¹	(9,470)	(8,552)	(18,938)	(16,574)
Property operating expenses	(26,993)	(24,054)	(53,484)	(46,894)
Net property income	51,230	50,500	103,711	102,044
Interest income	1,138	1,041	2,324	2,116
Fair value gain of investment properties	68,206	77,904	68,206	77,904
Net investment income	120,574	129,445	174,241	182,064
Manager's management fee	(5,144)	(5,005)	(10,231)	(9,938)
Trustee's fee	(99)	(99)	(198)	(198)
Auditors' fee	(45)	(59)	(90)	(118)
Tax agent's fee	(9)	(8)	(18)	(17)
Valuation fee	(58)	(67)	(115)	(127)
Finance costs	(10,136)	(9,748)	(20,071)	(21,179)
Other non-operating expenses	(206)	(176)	(448)	(356)
	(15,697)	(15,162)	(31,171)	(31,933)
Profit before taxation	104,877	114,283	143,070	150,131
Taxation	-	-	-	-
Profit for the period	104,877	114,283	143,070	150,131
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	104,877	114,283	143,070	150,131
Distribution adjustments ²	(65,565)	(75,895)	(62,538)	(73,067)
Income available for distribution	39,312	38,388	80,532	77,064
Distributable income³	39,251	38,469	80,456	77,012
Profit for the period is made up of the following:				
Realised	36,671	36,379	74,864	72,227
Unrealised ⁴	68,206	77,904	68,206	77,904
	104,877	114,283	143,070	150,131

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE		30 JUNE	
	2014	2013	2014	2013
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
Earnings per unit (sen)⁵				
- before Manager's management fee (sen)	6.19	6.74	8.64	9.05
- after Manager's management fee (sen)	5.91	6.46	8.06	8.49
Distribution per unit ("DPU") (sen)	2.21	2.17	4.53	4.35
DPU (sen) – annualised	8.86	8.70	9.14	8.77

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 2013.

^{1.} Included in the other operating expenses are the following:

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE		30 JUNE	
	2014	2013	2014	2013
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/Write-back of impairment losses of trade receivables	27	8	(10)	40
Foreign exchange gain/(loss):				
- Unrealised	*	*	*	*
- realised	(2)	(5)	(4)	(7)

* less than RM1,000

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER		YEAR TO DATE	
	30 JUNE		30 JUNE	
	2014	2013	2014	2013
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000	RM'000	RM'000
Fair value gain of investment properties	(68,206)	(77,904)	(68,206)	(77,904)
Manager's management fee payable in units	2,135	2,112	4,295	4,259
Depreciation	296	305	595	608
Amortisation of transaction costs on borrowings	197	198	394	391
Net profit from subsidiary**	-	(50)	-	(84)
Tax and other adjustments	13	(556)	384	(337)
	<u>(65,565)</u>	<u>(75,895)</u>	<u>(62,538)</u>	<u>(73,067)</u>

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

** Net profit from subsidiary relates to the wholly owned subsidiary, CMMT MTN Berhad.

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

4. This refers to unrealised profit, if any, which is not available for income distribution.

5. Earnings per unit ("EPU") is computed based on profit for the quarter/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.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE

	Unitholders' Capital RM'000	Undistributed Profit Realised RM'000	Unrealised RM'000	Total Unitholders' Funds RM'000
As at 1 January 2013	1,815,222	37,729	263,637	2,116,588
Total comprehensive income for the period	-	72,227	77,904	150,131
Increase in net assets resulting from operations	1,815,222	109,956	341,541	2,266,719
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,087	-	-	4,087
- Distribution paid to unitholders ¹	-	(74,964)	-	(74,964)
Increase/(Decrease) in net assets resulting from unitholders' transactions	4,087	(74,964)	-	(70,877)
As at 30 June 2013 (Unaudited)	1,819,309	34,992	341,541	2,195,842
As at 1 January 2014	1,823,567	34,210	344,840	2,202,617
Total comprehensive income for the period	-	74,864	68,206	143,070
Increase in net assets resulting from operations	1,823,567	109,074	413,046	2,345,687
Unitholders' transactions				
- Units issued as part satisfaction of the Manager's management fee	4,424	-	-	4,424
- Distribution paid to unitholders ²	-	(79,777)	-	(79,777)
Increase/(Decrease) in net assets resulting from unitholders' transactions	4,424	(79,777)	-	(75,353)
As at 30 June 2014 (Unaudited)	1,827,991	29,297	413,046	2,270,334

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 2013.

1. This refers to 2012 final income distribution of 4.24 sen per unit for the period from 1 July 2012 to 31 December 2012 paid on 6 March 2013.
2. This refers to 2013 final income distribution of 4.50 sen per unit for the period from 1 July 2013 to 31 December 2013 paid on 7 March 2014.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED	
	30 JUNE	30 JUNE
	2014	2013
	(UNAUDITED)	(UNAUDITED)
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	143,070	150,131
Adjustments for:-		
Manager's management fee paid/payable in units	4,295	4,259
Depreciation	595	608
Fair value gain of investment properties	(68,206)	(77,904)
Finance costs	20,071	21,179
Interest income	(2,324)	(2,116)
Operating profit before changes in working capital	97,501	96,157
Changes in working capital:		
Trade and other receivables	(1,797)	(1,124)
Trade and other payables	1,085	(12,300)
Tenants' deposits	858	2,399
Net cash from operating activities	97,647	85,132
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(371)	(499)
Capital expenditure on investment properties	(18,191)	(7,712)
Interest received	2,324	2,116
Net cash used in investing activities	(16,238)	(6,095)
Cash Flows From Financing Activities		
Interest paid	(19,362)	(20,351)
Distribution paid to unitholders	(79,777)	(74,964)
Payment of financing expenses	(122)	(2,499)
Proceeds from interest bearing borrowings	52,700	9,400
Repayment of interest bearing borrowings	(34,100)	-
Pledged deposits	-	(3,289)
Net cash used in financing activities	(80,661)	(91,703)
Net increase/(decrease) in cash and cash equivalents	748	(12,666)
Cash and cash equivalents at beginning of the period	143,690	155,432
Cash and cash equivalents at end of the period	144,438	142,766
Cash and cash equivalents at end of the period comprises:		
Deposits placed with licensed banks	128,596	140,562
Cash and bank balances	22,582	9,026
	151,178	149,588
Less: Pledged deposits	(6,740)	(6,822)
	144,438	142,766

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 2013.

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and with 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 2014 comprise CMMT and its subsidiary. These interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments 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 trust deed dated 7 June 2010 (the “Trust Deed”) and the Securities Commission’s Guidelines on 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 2013.

A2. Changes in Accounting Policies

On 1 January 2014, the Group and CMMT adopted the following MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2014:

Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities

Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities

Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities

Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139, Financial Statements: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above MFRSs and Amendments to MFRSs does 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 2013 was not qualified.

A4. Comment on Seasonality or Cyclicity 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 rental demand and supply of 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.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

A7. Debt and Equity Securities

Save as disclosed in B8, there were no issuance, cancellation, repurchase, resale and repayment of 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

No segment information is prepared as CMMT's activities are in one operating segment and its assets are located in Malaysia.

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 30 June 2014, the investment properties were valued based on valuations performed by independent professional valuers on 30 June 2014. Fair value gain arising from the valuations amounting to RM68.2 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 Asset

Nil.

A14. Capital Commitments

Capital commitments in relation to capital expenditure are as follows:

	RM'000
Contracted but not provided for	<u>32,496</u>

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

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 2014 (Unaudited) RM'000	2Q 2013 (Unaudited) RM'000	Change %	YTD 2014 (Unaudited) RM'000	YTD 2013 (Unaudited) RM'000	Change %
(a) Breakdown of Gross Revenue						
Gurney Plaza	30,383	29,569	2.8	60,610	58,594	3.4
Sungei Wang Plaza	17,467	17,916	(2.5)	35,055	36,030	(2.7)
The Mines	19,868	16,995	16.9	39,818	34,072	16.9
East Coast Mall	10,505	10,074	4.3	21,712	20,242	7.3
Total Gross Revenue	78,223	74,554	4.9	157,195	148,938	5.5
(b) Breakdown of Property Operating Expenses						
Gurney Plaza	10,100	9,342	8.1	19,758	18,183	8.7
Sungei Wang Plaza	4,822	4,219	14.3	9,500	8,139	16.7
The Mines	7,839	6,464	21.3	15,793	12,719	24.2
East Coast Mall	4,232	4,029	5.0	8,433	7,853	7.4
Total Property Operating Expenses	26,993	24,054	12.2	53,484	46,894	14.1
(c) Breakdown of Net Property Income						
Gurney Plaza	20,283	20,227	0.3	40,852	40,411	1.1
Sungei Wang Plaza	12,645	13,697	(7.7)	25,555	27,891	(8.4)
The Mines	12,029	10,531	14.2	24,025	21,353	12.5
East Coast Mall	6,273	6,045	3.8	13,279	12,389	7.2
Total Net Property Income	51,230	50,500	1.4	103,711	102,044	1.6

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (2Q 2014 vs 2Q 2013)

The Group recorded gross revenue of RM78.2 million in 2Q 2014, an increase of RM3.7 million or 4.9% over 2Q 2013. The increase was mainly due to revenue generated from onselling of electricity to tenants at The Mines as well as the full-quarter contribution from the newly reconfigured units of Phase 1 asset enhancement works at East Coast Mall. The Group also benefited from higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for Sungei Wang Plaza which was affected by the ongoing Mass Rapid Transit works.

Property operating expenses for 2Q 2014 was RM27.0 million, which was RM2.9 million or 12.2% higher compared to 2Q 2013. The increase was mainly attributed to the adjustment in property assessment fees, which impacted Gurney Plaza, East Coast Mall and CMMT's interest in Sungei Wang Plaza, as well as the hikes in electricity tariff and renewable energy surcharge which impacted the CMMT portfolio. Other than the spillover effect of the price adjustments, the overall property operating expenses for the current quarter was higher mainly due to higher utility expenses as a result of higher electricity consumption, and higher administrative expenses.

The net property income for 2Q 2014 was RM51.2 million which was 1.4% higher than 2Q 2013.

CMMT registered a fair value gain of RM68.2 million in 2Q 2014.

Manager's management fee was RM5.1 million, an increase of RM0.1 million or 2.8% over 2Q 2013. The increase was mainly due to higher net property income and increase in asset base after the valuation of investment properties.

Finance costs for 2Q 2014 were RM10.1 million, which were RM0.4 million or 4.0% higher compared to 2Q 2013. The increase was mainly due to the impact of finance costs arising from the additional revolving credit facilities drawn down by CMMT during the quarter. Average cost of debt for 2Q 2014 was 4.30% p.a. (2Q 2013: 4.31% p.a.).

CMMT has incurred RM23.4 million of capital expenditure during the quarter. Gurney Plaza has started reconfiguration works on the ground floor of the extension wing, which includes the creation of new retail space and visibility improvement works. East Coast Mall continues with Phase 2 asset enhancement works, which involves the extension of the alfresco area and reconfiguration of the ground, first and second floors, to improve East Coast Mall's trade mix.

Overall, distributable income to unitholders for 2Q 2014 was RM39.3 million which was RM0.8 million or 2.0% higher compared to 2Q 2013.

Financial Year-to-date Results (YTD 2014 vs YTD 2013)

The Group recorded gross revenue of RM157.2 million, which was RM8.3 million or 5.5% higher than last year's corresponding period. The increase was mainly due to revenue generated from onselling of electricity to tenants at The Mines as well as the full-period contribution from the newly reconfigured units of Phase 1 asset enhancement works at East Coast Mall. The Group also benefited from higher gross rental income on the back of higher rental rates achieved from new and renewed leases, except for Sungei Wang Plaza which was affected by the ongoing Mass Rapid Transit works.

Property operating expenses for the period was RM53.5 million, which was RM6.6 million or 14.1% higher than last year's corresponding period. The increase was mainly attributed to the adjustment in property assessment fees, which impacted Gurney Plaza, East Coast Mall and CMMT's interest in Sungei Wang Plaza, as well as the hikes in electricity tariff and renewable energy surcharge which impacted the CMMT portfolio. Other than the spillover effect of the price adjustments, the overall property operating expenses for the current period was higher mainly due to higher utility expenses as a result of higher electricity consumption, higher administrative expenses and reimbursable staff costs.

The net property income for the period was RM103.7 million which was 1.6% higher than last year's corresponding period.

CAPITAMALLS MALAYSIA TRUST

FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2014 vs YTD 2013) (cont'd)

Interest income for the period was RM2.3 million, which was RM0.2 million or 9.8% higher compared to last year's corresponding period. The increase was mainly attributed to higher available cash on deposit and active cash management.

CMMT registered a fair value gain of RM68.2 million in YTD 2014.

Manager's management fee was RM10.2 million, an increase of RM0.3 million or 2.9% over last year's corresponding period mainly due to higher net property income and increase in asset base after the valuation of investment properties.

Finance costs for the period were RM20.1 million, which were RM1.1 million or 5.2% lower compared to last year's corresponding period. The decrease was mainly because CMMT incurred a one-off incidental cost for the purpose of re-fixing its fixed rate term loans in 1Q 2013. Average cost of debt for YTD 2014 was 4.30% p.a. (YTD 2013: 4.44% p.a.).

CMMT has incurred RM28.8 million capital expenditure for the properties during the period. The Mines had completed the installation of new chillers while Gurney Plaza had completed its fourth floor reconfiguration works. The rest of the on-going asset enhancement works is outlined in the performance review of 2Q 2014.

Overall, distributable income to unitholders for the period was RM80.5 million which was RM3.4 million or 4.5% higher compared to last year's corresponding period.

B2. Material Changes in Quarter Results

	Quarter ended 30 June 2014 RM'000	Quarter ended 31 March 2014 RM'000
Profit before taxation	104,877	38,193
Less: Fair value gain of investment properties	(68,206)	-
Profit before taxation, excluding fair value gain of investment properties	<u>36,671</u>	<u>38,193</u>

Other than the fair value gain of RM68.2 million resulting from the valuation as at 30 June 2014, there is no material change in the financial results of 2Q 2014 as compared to 1Q 2014.

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 is expected to remain on a steady growth path, expanding by 4.5% - 5.5% in 2014 (source: Bank Negara Malaysia Annual Report 2013) while retail sales are estimated to grow by 6.3% (source: Malaysia Retail Industry Report, May 2014). Domestic demand will remain the anchor of Malaysia's growth, albeit at a more moderate pace. Private consumption will remain strong, underpinned by healthy labour market conditions and continued wage growth.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B4. Commentary on Prospects (cont'd)

The recent adjustment in property assessment fees in Kuala Lumpur coupled with the hikes in electricity tariff and renewable energy surcharge have had spillover effects on CMMT's property operating expenses as evidenced in this report. The higher cost pressures, however, are being partly contained by the stable performance of CMMT's underlying portfolio.

With the strong underlying fundamentals of the Malaysian economy and attractive demographics, Malaysia continues to be a favourable investment proposition for a retail-focused real estate investment trust like CMMT. Moreover, CMMT's malls are largely focused on necessity shopping, which have in the past proven resilient through economic cycles and should continue to do so.

At present, CMMT has a portfolio of four well-performing malls in the key urban centres of Penang, Kuala Lumpur, Selangor and Kuantan, and is the only "pure play" shopping mall REIT which provides income and geographical diversification to its 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 ending 31 December 2014 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 30 June 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
Long term borrowings		
Secured term loans	519,750	519,750
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(2,787)	(3,181)
	816,963	816,569
Short term borrowings		
Secured revolving credit	38,300	29,700
Unsecured revolving credit	71,300	61,300
	109,600	91,000
Total borrowings	926,563	907,569

All the borrowings are denominated in Ringgit Malaysia.

As at 30 June 2014, CMMT's revolving credit facilities increased by RM18.6 million to RM109.6 million for the purpose of funding the capital expenditure incurred by Gurney Plaza, Sungei Wang Plaza, The Mines and East Coast Mall.

As of to date, two out of four properties of the Group, namely Sungei Wang Plaza and East Coast Mall, remain unencumbered.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B9. Change in Material Litigation

Nil.

B10. Income Distribution

CMMT intends to distribute its first income distribution of RM80.5 million or 4.53 sen per unit on 29 August 2014 (book closure date: 6 August 2014), based on the number of units in issue of 1,776,070,600 for the period from 1 January 2014 to 30 June 2014. This means CMMT will distribute approximately 100.0% of its distributable income to its unitholders for the financial period ended 30 June 2014.

First income distribution to unitholders is from the following sources:

	1 January to 30 June 2014 RM'000
Gross rental income	125,152
Interest income	2,324
Other income	32,043
Less: Property operating expenses and trust expenses (realised)	(78,987)
Income available for distribution	80,532
Less: Rollover adjustment for rounding difference	(76)
First income distribution	80,456
Number of units in circulation ('000 units)	1,776,071
Distribution per unit (sen), of which	4.53
- taxable distribution of income (sen)	4.41
- tax exempt distribution of income (sen)	0.12

Pursuant to the 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 25.0%
(d) Institutional investors	Withholding tax at 10.0%
(e) Individuals	Withholding tax at 10.0%

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B11. Composition of Investment Portfolio as at 30 June 2014

As at 30 June 2014, CMMT's portfolio comprised the following shopping malls:

Investment properties	Cost of Investment ¹ RM'000	Net Book Value ² RM'000	Market Value RM'000	Market Value as % of NAV ³ %
Gurney Plaza	1,084,871	1,246,336	1,275,000	56.2
Sungei Wang Plaza	750,650	837,832	839,000	37.0
The Mines	564,787	631,908	670,000	29.5
East Coast Mall	362,644	391,718	392,000	17.3
Total	2,762,952	3,107,794	3,176,000	

The market value of Sungei Wang Plaza, The Mines and East Coast Mall were stated at valuations conducted by CB Richard Ellis (Malaysia) Sdn. Bhd. as at 30 June 2014. The market value of Gurney Plaza was stated at valuation performed by PPC International Sdn. Bhd. as at 30 June 2014.

¹ Cost of investment comprised purchase consideration and capital expenditure incurred from inception up to the end of the reporting period.

² Net book value comprised market value of the investment properties as at 31 December 2013 and capital expenditure incurred during the reporting period.

³ This is calculated in accordance with the REITs Guidelines.

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

	Quarter ended 30 June 2014	Quarter ended 31 March 2014
Number of units in circulation (units)	1,776,070,600	1,776,070,600
NAV before income distribution (RM'000)	2,270,334	2,165,457
NAV after income distribution (RM'000)	2,189,878	2,124,252
NAV per unit ¹ (RM)	1.2330	1.1960
Total comprehensive income (RM'000)	104,877	38,193
Weighted average number of units in issue (units)	1,776,070,600	1,773,470,040
EPU after manager's management fee (sen)	5.91	2.15
Distributable income (RM'000)	39,251	41,205
DPU (sen)	2.21	2.32
Market price (RM)	1.48	1.47
DPU yield (%)	1.49	1.58

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 number of units in issue for YTD 2014 is 1,774,777,504.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B14. Manager's Fee

For the quarter ended 30 June 2014, 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 (inclusive of 6.0% service tax) were as follows:

	2Q 2014	YTD 2014
	Actual	Actual
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Base management fee	2,565	5,010
Performance fee	2,579	5,221
Total fees	5,144	10,231

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

	No of units	Percentage of	Market value⁶ at
		unitholdings	30 June 2014
	Units	%	RM
CMMT Investment Limited ¹	623,938,000	35.13	923,428,240
Menang Investment Limited ¹	19,307,600	1.09	28,575,248
Skim Amanah Saham Bumiputera ²	179,515,300	10.11	265,682,644
AS 1 Malaysia ²	40,332,600	2.27	59,692,248
Amanah Saham Wawasan 2020 ²	36,549,500	2.06	54,093,260
Amanah Saham Malaysia ²	35,875,000	2.02	53,095,000
Amanah Saham Nasional 3 Imbang ²	2,169,600	0.12	3,211,008
Amanah Saham Nasional 2 ²	1,350,000	0.08	1,998,000
Amanah Saham Gemilang for Amanah Saham Persaraan ²	837,100	0.05	1,238,908
Amanah Saham Gemilang for Amanah Saham Kesihatan ²	1,641,900	0.09	2,430,012
Amanah Saham Gemilang for Amanah Saham Pendidikan ²	937,100	0.05	1,386,908
Amanah Saham Bumiputera 2 ²	2,884,100	0.16	4,268,468
Amanah Harta Tanah PNB ³	50,000	0.00	74,000
Yayasan Tun Ismail Mohamed Ali (Berdaftar) ⁴	100,000	0.01	148,000
Direct unitholdings of the Directors of the Manager:			
Mr Lim Beng Chee ⁵ (alternate director to Simon Ho Chee Hwee and Ng Kok Siong)	100,000	0.01	148,000
Mr Ng Kok Siong ⁵	100,000	0.01	148,000
Ms Sharon Lim Hwee Li	100,000	0.01	148,000
Ms Tan Siew Bee	100,000	0.01	148,000
Mr Peter Tay Buan Huat	100,000	0.01	148,000
	945,987,800	53.29⁷	1,400,061,944

CAPITAMALLS MALAYSIA TRUST
FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (UNAUDITED)

B15. Unitholdings of the Manager and Parties Related to the Manager (cont'd)

- ¹ An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.
- ² Managed by Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of Permodalan Nasional Berhad ("PNB"). PNB is also the ultimate holding company of Malaysian Industrial Development Finance Berhad who in turn is a substantial shareholder of the Manager.
- ³ Managed by Pelaburan Hartanah Nasional Berhad, a 70% owned subsidiary of PNB.
- ⁴ A foundation established by PNB.
- ⁵ Units held through nominees.
- ⁶ The market value of the units is computed based on the closing price of RM1.48 per unit as at 30 June 2014.
- ⁷ Approximation.

The Manager disposed 3,250,700 units in CMMT at cost to a related party, Menang Investment Limited, on 27 May 2014.

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 30 June 2014 and of their financial performance and cash flows for the quarter ended on that date and duly authorised for release by the Board of Directors of the Manager on 17 July 2014.

BY ORDER OF THE BOARD

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

Date: 17 July 2014