

CAPITALAND MALAYSIA MALL TRUST
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2020 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2019 (AUDITED) RM'000
Assets		
Plant and equipment	3,491	3,201
Investment properties	3,895,000	4,035,000
Total non-current assets	<u>3,898,491</u>	<u>4,038,201</u>
Trade and other receivables	29,047	21,059
Cash and cash equivalents	71,876	84,584
Total current assets	<u>100,923</u>	<u>105,643</u>
Total assets	<u>3,999,414</u>	<u>4,143,844</u>
Equity		
Unitholders' capital	2,198,446	2,189,028
Undistributed profits	245,466	412,898
Total unitholders' funds	<u>2,443,912</u>	<u>2,601,926</u>
Liabilities		
Borrowings	1,269,053	1,242,539
Tenants' deposits	33,256	35,492
Deferred tax liabilities	7,228	19,495
Total non-current liabilities	<u>1,309,537</u>	<u>1,297,526</u>
Borrowings	140,760	131,610
Tenants' deposits	50,295	53,930
Trade and other payables	54,910	58,852
Total current liabilities	<u>245,965</u>	<u>244,392</u>
Total liabilities	<u>1,555,502</u>	<u>1,541,918</u>
Total equity and liabilities	<u>3,999,414</u>	<u>4,143,844</u>
Number of units in circulation ('000 units)	2,063,846	2,051,753
Net asset value (NAV)		
- before income distribution	2,443,912	2,601,926
- after income distribution	2,402,841	2,539,757
NAV per unit (RM)		
- before income distribution	1.1842	1.2681
- after income distribution	1.1643	1.2378

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 2019.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			YEAR TO DATE		
	31 DECEMBER		Change	31 DECEMBER		Change
	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000		2020 (UNAUDITED) RM'000	2019 (AUDITED) RM'000	
Gross rental income	52,932	66,341	(20.2)	210,288	266,902	(21.2)
Car park income	3,977	5,884	(32.4)	14,602	23,048	(36.6)
Other revenue	10,032	13,577	(26.1)	36,509	52,326	(30.2)
Gross revenue	66,941	85,802	(22.0)	261,399	342,276	(23.6)
Maintenance expenses	(9,260)	(9,524)	(2.8)	(35,263)	(35,788)	(1.5)
Utilities	(11,096)	(13,079)	(15.2)	(40,436)	(53,038)	(23.8)
Other operating expenses ¹	(12,555)	(13,355)	(6.0)	(52,199)	(51,330)	1.7
Property operating expenses	(32,911)	(35,958)	(8.5)	(127,898)	(140,156)	(8.7)
Net property income	34,030	49,844	(31.7)	133,501	202,120	(33.9)
Interest income	274	614	(55.4)	1,512	2,932	(48.4)
Fair value loss on investment properties (net)	(157,850)	(659)	>100.0	(157,850)	(30,701)	>100.0
Other non-operating income	-	3,325	(100.0)	4,958	3,325	49.1
Net investment (loss) / income	(123,546)	53,124	(>100.0)	(17,879)	177,676	(>100.0)
Manager's management fee	(4,532)	(5,396)	(16.0)	(18,244)	(21,601)	(15.5)
Trustee's fee	(100)	(100)	-	(400)	(400)	-
Auditor's fee	3	(47)	(>100.0)	(181)	(200)	(9.5)
Tax agent's fee	(8)	(7)	18.0	(30)	(27)	10.8
Valuation fee	(61)	(44)	38.6	(281)	(275)	2.2
Finance costs	(13,765)	(15,663)	(12.1)	(58,479)	(61,989)	(5.7)
Other non-operating expenses ¹	(450)	(260)	73.2	(1,277)	(1,089)	17.3
	(18,913)	(21,517)	(12.1)	(78,892)	(85,581)	(7.8)
(Loss) / Profit before taxation	(142,459)	31,607	(>100.0)	(96,771)	92,095	(>100.0)
Taxation	-	-	-	-	-	-
Deferred taxation	12,267	(9,743)	(>100.0)	12,267	(19,495)	(>100.0)
(Loss) / Profit for the quarter/ year	(130,192)	21,864	(>100.0)	(84,504)	72,600	(>100.0)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive (loss) / income for the quarter/ year	(130,192)	21,864	(>100.0)	(84,504)	72,600	(>100.0)
Distribution adjustments ²	147,914	9,285	>100.0	146,242	55,395	>100.0
Income available for distribution	17,722	31,149	(43.1)	61,738	127,995	(51.8)
Distributable income³	17,845	31,187	(42.8)	61,830	127,991	(51.7)
Realised	15,391	32,266	(52.3)	61,079	122,796	(50.3)
Unrealised ⁴	(145,583)	(10,402)	>100.0	(145,583)	(50,196)	>100.0
	(130,192)	21,864	(>100.0)	(84,504)	72,600	(>100.0)

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

	CURRENT QUARTER			YEAR TO DATE		
	31 DECEMBER		Change %	31 DECEMBER		Change %
	2020 (UNAUDITED)	2019 (UNAUDITED)		2020 (UNAUDITED)	2019 (AUDITED)	
(Loss)/Earnings per unit (sen)⁵						
- before Manager's management fee	(6.10)	1.33	(>100.0)	(3.22)	4.60	(>100.0)
- after Manager's management fee	(6.32)	1.07	(>100.0)	(4.11)	3.55	(>100.0)
Distribution per unit (DPU) (sen)	0.86	1.52	(43.4)	3.00	6.25	(52.0)
DPU (sen) – annualised	3.42	6.03	(43.3)	3.00	6.25	(52.0)

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 2019.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

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

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2020	2019	Change	2020	2019	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(AUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Impairment losses for trade receivables	(19)	(1,356)	(98.6)	(6,988)	(2,127)	>100.0
Bad debts recovered	32	905	(96.5)	1,065	905	17.7
Bad debts written off	-	8	(100.0)	-	(11)	(100.0)
Foreign exchange loss:						
- Unrealised	-	*	-	-	*	-
- Realised	*	-	-	(1)	(2)	(50.0)
	13	(443)	(>100.0)	(5,924)	(1,235)	>100.0

* less than RM1,000

2. Included in the distribution adjustments are the following:

	CURRENT QUARTER 31 DECEMBER			YEAR TO DATE 31 DECEMBER		
	2020	2019	Change	2020	2019	Change
	(UNAUDITED)	(UNAUDITED)		(UNAUDITED)	(AUDITED)	
	RM'000	RM'000	%	RM'000	RM'000	%
Fair value loss on investment properties (net)	157,850	659	>100.0	157,850	30,701	>100.0
Manager's management fee payable in units *	1,254	1,854	(32.4)	4,915	7,583	(35.2)
Depreciation	322	315	2.2	1,251	1,100	13.7
Amortisation of transaction costs on borrowings	210	216	(2.8)	834	856	(2.6)
Deferred taxation	(12,267)	9,743	(>100.0)	(12,267)	19,495	(>100.0)
Tax and other adjustments	545	(3,502)	(>100.0)	(6,341)	(4,340)	46.1
	147,914	9,285	>100.0	146,242	55,395	>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. 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/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 2020 (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 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 ¹	-	(145,136)	(145,136)
Increase/(Decrease) in net assets resulting from unitholders' transactions	7,896	(145,136)	(137,240)
As at 31 December 2019 (Audited)	2,189,028	412,898	2,601,926
As at 1 January 2020	2,189,028	412,898	2,601,926
Total comprehensive loss for the financial year	-	(84,504)	(84,504)
Unitholders' transactions			
- Units issued as part satisfaction of the Manager's management fee	5,847	-	5,847
- Units issued under the Distribution Reinvestment Plan (net of issue costs)	3,571	-	3,571
- Distribution paid to unitholders ²	-	(82,928)	(82,928)
Increase/(Decrease) in net assets resulting from unitholders' transactions	9,418	(82,928)	(73,510)
As at 31 December 2020 (Unaudited)	2,198,446	245,466	2,443,912

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 2019.

1. This refers to (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.
2. This refers to the (i) 2019 final income distribution of 3.03 sen per unit for the period from 1 July 2019 to 31 December 2019 paid on 28 February 2020, and (ii) first income distribution of 1.01 sen per unit for the period from 1 January 2020 to 30 June 2020 paid on 13 October 2020.

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	TWELVE MONTHS ENDED	
	31 DECEMBER 2020 (UNAUDITED) RM'000	31 DECEMBER 2019 (AUDITED) RM'000
Cash Flows From Operating Activities		
(Loss) / Profit before taxation	(96,771)	92,095
Adjustments for:-		
Manager's management fee payable in units	4,915	7,583
Depreciation	1,251	1,100
Fair value loss on investment properties (net)	157,850	30,701
Finance costs	58,479	61,989
Interest income	(1,512)	(2,932)
Plant and equipment written off	-	2
Impairment losses for trade receivables	6,988	2,138
Operating profit before changes in working capital	131,200	192,676
Changes in working capital:		
Trade and other receivables	(14,978)	(2,043)
Trade and other payables	2,972	610
Tenants' deposits	(6,104)	125
Net cash generated from operating activities	113,090	191,368
Cash Flows From Investing Activities		
Acquisition of plant and equipment	(1,541)	(2,874)
Capital expenditure on investment properties	(22,454)	(56,542)
Interest received	1,512	2,932
Net cash used in investing activities	(22,483)	(56,484)
Cash Flows From Financing Activities		
Distribution paid to unitholders ¹	(79,062)	(145,136)
Interest paid	(58,773)	(60,602)
Payment of financing expenses	(25)	(736)
Payment of transaction costs related to Distribution Reinvestment Plan	(295)	-
Proceeds from interest bearing borrowings	102,040	139,432
Proceeds from issuance of medium terms notes	-	300,000
Repayment of interest bearing borrowings	(67,200)	(84,638)
Repayment of medium term notes	-	(300,000)
Withdrawal of pledged deposits from a licensed bank	-	253
Net cash used in financing activities	(103,315)	(151,427)
Net decrease in cash and cash equivalents	(12,708)	(16,543)
Cash and cash equivalents at beginning of the year	78,354	94,897
Cash and cash equivalents at end of the year	65,646	78,354
Cash and cash equivalents at end of the year comprise :		
Deposits placed with licensed banks	58,827	55,031
Cash and bank balances	13,049	29,553
	71,876	84,584
Less: Pledged deposits	(6,230)	(6,230)
	65,646	78,354

¹Non-cash transaction

During the financial year, a portion of the income declared for distribution has been converted into additional units under the Distribution Reinvestment Plan.

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 2019.

CAPITALAND MALAYSIA MALL TRUST

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)

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 2020 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), 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 28 October 2020 (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 2019.

A2. Changes in Accounting Policies

On 1 January 2020, the Group and CMMT adopted the following MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020:

Amendments to MFRS 3, Business Combinations – Definition of a Business
Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

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 2019 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 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

None except for the effects of the COVID-19 global pandemic and the various phases of Movement Control Order (MCO), Conditional Movement Control Order (CMCO) and Recovery Movement Control Order (RMCO) implemented in Malaysia as explained in Note B1.

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.

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)

A8. Income Distribution Policy

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

A9. Segmental Reporting

Segmental results for the quarter/year ended 31 December 2020 are as follows:

BUSINESS SEGMENT	4Q 2020			4Q 2019		
	RETAIL (UNAUDITED)	OFFICE (UNAUDITED)	TOTAL (UNAUDITED)	RETAIL (UNAUDITED)	OFFICE (UNAUDITED)	TOTAL (UNAUDITED)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross revenue	65,932	1,009	66,941	84,120	1,682	85,802
Net property income	33,487	543	34,030	48,724	1,120	49,844
Interest income			274			614
Other non-operating income			-			3,325
Fair value loss on investment properties (net)			(157,850)			(659)
Unallocated expenses			(5,148)			(5,854)
Finance costs			(13,765)			(15,663)
(Loss) / Profit before taxation			(142,459)			31,607
Taxation			-			-
Deferred taxation			12,267			(9,743)
(Loss) / Profit for the quarter			(130,192)			21,864

BUSINESS SEGMENT	YTD 2020			YTD 2019		
	RETAIL (UNAUDITED)	OFFICE (UNAUDITED)	TOTAL (UNAUDITED)	RETAIL (AUDITED)	OFFICE (AUDITED)	TOTAL (AUDITED)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross revenue	255,921	5,478	261,399	335,558	6,718	342,276
Net property income	130,027	3,474	133,501	197,614	4,506	202,120
Interest income			1,512			2,932
Other non-operating income			4,958			3,325
Fair value loss on investment properties (net)			(157,850)			(30,701)
Unallocated expenses			(20,413)			(23,592)
Finance costs			(58,479)			(61,989)
(Loss) / Profit before taxation			(96,771)			92,095
Taxation			-			-
Deferred taxation			12,267			(19,495)
(Loss) / Profit for the financial year			(84,504)			72,600

**CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)**

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 recognised to the profit or loss for the financial year in which they arise. Effective FY2020, the property revaluation exercise has been changed from semi-annual to annual basis, to be in line with industry practices and CapitaLand Limited Group's policies.

For the quarter ended 31 December 2020, the investment properties were valued based on valuations performed by independent professional valuers as at 31 December 2020. Net fair value loss arising from the valuations amounting to RM157.9 million was recognised during the quarter/ year.

A11. Subsequent Events

Nil.

A12. Changes in Composition of the Trust

	UNITS
Balance at beginning of period	2,051,752,800
Units issued as satisfaction of the Manager's management fee payable in units	6,309,700
Units issued under the Distribution Reinvestment Plan	5,783,864
Total units in issue	<u>2,063,846,364</u>

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	<u>1,881</u>

CAPITALAND MALAYSIA MALL TRUST
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (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

	4Q 2020 (UNAUDITED) RM'000	4Q 2019 (UNAUDITED) RM'000	Change %	YTD 2020 (UNAUDITED) RM'000	YTD 2019 (AUDITED) RM'000	Change %
Breakdown of Gross Revenue						
Gurney Plaza	33,723	37,944	(11.1)	121,423	152,488	(20.4)
East Coast Mall	13,428	16,279	(17.5)	49,483	63,906	(22.6)
Sungei Wang	4,150	6,899	(39.8)	20,094	25,409	(20.9)
3 Damansara Property	5,792	10,985	(47.3)	29,299	43,483	(32.6)
The Mines	9,848	13,695	(28.1)	41,100	56,990	(27.9)
Total Gross Revenue	66,941	85,802	(22.0)	261,399	342,276	(23.6)
Breakdown of Property Operating Expenses						
Gurney Plaza	11,479	11,000	4.4	40,793	43,864	(7.0)
East Coast Mall	5,799	5,454	6.3	19,464	21,422	(9.1)
Sungei Wang	5,319	6,108	(12.9)	22,502	24,509	(8.2)
3 Damansara Property	4,513	6,043	(25.3)	21,010	22,983	(8.6)
The Mines	5,801	7,353	(21.1)	24,129	27,378	(11.9)
Total Property Operating Expenses	32,911	35,958	(8.5)	127,898	140,156	(8.7)
Breakdown of Net Property Income						
Gurney Plaza	22,244	26,944	(17.4)	80,630	108,624	(25.8)
East Coast Mall	7,629	10,825	(29.5)	30,019	42,484	(29.3)
Sungei Wang	(1,169)	791	(>100.0)	(2,408)	900	(>100.0)
3 Damansara Property	1,279	4,942	(74.1)	8,289	20,500	(59.6)
The Mines	4,047	6,342	(36.2)	16,971	29,612	(42.7)
Total Net Property Income	34,030	49,844	(31.7)	133,501	202,120	(33.9)

CAPITALAND MALAYSIA MALL TRUST FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)

B1. Review of Performance (cont'd)

Quarter Results (4Q 2020 vs 4Q 2019)

The Group recorded gross revenue of RM66.9 million in 4Q 2020, a decrease of RM18.9 million or 22.0% against 4Q 2019. The decrease was mainly due to the resurgence of COVID-19 cases which triggered the reintroduction of CMCO from 14 October 2020. As a result of the movement control, this has affected tenants' businesses and targeted rental rebates were extended to the affected tenants. The reintroduction of the CMCO has affected shopper footfall especially at the initial stage of this new phase of CMCO and resulted in lower car park and marcom income. Lower gross rental income was also due to lower occupancies amidst the uncertainties arising from the pandemic and economic recovery post-MCOs. Notwithstanding the above, the successful launch of Gurney Food Hall at Gurney Plaza in October 2020 has contributed positively to gross revenue and shopper footfall.

Property operating expenses for 4Q 2020 was RM32.9 million, a decrease of 8.5% against 4Q 2019 mainly due to lower utilities expenses as a result of lower electricity consumption, lower salary reimbursable and reversal of provision for doubtful debts as a result of subsequent payment by tenants.

The net property income (NPI) for 4Q 2020 of RM34.0 million was RM15.8 million or 31.7% lower than 4Q 2019.

As mentioned in Note A10, a net fair value loss of RM157.9 million was recognised during the quarter under review upon the revaluation of the investment properties and the loss is attributable mainly to the Klang Valley malls. The deferred tax liabilities previously recognised on the investment properties were adjusted by RM12.3 million to reflect the lower tax liabilities on Real Property Gain Tax (RPGT).

Finance costs for 4Q 2020 of RM13.8 million were RM1.9 million or 12.1% lower than 4Q 2019. The decrease was mainly due to lower cost of debts for 4Q 2020 at 3.82% p.a. (4Q 2019: 4.41% p.a.) arising from the reductions in Overnight Policy Rate (OPR) and the refinancing of interest rate for a term loan.

Capital expenditure incurred for 4Q 2020 was RM6.4 million.

Overall, distributable income to Unitholders for 4Q 2020 was RM17.8 million, a decrease of RM13.3 million or 42.8% against 4Q 2019 mainly due to abovementioned factors.

Financial Year-to-date Results (YTD 2020 vs YTD 2019)

The Group recorded gross revenue of RM261.4 million, a decrease of RM80.9 million or 23.6% against the previous financial year. The decrease was mainly due to targeted rental waivers and rebates extended to affected tenants who fall under the category of non-essential services across portfolio during the various phases of the MCO/ CMCO/ RMCO, lower car park and marcom income as well as lower recovery of utilities during the same periods since the electricity rebates received were passed on to tenants. Lower gross rental income also due to lower occupancies amidst the uncertainties arising from the pandemic and economic recovery post-MCOs. The decrease was partially mitigated by revenue contribution from Jumpa (JP) following the completion of the AEI and the soft opening on 25 September 2019. Additionally, the successful launch of Gurney Food Hall at Gurney Plaza in October 2020 has contributed positively to gross revenue and shopper footfall.

Property operating expenses for YTD 2020 were RM127.9 million, a decrease of RM12.3 million or 8.7% against the previous financial year mainly due to lower utilities as a result of lower electricity consumption and lower electricity surcharge with effect from 1 January 2020. Lower marketing expenses during the MCO/ CMCO/ RMCO also contributed to the lower operating expenses recorded. The decrease was offset by higher maintenance and marketing expenses at JP which was previously under construction, and higher impairment losses for trade receivables recognised in 2Q 2020 and 3Q2020.

Other non-operating income was higher due to compensation income of RM5.0 million received as a result of the termination of the existing easement agreement in relation to the car park area between Sungei Wang (SW) and Bukit Bintang Plaza and the restriction of access to SW rooftop car park.

The NPI for YTD 2020 of RM133.5 million was RM68.6 million or 33.9% lower than YTD 2019.

**CAPITALAND MALAYSIA MALL TRUST
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B1. Review of Performance (cont'd)

Financial Year-to-date Results (YTD 2020 vs YTD 2019) (cont'd)

A net fair value loss of RM157.9 million was recognised during the financial year under review upon the revaluation of the investment properties and the loss is attributable mainly to the Klang Valley malls. The deferred tax liabilities previously recognised on the investment properties were adjusted to reflect the lower tax liabilities on RPGT.

Finance costs for FY 2020 of RM58.5 million were RM3.5 million or 5.6% lower than FY 2019. The decrease was mainly due to lower average cost of debt for FY 2020 at 4.09% p.a. (FY 2019: 4.44% p.a.) arising from the reductions in OPR during the period under review and refixing of interest rate for a term loan.

CMMT incurred RM17.9 million of capital expenditure during the financial year mainly due to AEI works at Gurney Food Hall, which was completed in September 2020.

Overall, distributable income to Unitholders for the financial year was RM61.8 million, a decrease of RM66.2 million or 51.7% against YTD 2019 due to abovementioned factors.

B2. Material Changes in Quarter Results

	QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED) RM'000	QUARTER ENDED 30 SEPTEMBER 2020 (UNAUDITED) RM'000	Change %
(Loss)/ Profit before taxation	(142,459)	26,226	(>100.0)
Adjusted for: Fair value loss on investment properties (net)	157,850	-	-
Profit before taxation, excluding net fair value loss on investment properties	15,391	26,226	(41.3)

Other than the net fair value loss of RM157.9 million resulting from the valuation as at 31 December 2020, the change in the financial results of 4Q 2020 compared to 3Q 2020 was mainly due to lower net property income 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.

CAPITALAND MALAYSIA MALL TRUST

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B4. Commentary on Prospects

According to Bank Negara Malaysia, Malaysia's economy recorded a smaller contraction of 2.7% in 3Q 2020 from the 17.1% decline in 2Q 2020, following the resumption of economic activities under the Recovery Movement Control Order (RMCO) from 10 June 2020 and recovery in domestic consumption. However, given the ongoing macroeconomic uncertainties arising from the COVID-19 pandemic, the country's economy is expected to contract by 4.5% for the full year of 2020. Meanwhile, Bank Negara Malaysia expects a gross domestic product growth of 6.5% to 7.5% in 2021.

To control the spread of COVID-19, the Malaysian Government has declared a nationwide state of emergency from 12 January to 1 August 2021. Movement restriction orders have also been reinstated from 13 January 2021. Meanwhile, the Government is in the midst of finalising a national vaccination plan that is slated to begin in 1Q 2021. In view of the challenging operating conditions and economic uncertainties, consumer and retailer sentiments are expected to remain subdued.

The issues of retail space oversupply and challenges arising from the impact of COVID-19 are expected to continue in 2021. With the reintroduction of the MCO and the country's state of emergency, shopping malls may continue to experience downward pressure on shopper footfall and retail sales.

As we navigate the financial and operational challenges from COVID-19, we remain focused on operational recovery and prioritising the safety and well-being of our employees, tenants and shoppers in accordance with guidelines from local authorities. To strengthen CMMT's financial position, we will continue to actively reduce and defer non-essential operational and capital spending to contain costs and conserve cash. As the potential impact of COVID-19 remains fluid, the Manager will proactively manage the CMMT portfolio to build greater resilience in its retail ecosystem, in line with the long-term interests of Unitholders.

The pandemic has accelerated pre-existing trends, including the rise of online shopping. As we continue to roll out marketing support initiatives to build shopper loyalty, we have also stepped up digital adoption among tenants, in line with our vision of offering shoppers an omnichannel retail experience.

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% 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 CMMT intends to distribute at least 90% of its distributable income for the financial year ended 31 December 2020 to its Unitholders, no provision for tax has been made for the current quarter.

B7. Status of Corporate Proposals

Nil.

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B8. Borrowings and Debt Securities

	AS AT 31 DECEMBER 2020 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2019 (AUDITED) RM'000
Long term borrowings		
Secured revolving credit	52,377	26,687
Secured term loans	918,430	918,430
Unrated medium term notes	300,000	300,000
Less: Unamortised transaction costs	(1,754)	(2,578)
	<u>1,269,053</u>	<u>1,242,539</u>
Short term borrowings		
Secured revolving credit	25,600	-
Unsecured revolving credit	115,160	131,610
	<u>140,760</u>	<u>131,610</u>
Total borrowings	<u>1,409,813</u>	<u>1,374,149</u>

All the borrowings are denominated in Ringgit Malaysia.

During the financial year, the net increase in total gross borrowings (before deducting unamortised transaction costs) of RM34.8 million was mainly due to additional revolving credit facilities (RCF) of RM102.0 million being drawn down to reimburse the cash balances previously utilised for capital expenditure settlement as part of active cash management, offset by the partial repayment of RCF totalling RM67.2 million.

As of to-date, two out of five properties of the Group, namely Sungei Wang and East Coast Mall remain unencumbered. The interest rate profile of the fixed and floating rate borrowings stood at 81% and 19% respectively.

B9. Change in Material Litigation

Nil.

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B10. Income Distribution

Distribution to Unitholders is from the following sources:-

	CURRENT QUARTER			YEAR TO DATE		
	31 DECEMBER		Change	31 DECEMBER		Change
	2020 (UNAUDITED) RM'000	2019 (UNAUDITED) RM'000		2020 (UNAUDITED) RM'000	2019 (AUDITED) RM'000	
Gross rental income	52,932	66,341	(20.2)	210,288	266,902	(21.2)
Car park income	3,977	5,884	(32.4)	14,602	23,048	(36.6)
Other revenue	10,032	13,577	(26.1)	36,509	52,326	(30.2)
Interest income	274	614	(55.4)	1,512	2,932	(48.4)
Other income	-	3,325	(100.0)	4,958	3,325	49.1
Fair value loss on investment properties (net)	(157,850)	(659)	>100.0	(157,850)	(30,701)	>100.0
	(90,635)	89,082	(>100.0)	110,019	317,832	(65.4)
Total property and trust expenses	(51,824)	(57,475)	(9.8)	(206,790)	(225,737)	(8.4)
Deferred taxation	12,267	(9,743)	(>100.0)	12,267	(19,495)	(>100.0)
Total comprehensive (loss)/income for the quarter / year	(130,192)	21,864	(>100.0)	(84,504)	72,600	(>100.0)
Distribution adjustments	147,914	9,285	>100.0	146,242	55,395	>100.0
Realised income for the quarter / year	17,722	31,149	(43.1)	61,738	127,995	(51.8)
Previous quarter / year's undistributed income	572	579	(1.2)	541	537	0.8
Total realised income available for distribution	18,294	31,728	(42.3)	62,279	128,532	(51.5)
Proposed/ declared income distribution	(17,845)	(31,187)	(42.8)	(61,830)	(127,991)	(51.7)
Balance undistributed income	449	541	(17.0)	449	541	(17.0)
Distribution per unit (DPU) (sen)	0.86	1.52	(43.4)	3.00	6.25	(52.0)
DPU (sen) – annualised	3.42	6.03	(43.3)	3.00	6.25	(52.0)

CAPITALAND MALAYSIA MALL TRUST FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (UNAUDITED)

B10. Income Distribution (cont'd)

CMMT intends to distribute its final income distribution of RM41.1 million or 1.99 sen per unit (of which 1.76 sen per unit is taxable and 0.23 sen per unit is tax exempt), based on the number of units in issue 2,063,846,000 for the period from 1 July 2020 to 31 December 2020 (Final Income Distribution). This means CMMT will distribute approximately 100% of its distributable income to its Unitholders for the financial year ended 31 December 2020.

The Board has determined that the Distribution Reinvestment Plan (DRP) shall apply to the Final Income Distribution where the gross electable portion will be the entire 1.99 sen per unit of the Final 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 CMMT level is as follows:

Resident Unitholders:

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

Non-resident Unitholders:

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

B11. Composition of Investment Portfolio as at 31 December 2020

As at 31 December 2020, CMMT's portfolio comprised the following investment properties:

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	1,158,146	1,678,516	1,665,000	68.2
East Coast Mall	405,849	577,430	579,000	23.7
Sungei Wang	812,940	537,228	475,000	19.4
3 Damansara Property	592,636	542,931	496,000	20.3
The Mines	602,254	716,745	680,000	27.8
Total	3,571,825	4,052,850	3,895,000	

The market values of Gurney Plaza, Sungei Wang, and The Mines were stated at valuations conducted by Nawawi Tie Leung Property Consultants Sdn Bhd as at 31 December 2020. The market values of 3 Damansara Property and East Coast Mall were stated at valuations performed by PPC International Sdn Bhd and Savills (Malaysia) Sdn Bhd respectively as at 31 December 2020.

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 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 RM2,443,912,000 as at 31 December 2020. This is calculated in accordance with the REITs Guidelines.

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

	QUARTER ENDED 31 DECEMBER	QUARTER ENDED 30 SEPTEMBER
Number of units in circulation (units)	2,063,846,000	2,055,387,000
NAV before income distribution (RM'000)	2,443,912	2,589,134
NAV after income distribution (RM'000)	2,402,841	2,545,149
NAV per unit ¹ (RM)	1.1643	1.2383
Total comprehensive (loss)/ income (RM'000)	(130,192)	26,226
Weighted average number of units in issue ² (units)	2,061,487,758	2,055,387,000
EPU after manager's management fee (sen)	(6.32)	1.27
Distributable income (RM'000)	17,845	23,226
DPU (sen)	0.86	1.13
Market price (RM)	0.625	0.645
DPU yield (%)	1.38	1.75

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 year.

² Weighted average number of units in issue for YTD 2020 is 2,056,175,811.

B13. Soft Commission Received By The Manager And Its Delegates

Nil.

B14. Manager's Fees

For the year ended 31 December 2020, 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 2020 ACTUAL (UNAUDITED) RM'000	YTD 2020 ACTUAL (UNAUDITED) RM'000
Base management fee	2,916	11,903
Performance fee	1,616	6,341
Total fees	4,532	18,244

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

	NO OF UNITS	PERCENTAGE OF UNITHOLDINGS ³	MARKET VALUE ⁴ AT 31 DECEMBER 2020
	UNITS	%	RM
CMMT Investment Limited ¹	716,346,062	34.71	447,716,289
Menang Investment Limited ¹	54,437,568	2.64	34,023,480
Direct unitholdings of the Directors of the			
Ms Low Peck Chen	12,081	N.M.	7,551
Mr Lim Cho Pin Andrew Geoffrey ²	47,319	N.M.	29,574
Mohd Yusof bin Hussian	60,374	N.M.	37,734
	<u>770,903,404</u>	<u>37.35</u>	<u>481,814,628</u>

N.M. - Not meaningful

¹ An indirect wholly-owned subsidiary of CapitaLand Limited.

² Units held through nominees.

³ Approximation.

⁴ The market value of the units is computed based on the closing price of RM0.625 per unit as at 31 December 2020.

During the financial year, the Manager disposed a total of 6,309,700 units in CMMT at costs to a related party, Menang Investment Limited.

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 2021